

# Theewaterskloof Annual Report 2020/2021

Prepared by:

Theewaterskloof Municipality

Plein Street

P.O.Box 24

Caledon

Western Cape | Tel: 028 214 3300

Website: [www.twk.gov.za](http://www.twk.gov.za)



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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**

The COVID-19 Pandemic continued to affect municipal existence throughout the report year: 2020/2021. The COVID-19 Pandemic forced the Municipal Council to change several protocols regarding, amongst others, its meetings and its oversight over the municipal administration.

The effect of the Pandemic on the municipality and its residents forced the municipality to rethink its strategic approaches and after intensive public participative processes, internal planning and a strategic session, the local government developed and adopted a post COVID-19 Recovery Strategy and Implementation Plan.

As the Executive Mayor, I took special measurements to ensure continued good governance and the municipal administration's compliance with its legal mandates, service delivery and COVID-19 related responses.

The Municipal Manager provided a detailed account of the impact of the pandemic on the municipality and its functions. I will focus on the guidance Council provided to the municipal administration through the upholding of, amongst others, compliance with Financial and other Acts, Policies, Strategies and Plans.

### **b. Vision**

To give effect to the Recovery Strategy and the Municipal Vision, Council adopted the new municipal macro structure for implementation in 2021/22.

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 – Strategic Objectives**

The municipality increased its ability and capacity to deal with various challenges articulated in the Post-COVID-19 Pandemic Recovery Strategy:

- Functionality Recovery, Readiness and Risk Mitigation
- Service Delivery Sustainability
- Economic Recovery and Growth
- Social and Health Welfare of the Community
- Community Safety and Law and Order
- Financial Sustainability

In terms of the Municipal Vision the local government continued to direct its activities and resources to ensure that:

- All people live in dignity
- All people live in harmony, despite diversities.
- All people live in peace.
- The gap between stakeholder expectations and municipal capacities are narrowed.
- Stakeholder management is done effectively.

The key strategic outcomes for the report year relates to municipal sustainability, community development and growth, institutional development and growth, economic development and growth, functional stakeholder relations, political stability, Infrastructure growth and synergy between the municipal abilities and its constituency.

#### **d. Restructuring**

A new Macro Organizational Structure was adopted by Council and the previous three Directorates were extended to five:

- Financial Services
- Technical services and Infrastructure Implementation
- Economic Development and Planning
- Community Services
- Corporate Services

#### **e. 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. A list of policies reflects elsewhere in the Annual Report but I do mention the amendment of the following policies:

- Rates Policy
- Review and approval of the Risk Management Strategy and Policy charter for 2020/2021.
- Risk based internal audit plan for 2020/2021.
- Supply Chain Management Policy.

#### **f. Key Service Delivery Improvements**

Service delivery is largely based on infrastructure and in this regard the municipality had to mitigate several challenges relating to insufficient bulk services infrastructure. The municipality identified a need to upgrade existing infrastructure which is on the verge of collapsing. Insufficient funding remains a challenge and the municipality could still not create a reserve fund 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 2020/2021 financial year.

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.



## **g. 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.

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

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

All future actions will, amongst others mentioned, aim to enhance the socio economic and welfare profiles of communities, local economic growth and development and a developmental third sphere of government. Actions will be launched to manage financial sustainability, migration, ageing infrastructure, public expectations and communities who are socially and economically challenged.

## **i. 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 report 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 provides 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  
2021/09/02

## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1 MUNICIPAL MANAGER'S OVERVIEW**

#### **1.1.1 MUNICIPAL MANAGER FOREWORD**

##### **COMPLYING WITH LEGAL MANDATES AND SERVICE DELIVERY**

In 2020/2021 the Theewaterskloof Municipal administration responded effectively, efficiently and in an equitable manner on all local government mandates and functions. Hence the administration complied with the requirements of the Constitution, Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Structures Act 117 of 1998 and the Municipal Finance Management Act no 56 of 2003.

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

In the report year the municipal administration had to assimilate and mitigate many challenges caused by the COVID-19 Pandemic and Lockdown:

- Compliance with good governance practices.
- Deteriorating financial sustainability due to the decline in all municipal income sources and especially National Government Grants and local taxes and tariffs.
- Accelerating income for service delivery provision through increased debt collection and obtaining funds, for so-called unfunded mandates, from Provincial Government.
- Reprioritizing the budget to maintain acceptable levels of service delivery and to fund COVID-19-Pandemic related projects.
- Managing the municipality administration with the support of the Theewaterskloof Municipal COVID-19 Pandemic Joint Operational Committee (JOC).
- Responding to National, Provincial and District poverty and hunger alleviation programs.
- Creating a Corona-virus infection awareness in the broader community.

##### **RECOVERY FROM THE PANDEMIC AND ASSIMILATING THE NEW NORMAL**

The need to develop a Post Pandemic Recovery Plan is relevant to all organs of government.

The Recovery Plan adopted by Council must be read in context with the poverty profile of the municipality and certain indicators such as a budget of less than R900 million to provide municipal services and Pandemic related relief to a population exceeding 250 000 people in an environment where the local economy is finding it increasingly difficult to maintain current levels of growth.

The municipal administration focused on financial and service delivery sustainability; extended mandate functionality and Community Safety and Law and Order. To achieve this the municipal administration will rely heavily on the Implementation Plans of the Recovery Strategy.

##### **KEY INFLUENCES ON THE MUNICIPALITY**

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

1. Reduced national government subsidies for indigent families who now probably represents 58% of the Theewaterskloof population.

2. Reduced government contributions to the Municipal Infrastructure Grant (MIG) and Housing.
3. Public dissatisfaction and related community displeasures that manifested in protests, land invasions and a fluctuating debt collection rate.
4. A rapidly deteriorating municipal infrastructure and the lapses in service delivery that results from it.
5. Rapidly expanding informal settlements and land invasions.  
(There are 25 informal human settlements in Theewaterskloof. The invasion of Knoflokskraal commenced in the year under review and is posing severe municipal sustainability threats.)
6. Adverse social behaviours, especially the vandalizing of municipal assets, as a result of escalating poverty.

## **AUDIT OUTCOME OF THE AUDITOR GENERAL**

After receiving clean audit outcomes for several years, the Auditor-General issued another clean audit outcome to Theewaterskloof Municipality for the 2019/2020 the retention of the clean audit in 2020/2021 is as a result of continued good governance and financial management.

The municipality also received positive and inspiring comments from Ratings Africa.

One can dwell on the meaning of a clean audit and the comments of ratings agencies but the bottom-line is a message of good and clean and uncorrupted governance and compliance with the MFMA and all other Financial and Budget Control Regulations, Policies, requirements and indicators.

The reality is that this municipality had a funded budget and exercised extreme budget control to the extent that the management statements and the audited statements did not differ materially.

The audit outcome confirms that there are no traces of unbudgeted expenses, corruption and fruitless and wasteful expenses.

A clean audit confirms good financial and bookkeeping practices and the maintaining of high levels of ethics. Unfortunately, a clean audit does not imply sufficient finances to secure municipal financial sustainability.

## **SPECIAL WARNING**

Theewaterskloof is a financially challenged municipality and can implode financially. The most obvious reason for municipal implosion, due to other factors than bad governance, is insufficient funds due to unexpected drops in income or unforeseen expenditure.

In this context I must issue a specific warning regarding the invasion of Knoflokskraal.

In 2016 the establishment of the Siyayanzela informal settlement on national government land came close to financially ruin Theewaterskloof Municipality.

If the Knoflokskraal invasion succeeds and if the municipality becomes responsible to provide services, the municipality will not be able to remain sustainable in terms of finances or service delivery.

To prevent this, the municipality in 2020/2021 embarked on a pro-active preventative approach as its response to this threat.

## **IDP AND SDBIP**

The organizational restructuring has still not been concluded and this might impact on integrity of the SDBIP and related compliance. The organizational restructuring in terms of the macro-structure and the micro-structure within departments, have been commenced with, and this will have an impact on the IDP, Budget and SDBIP.

The IDP reflects the inputs of communities, role-players and stakeholders, the organizational corporate administration, council, ward committees and town forums.

The IDP through its incorporation in the budget captures the needs of the broader Theewaterskloof community.

This is exceptional as public participation had to be done by means of methodologies dictated by the COVID-19 Pandemic.

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 Performance and Audit Committee (PAC) added to clean governance in the municipality and the member's experience in the fields of internal audit, performance monitoring and holistic municipal governance, again proved 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. The AG uses internal audit outcomes to find high risks which they may have missed. In this sense the internal 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 to deliver on infrastructure development, as well as to ensure the receipt of future grant funding in years to come.

## **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. 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.

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 believe 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 used 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 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 year under review the Municipality kept its financial sustainability indicators to acceptable levels.

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

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

Despite limited income, the Municipality sustained its sustainable and effective service delivery.

## **CONSERVATION OF WATER AND ELECTRICITY**

The municipality has a generic focus on and commitment to the responsible utilization of scarce resources, and is continuously striving towards conserving its resources.

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

The municipality believes the electrification of human settlements is the only solution for electricity problems in communities. This is a matter that is almost always on the agenda when the municipality and Eskom discusses mutual interests.

## **FUTURE CHALLENGES**

Looking at the future, the municipality identified several key matters to be dealt with in 2021/2022:

1. Mitigate the challenges of the COVID-19 Pandemic effects on the municipality.
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.
5. Deal effectively with the migration challenges.
6. Deal effectively with ageing infrastructure as to ensure continued service delivery.

## **FINAL REMARKS**

I thank the Council, Executive Mayor, Alderlady Councillor Christelle Vosloo and her Mayoral Committee, for supporting the administration.

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

I thank the residents and stakeholders who worked with the municipality to grow and develop the organization as well as the Theewaterskloof community and the economy.

I thank our Heavenly Father for his guidance, everlasting love and grace.

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Daniël Lubbe  
Municipal Manager  
2021/09/07

## 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 2020 to 30 June 2021, it also focuses on progress made against the Integrated Development Plan objectives, a new version which is compiled every 5 years and thereafter annually reviewed.

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

The purpose of the Annual Report is

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

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

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

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

### 1.2.1 INTRODUCTION TO BACKGROUND DATA

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.



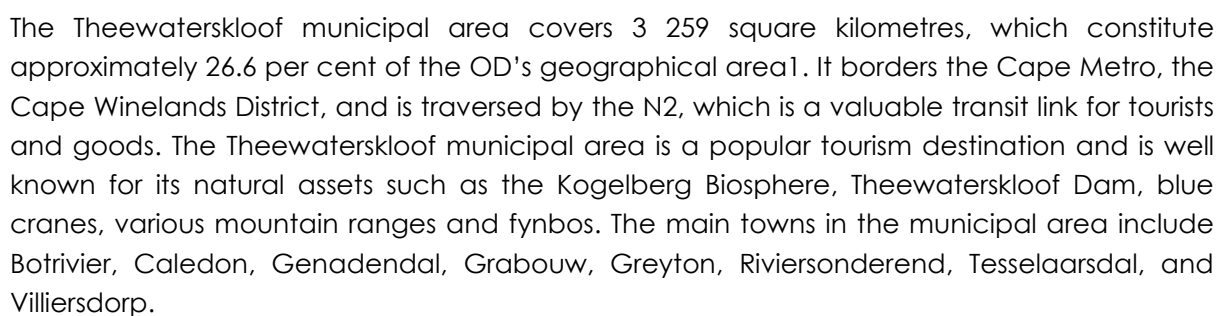
### 1.2.2 ANNUAL REPORT AND DATA SOURCES

The 2020/21 Annual Report reflects on the performance of the Theewaterskloof Municipality for the period of 1 July 2020 to 30 June 2021.

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 initially scheduled for 2021 and now postponed 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 2021 (SEP 21) and The Municipal Economic Review Outlook 2021 (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 2021.

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.

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.



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

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

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

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

**Municipal Demarcation Code:** WC031.

**Location of Head Office:** 6 Plein street Caledon.

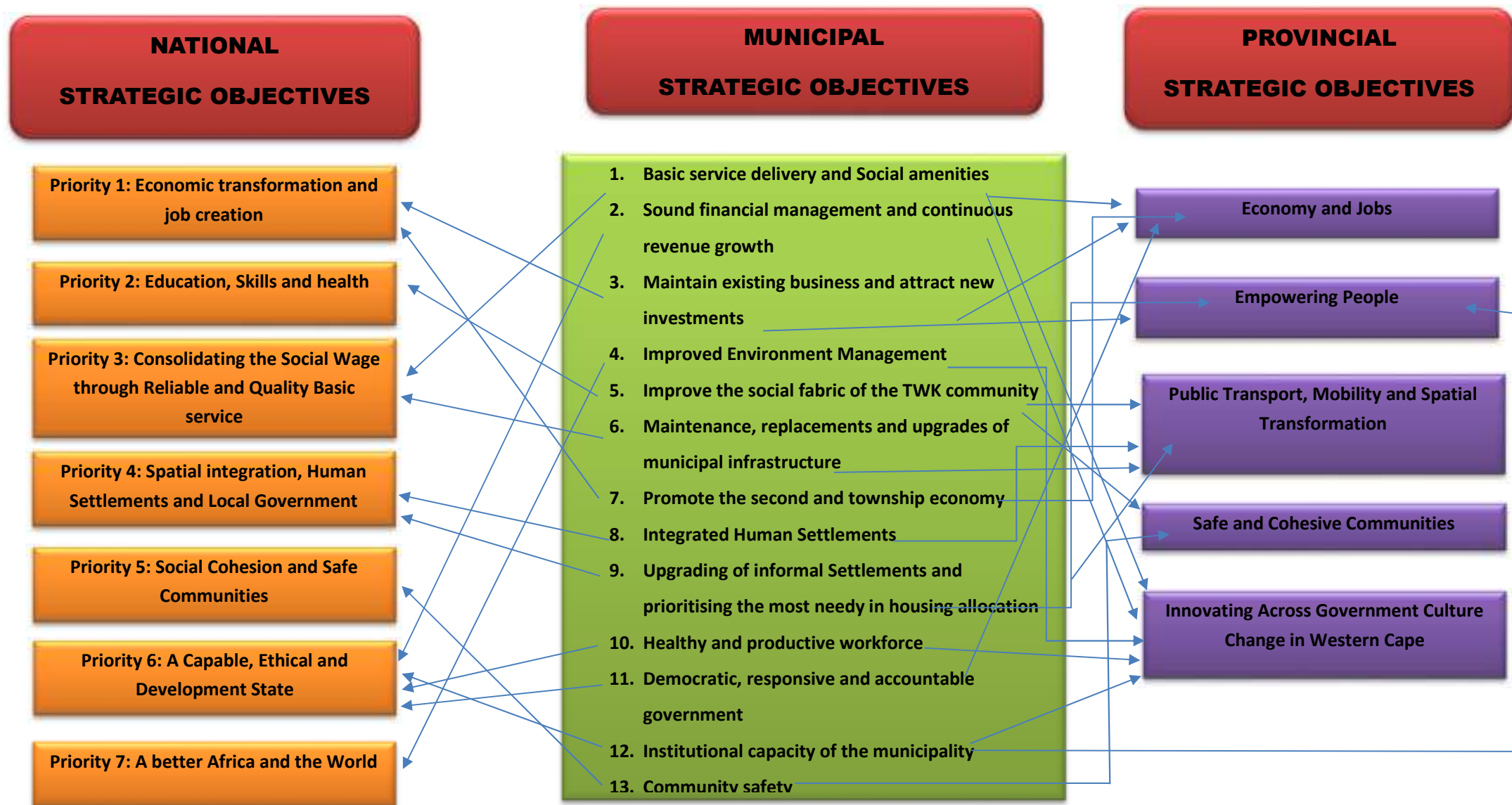
**Theewaterskloof jurisdiction area:** 3 258km<sup>2</sup>.

**District Municipality:** Overberg District Municipality.

Theewaterskloof Municipality committed itself to the following vision:



## *THEEWATERSKLOOF STRATEGIC OBJECTIVES AND INTERGOVERNMENTAL ALIGNMENT*

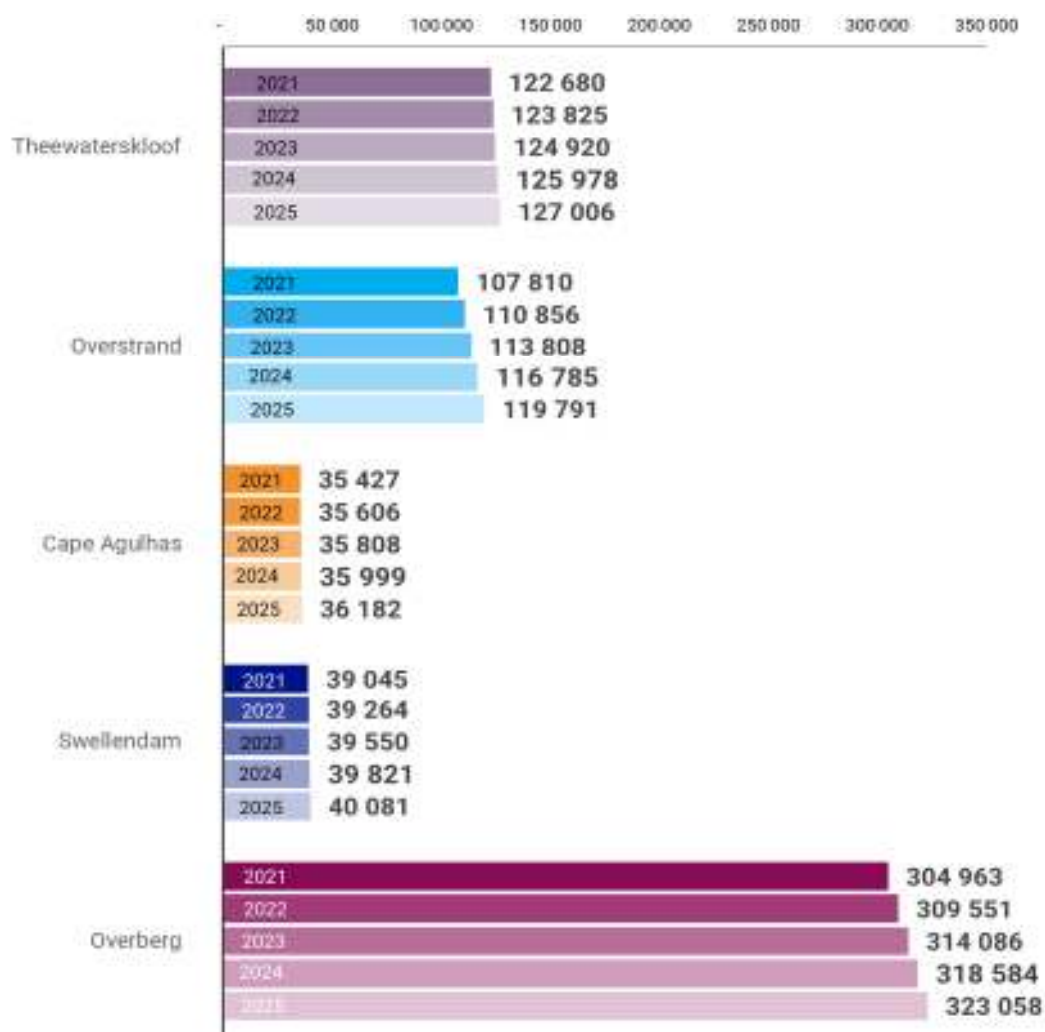


### 1.2.3 POPULATION

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 2021) indicates that Theewaterskloof's population will grow from 122 689 in 2021 to 127 006 in 2025. This is in sharp contrast to 2018 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 2021 this total equates to average annual growth of 0.9% percent and a 3.52 percent increase over the before mentioned period using 2021 as the base estimate. The Census 2011 estimates the population Growth of Theewaterskloof to be 1.54 percent, higher than SEP 2021 but considerably lower than SEP 2018.



**\*\*MERO (Municipal Economic review Outlook)**

The table above indicates that Theewaterskloof has approximately 14870 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 (2021 – 2025) continuously representing above 35% of the population in the region.

All though residents of Theewaterskloof would dispute the following fact, sources indicate that Overstrand has the fastest growing population growth rate estimated in the region of 2.7 percent.

All sources research however confirms the fact that for the foreseeable future the largest part of the population in the district would remain in Theewaterskloof municipal area.

All local intelligence indicates 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.



### 1.2.3.1 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).

### 1.2.3.2 TOTAL POPULATION STATISTICS

The table below depict the 2011 census data in the various categories. Neither the 2016 nor the SEP 2021 provides data in the same format. 2011 Data was therefor used as a basis to do a calculation to illustrate the effect of the growth rate within the various categories post 2011. It should be noted that post 2011 Stats SA only classify four population groups:

- Black
- Coloured
- Indian/Asian
- White

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

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

Using a tool provided by Stats SA, we were able to depict the 2011 census data within the 2016 boundaries. Using growth percentage between census 2011, community Survey 2016 and SEP a calculation could be made to provide comparative figures throughout the years where we have data available.

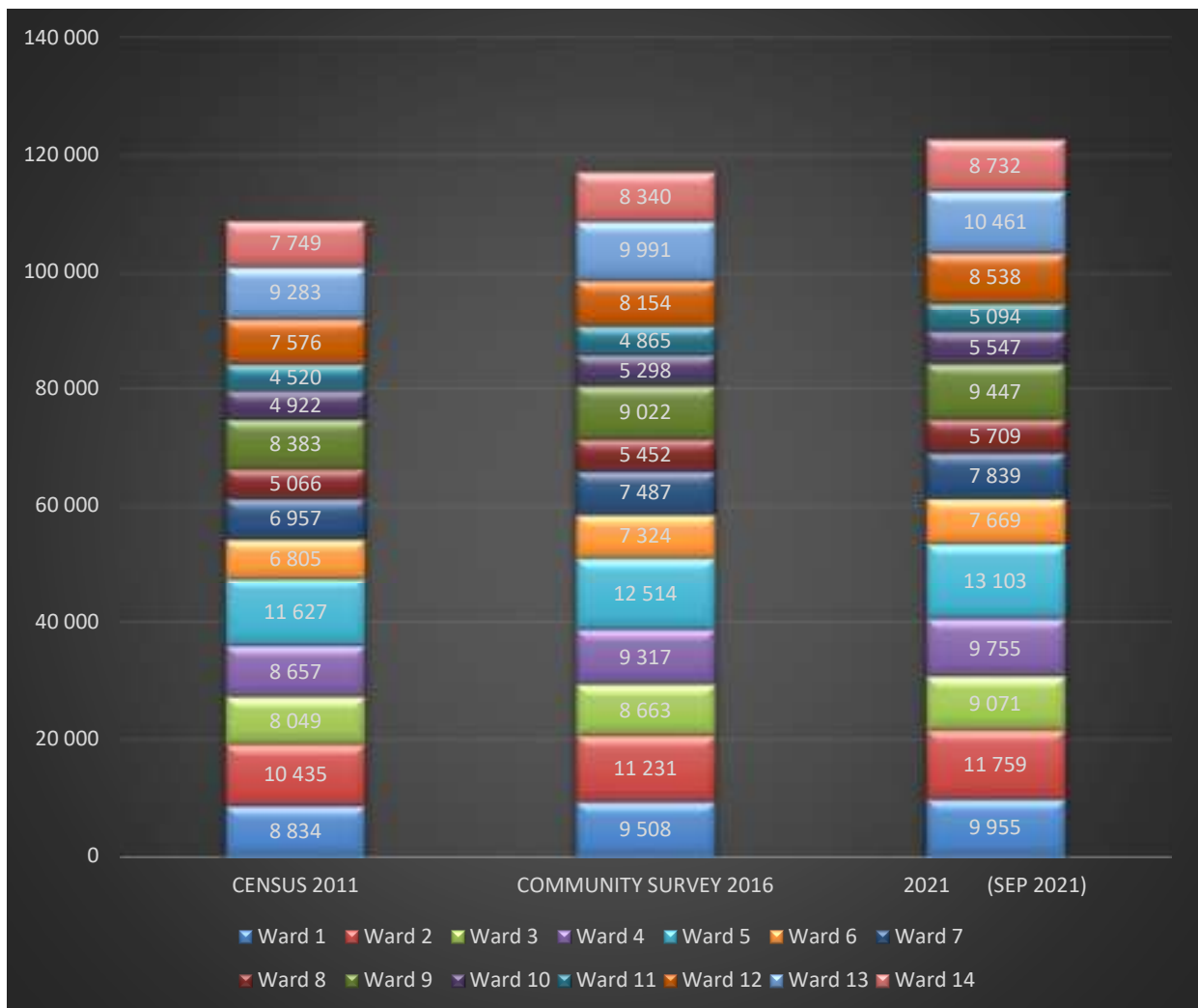
It should however be noted that this is only for illustrated/comparative purposes and based on the assumption that growth for the total area are equal or similar in the individual wards.

WARDS	TOWNS	CENSUS 2011	COMMUNITY SURVEY 2016	2021 (SEP 2021)
Ward 1	Riviersonderend	8 834	9 508	9 955
Ward 2	Greyton/Genadendal	10 435	11 231	11 759
Ward 3	Caledon	8 049	8 663	9 071
Ward 4	Caledon	8 657	9 317	9 755
Ward 5	Villiersdorp	11 627	12 514	13 103
Ward 6	Villiersdorp	6 805	7 324	7 669

<sup>2</sup> Note that the table above makes reference to 13 wards, Theewaterskloof currently has 14 wards. The 14th ward was added just prior to the 2016 elections. The statistical data for ward 14 does not exist in the 2011 census. On page 20 a tool provided by Stats SA was used to get population figures for Ward 14.



Ward 7	<b>Botrivier</b>	6 957	7 487	7 839
Ward 8	<b>Grabouw</b>	5 066	5 452	5 709
Ward 9	<b>Villiersdorp</b>	8 383	9 022	9 447
Ward 10	<b>Grabouw</b>	4 922	5 298	5 547
Ward 11	<b>Grabouw</b>	4 520	4 865	5 094
Ward 12	<b>Grabouw</b>	7 576	8 154	8 538
Ward 13	<b>Grabouw</b>	9 283	9 991	10 461
Ward 14	<b>Grabouw</b>	7 749	8 340	8 732
<b>TOTALS</b>		<b>108 864</b>	<b>117 167</b>	<b>122 680</b>



### 1.2.3.3 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 2021: 0.9% (2021 – 2025)



MERO 2021: 0.9%

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	38 persons km <sup>3</sup>				

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 (76 374), 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.

Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risks. In 2021 the population density of the Overberg District was 25 persons per square kilometre. In order of highest to lowest, the various local municipal areas in the Overberg District compare as follows:

Overstrand 63 people/km<sup>2</sup>

Theewaterskloof 38 people/km<sup>2</sup>

Cape Agulhas 10 people/km<sup>2</sup>

Swellendam 10 people/km<sup>2</sup>

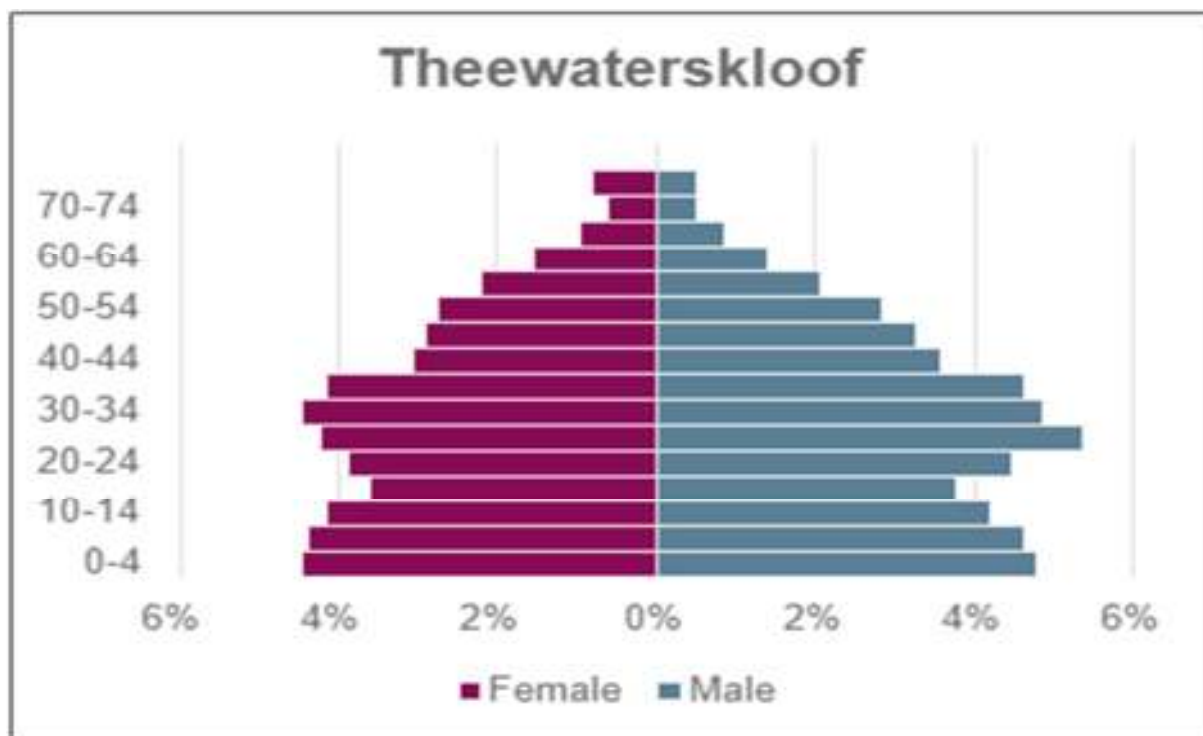
### Gender Distribution

GENDER DISTRIBUTION	2001	2011	2016	SEP 2021	%Growth
MALE	48 527	55 463	59 270	59 381	22.37%
FEMALE	44 749	53 327	57 898	63 308	41%
Males per 100 females	106.8 <sup>4</sup>				

<sup>3</sup> SEP 2021 latest available data on Population Density

<sup>4</sup> Latest SEP

The following figures were obtained from MERO 2021:



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 SEP 2021). Assuming this trend continues, females could soon overtake the male population in the region. The population of the Theewaterskloof municipal area comprises mainly of individuals between the ages of 15 and 34 years making up 34.7 per cent of the population. This was closely followed by individuals between 35 and 64 years comprising 34.4 per cent of the population. Individuals younger than 14 years comprises 26.6 per cent of the population. There is thus a high child dependency in the municipal area. Individuals older than 65 make up 4.3 per cent of the population. This shows that most of the population in the Theewaterskloof municipal area comprise of potentially economically active population that can contribute to the economy.

### Age Distribution and Cohorts



Theewaterskloof's age profile remained relatively consistent from 2011 through to 2025. Between 2021 and 2025 higher population growth is estimated for children, with expected growth for the period reaching an average annual rate of 1, 7 per cent. Similar growth is estimated for the working aged population, growing at 1,5 per cent over the same period, while slower grow 0,7 per cent) is expected for the 65 aged group. The predicted growth decreases the dependency ratio slightly from 48,4 in 2021 to 48,2 in 2023 and then back up to 48,4 in 2025.

### **Dependency Ratio**

In Theewaterskloof, this ratio was 44.2 in 2011 and increased to an estimated 48.4 in 2021. This is estimated to remain stable at 48.2 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 with 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.

### **1.2.4 HOUSEHOLDS**

The total number of households within the municipal area increased from 31 952 households in 2014/15 financial year to a total of 35 594 in 2020/21 financial year.

The table below indicate the number of households as contained in the SEP 2021 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 33 130 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.

	<b>2015</b>	<b>2016</b>	<b>2018</b>	<b>2021</b>
Total number of Households in Theewaterskloof	31 952	33 118	35 068	35 594
Total number of Indigent Household	6 200	7 959	5 372	5 792
Indigent household as percentage as total households	19%	24%	15%	16%

### 1.2.5 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 (2015 -2019)	1,2 %	1,3 %
Population 2021	304 936	122 689
Unemployment 2019	10,8 %	9,4 %
Population growth (2021 – 2025 )	1,5 %	0,9 %
Real GDPR per capita (2020)	R 69 643	R 64 033
Gini coefficient (2014 – 2020)	Increase	Increase
Average Household Income (2019)	R 15 804	R 14 580
House Development Index (2020)	0 , 750	0,722
Matric pass rate (2020)	80,4 %	84 %
Learner Retention Rate (2020)	68.9%	67.8% <sup>5</sup>
Informal dwelling	17 607	7 721
Indigent households (2020)	18 377	5 435
<sup>6</sup> Free basic water households (2019)	18 174	5 319
Free basic electricity households (2019)	17 460	4 605
Free basic refuse removal households (2019)	18 292	5 437
Free basic sanitation households (2019)	18 235	5 380
Main causes of death	Cerebrovascular disease	

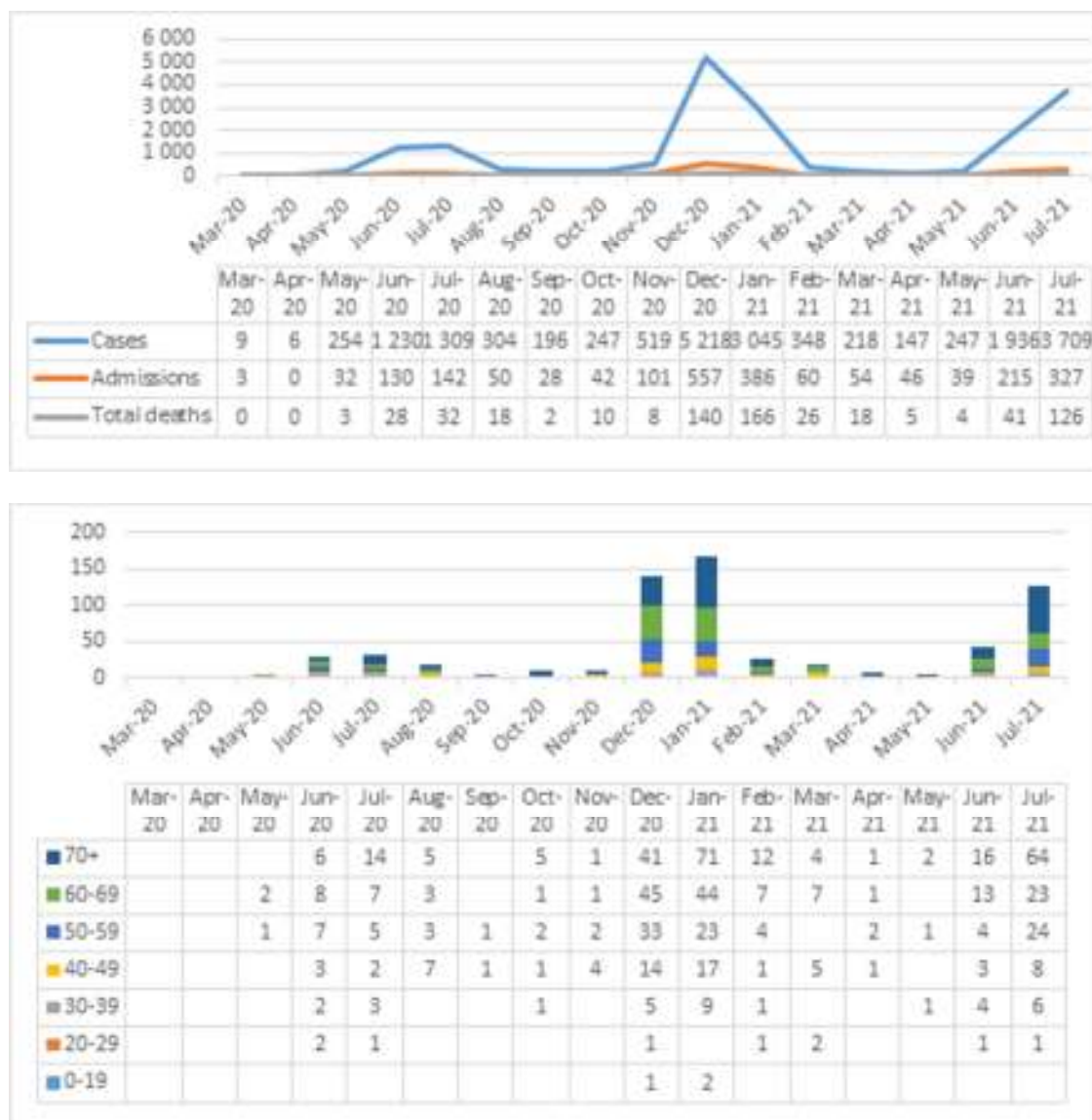
<sup>5</sup> The learner retention rate is determined by obtaining the proportion of Grade 12 learners in a particular year compared with the number of Grade 10 learners two years previously. This shows the proportion of students who progressed to Grade 12, compared with those enrolled in Grade 10 two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

<sup>6</sup> Basic service statistics have been derived from both the MERO 2021 and the SEP 2021

## 1.2.6 COVID 19

The number of recorded cases, hospital admissions and number of recorded deaths for the OD are provided in Figure 4.10.

**Figure 4.10 COVID-19 cases, admissions and deaths, 2020 – 2021**



Source: Western Cape Department of Health, 2021

The number of COVID-19 cases in the OD experienced a significant increase from 6 cases in April 2020 to 254 cases in May 2020. The District experienced its peak of the first wave with 1 309 recorded cases in July 2020, after which it declined and remained fairly stable for about three months. The second wave of COVID-19 cases is evident for the period between November 2020 and January 2021. The District reached a peak of 5 218 cases in December 2020 for the period from March 2020 to July 2021. The highest recorded admissions were also seen during the peak of the second wave with 557 admissions in December 2020. The highest recorded number of deaths followed the peak of the second wave with 166 recorded deaths in January 2021.

Older persons had a higher incidence of death, with people older than 70 making up 43.8 per cent, 42.8 per cent and 50.8 per cent of deaths during the peak periods of July 2020, January 2021 and July 2021, respectively.

By mid-August 2021, 78.4 per cent of persons older than 60 had received at least one vaccine dose in the OD, while 30.7 per cent of persons between the ages of 50 and 59, and 12.6 per cent of persons between the ages of 35 and 49, had received at least one vaccine dose. Vaccine rates in the OD for those younger than 60 are lower than those of the Province, where 39.4 per cent of people between the ages of 50 and 59 have received at least one vaccine dose and 18.7 per cent of people between the ages of 35 and 49 have received at least one dose.



# Theewaterskloof: At a Glance



## POPULATION

122 689



## HOUSEHOLDS

35 595

### Education

2020



Matric pass Rate 84.0%  
Gr 12 Drop-out Rate 67.8%  
Learner – Teacher Ratio 30.7%

### Poverty

2020



Gini Coefficient 0.61  
Human Development Index 0.74

### Health

2020/21



Primary Health  
Care Facilities

5

Immunisation  
Rate

64.4%

Maternal Mortality Ratio  
(per 100 000 live births)

212.3

Teenage Pregnancies –  
Delivery rate to women U18

15.8%

### Safety and Security

Actual number of reported cases in 2020/21



Residential  
Burglaries

631

DUI

57

Drug-related  
Crimes

849

Murder

41

Sexual Offences

77

### Access to Basic Service Delivery

Percentage of households with access to basic services, 2020



Water

96.5%

Refuse Removal

79.3%



Electricity

87.7%



Sanitation

85.5%



Housing

78.7%

### Road Safety

2019/20

Fatal Crashes

28

Road User Fatalities

24

### Labour

2019

Unemployment Rate

9.4%



### 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, 2019

Wholesale and retail trade, catering  
and accommodation

18.2%

Finance, insurance, real estate and  
business services

18.9%

Manufacturing

12.5%

<sup>7</sup> 2021 Socio-economic Profile; Theewaterskloof Municipality



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

## 1.2.7 OVERVIEW OF TOWNS WITHIN THEEWATERSKLOOF MUNICIPALITY

### JURISDICTION<sup>8</sup>

#### **BOTRIVIER**



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

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

#### **CALEDON**

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



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

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

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

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<sup>8</sup> Information taken from the Community Development Strategy



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



## **GRABOUW**

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

The town is well known for its apples, open gardens and is increasingly becoming known as a tourist and wine buying region. It has two popular farm stalls that attract passing visitors, Orchards and Peregrine. There are also several farm-based attractions in the surrounding areas. The Elgin tourism association is established and has a recognised brand. It is complemented by the emerging wine industry and established wine guild.

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

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

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

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

## GREYTON

On entering Greyton one is immediately reminded of an Old English Village. This beautiful small



town is nestled at the foot of the Riviersonderend Mountains with the Riviersonderend River on its boundary and surrounded by mountains.

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

galleries etc., invites you to stay with a difference.

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



## GENADENDAL

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

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

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

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

## **RIVIERSONDEREND**

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

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



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.



## **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

## **VILLIERSDORP**

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

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

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

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

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

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

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

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



## 1.2.8 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	

# BASIC SERVICE DELIVERY



## Total number of households

**35 594**

Theewaterskloof Municipality

**87 777**

Overberg District



## Formal main dwelling

**27 874**

Theewaterskloof Municipality

**70 169**

Overberg District



### Basic electricity (2019-2020)

Household with no electricity



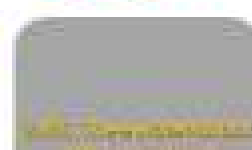
### Basic electricity (2019-2020)

Household with no electricity



### Basic electricity (2019-2020)

Household with no electricity



### Basic electricity (2019-2020)

Household with no electricity



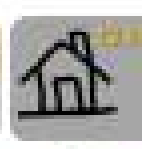
### Basic electricity (2019-2020)

Household with no electricity



### Basic electricity (2019-2020)

Household with no electricity



### Basic electricity (2019-2020)

Household with no electricity



### Basic electricity (2019-2020)

Household with no electricity



### Free water basic dwelling/after 2006

Theewaterskloof 96.5%  
Overberg 97.2%



### Electricity supply (2019-2020)

Theewaterskloof 87.7%  
Overberg 90.1%



### Sanitation (2019-2020)

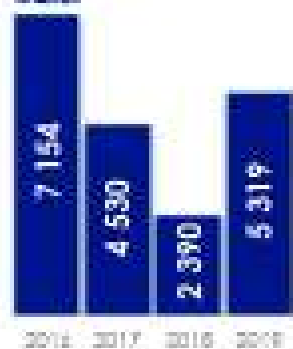
Theewaterskloof 85.8%  
Overberg 88.6%



### Sanitation (2019-2020)

Theewaterskloof 79.3%  
Overberg 82.8%

### Free basic water



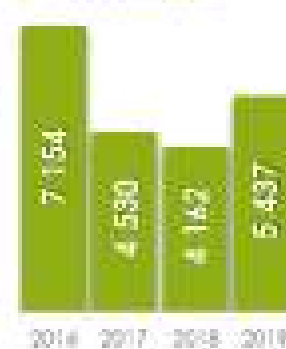
### Free basic electricity



### Free basic sanitation



### Free basic refuse removal



### 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 constantly 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.

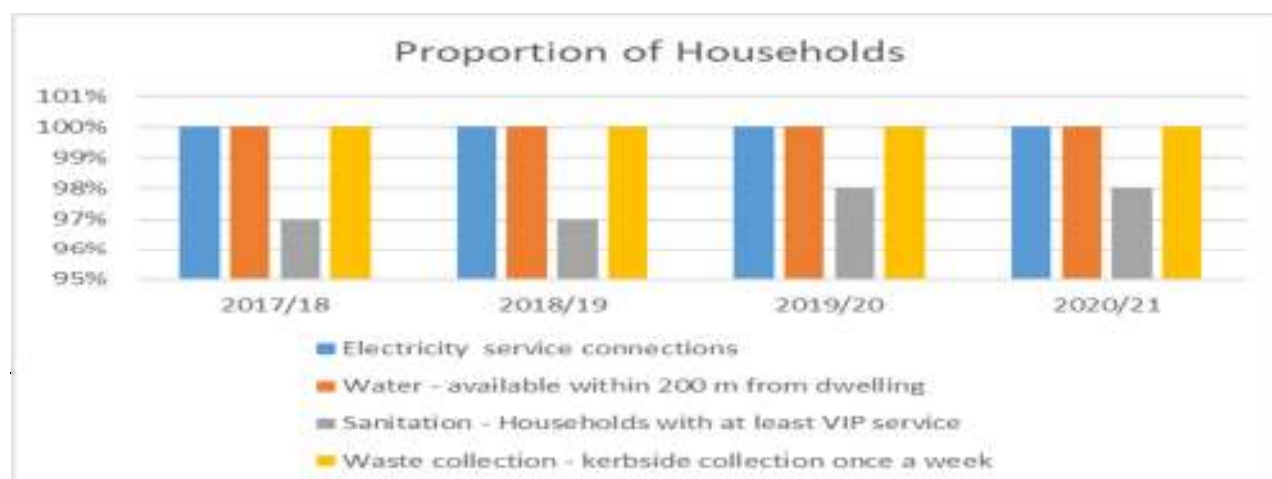
Theewaterskloof Municipality is doing its utmost best to provide these services to all the inhabitants within the Theewaterskloof municipal area. Many housing projects have been completed successfully and new housing projects are in the process of being completed.

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 <sup>9</sup>				
	2017/18	2018/19	2019/20	2020/21
<b>Electricity service connections</b>	100%	100%	100%	100%
<b>Water - available within 200 m from dwelling</b>	100%	100%	100%	100%
<b>Sanitation - Households with at least VIP service</b>	97%	97%	98%	98%
<b>Waste collection - kerbside collection once a week</b>	100%	100%	100%	100%



<sup>9</sup> - These figures does not correspond to those provided on page 32 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

	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget
Year	2017	2018	2019	2020	2021	2022	2023	2024
<b>Sustainability</b>	53	54	59	59	59	47	42	36

### Summary

Theewaterskloof's overall sustainability index score of 59 in 2021 reflects an adequate level of sustainability and a measure of consistency at this level over recent years in spite of growing challenges. The strong liquidity position and relatively low debt burden underpin its financial sustainability for 2021 and reflect sound financial management practices over the last five years. The operating performance displayed a decline caused by some pressures on its revenue during the year. The effect of the COVID-19 pandemic is considered to be the main reason for the relatively slow growth in revenue.

The medium-term budget analyses reflect lower overall financial sustainability scores. The operating performance that reflects a deficit in 2022 coupled with the large amount of capital spending, is likely to reduce the cash reserves. The result is a sustainability score of 47 for 2022, reflecting moderate financial sustainability. Most of these items are carried over into 2023 and 2024 to reflect sustainability scores of 42 and 36 for these years respectively.

We would therefore recommend that close attention be given to the 2022 budget with the aim to identify cost savings, and strict financial discipline be applied especially to unnecessary expenditures. Furthermore, Theewaterskloof should not relinquish its pressure on collections and should strive to keep the collection rate at the historical level of roughly 90% and even better, to counter the negative effects of the pandemic on revenue.

### 1.4.1 FINANCIAL OVERVIEW 2020/21

Financial Overview -2020/21			
			R' 000
Details	Original budget	Adjustment Budget	Actual
<b>Income</b>			
Grants	(204 778)	(221 305)	(173 605)
Taxes, Levies and tariffs	(388 508)	(372 124)	(387 009)
Other	(64 120)	(27 590)	(39 272)
<b>Sub Total</b>	<b>(657 406)</b>	<b>(621 019)</b>	<b>(599 886)</b>
<b>Less Expenditure</b>	613,736	596,113	549,701
<b>Net Total*</b>	<b>(43 669)</b>	<b>(24 906)</b>	<b>(50 185)</b>
<i>* Note: surplus/(deficit)</i>			T1.4.2

## 1.4.2 COMMENT ON OPERATING RATIOS

Operating Ratios	
Detail	%
Employee Cost	40%
Repairs & Maintenance	20%
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 883, of which 189 are temporary workers, 27 council members and 667 permanent workers. The active employees include 9 new appointments, 1 retirement, and 14 contracts that expired for the month of June 2021. The total Salary, allowances & benefits for managers and staff amounts to R 22 million for the month. Overtime for June 2021 amounts to R 942 thousand.

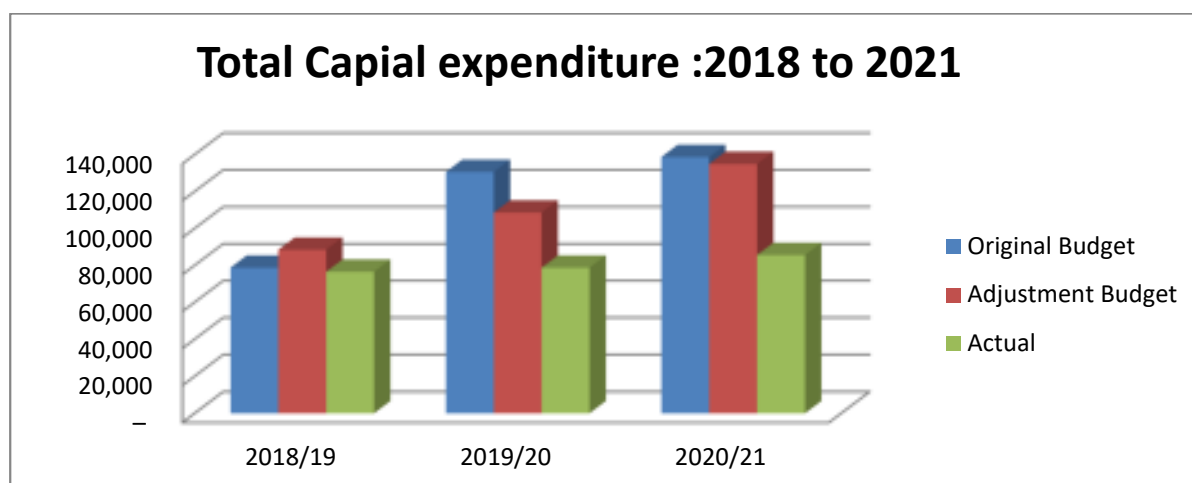
The norm for Employee Related Cost to the Total Operating Budget range between 25% and 40% depending on various factors and circumstances. The 40% attained is within the National Norm.

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.

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 wants to address its backlogs, however as can be seen from the finance charges ratio, it remained consistent from the prior year.

### 1.4.3 TOTAL CAPITAL EXPENDITURE

Total Capital Expenditure: 2018 to 2021			
			R'000
Detail	2018/19	2019/20	2020/21
Original Budget	78,756	130,593	138,660
Adjustment Budget	88,460	108,566	134,908
Actual	76,533	78,723	85,615



#### 1.4.3.1 CAPITAL EXPENDITURE COMMENT

In 2020/21 Theewaterskloof municipality approved a capital budget of R 138,660m which was reduced to R 134,908m. The Total Capital Expenditure for the year ended 30 June 2021 amounts to R 85,615 million against the adjustment budget of R 108,566 million and the percentage spend is 63% 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 2020/21 financial year and funds allocated must be rolled over.

## 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 2021/22 and 2022/23 financial years. Chapter 4 provides detailed information on the Municipalities organisational development.

## 1.6 STATUTORY ANNUAL REPORT PROCESS

PROCESS	Timeframe
<u>AR &amp; FS to AG</u> <ul style="list-style-type: none"> <li>Submit 2020/2021 Draft Annual Performance Report and Financial statements to Auditor General.</li> <li>Compile and submit Municipal Audit file to the Auditor General</li> </ul>	31 August 2021
Submit 2020/2021 Annual Report (as per agreement with AG) to Auditor General	29 October 2021
<u>Audit Report</u> Receive audit report on annual financial statements from the Auditor General	30 November 2021
<u>Table Draft AR &amp; AFS</u> Mayor tables draft AR and AFS at council	25 January 2022
Advertise draft AR & AFS for public input and place on municipal website	25 January- 16 February 2022
Advertise Oversight Committee Schedule inviting the Public to make presentations of the AR and AFS	01 February 2022
Portfolio Committee Meeting Submit Draft Annual Report to Portfolio Committees for inputs	01-02 & 16 February 2022
<u>1st Oversight Committee Meeting</u> Oversight Committee pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report (10h00)	11 February 2022
<u>2nd Oversight Committee Meeting</u> Public hearings – The local community and any organ of state will be allowed to make representations on the annual report and AFS (10h00)	25 February 2022
<u>3rd Oversight Committee Meeting</u> Preparation of the draft oversight report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors (14h00)	11 March 2022
<u>Oversight &amp; Annual Report</u> Adoption of Oversight report on AR & AFS by council	24 March 2022
Advertise approved Annual report- Place on Municipal Website	24 -31 March 2022
Submission of Oversight & Annual Report to Provincial Treasury and Office of the Premier	30 March 2022& 06 April 2022
<u>Annual Report Guidelines</u> Forwards guidelines to all Corporate Directorates on the submission of the Annual Report info	16 June 2022

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

## 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.
- d. Presides at meetings of the executive committee;
- e. performs the duties including any ceremonial functions, and exercises the powers delegated to her by the municipal council.

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.

Councillors represent the public and consider the well-being and interests of the municipality. They develop and evaluate the policies and programs of the municipality. They also determine which services the municipality provides and ensure that administrative practices and procedures are in place to implement the decisions of Council. It is imperative for them to ensure that there is accountability and transparency in terms of the operations of the municipality.

Below is a table that categorised the councillors within their specific political parties and demographic representation for the 2020/21 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

<b>Executive Mayor:</b> <b>Alderlady Christelle Vosloo</b>	<b>Function</b> <ul style="list-style-type: none"> <li>Is the Executive and Political Leader of the Municipality</li> <li>Is the Social and Ceremonial Head of Council</li> <li>Is the Chief Advisor of Council</li> <li>Responsible for identifying the needs of the Municipality</li> <li>Must monitor the Administrator</li> <li>Supervises the delivery of services</li> <li>Report to Council</li> <li>Budgetary responsibilities</li> </ul>
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<b>DEPUTY MAYOR:</b> <b>Cllr Karel Papier</b>	The Deputy Mayor acts in the absence of the Executive Mayor
<b>SPEAKER:</b> <b>Alderman: D Du Toit</b>	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.
<b>WHIP:</b> <b>Cllr R Brinkhuys (DA)</b> <b>Cllr MR Nongxaza (ANC)</b>	Leads the Caucus meetings before Council meetings.
<b>MAYORAL COMMITTEE:</b> <b>Deputy Mayor Alderman K Papier</b> <b>Cllr J Arendse</b> <b>Cllr M Koegelenberg</b> <b>Alderman P Stanfliet</b> <b>Cllr M Plato-Mentoor</b> <b>Cllr N Pieterse</b>	The Mayoral Committee assist the Executive Mayor, serve him/ her with advice and take decisions with the Executive Mayor in respect of designated powers.

<b>COUNCILLOR</b>	<b>WARD/ PR</b>	<b>POLITICAL PARTY</b>
<b>S Potberg</b>	Ward 1	ANC
<b>D Du Toit</b>	Ward 2	DA
<b>J Arendse</b>	Ward 3	DA
<b>M Koegelenberg</b>	Ward 4	DA
<b>N Lamprecht</b>	Ward 5	DA
<b>R Brinkhuys</b>	Ward 6	DA
<b>PU Stanfliet</b>	Ward 7	DA
<b>A Mentile</b>	Ward 8	ANC
<b>D Jooste</b>	Ward 9	DA
<b>M Plato-Mentoor</b>	Ward 10	DA
<b>T Ndlebe</b>	Ward 11	ANC
<b>UT Sipunzi</b>	Ward 12	ANC
<b>M Bhangazana</b>	Ward 13	ANC
<b>N Pieterse</b>	Ward 14	DA
<b>CMJ Vosloo</b>	PR	DA
<b>KIJ Papier</b>	PR	DA
<b>N Mgqweto</b>	PR	DA
<b>R Mienies</b>	PR	ANC
<b>RM Nongxaza</b>	PR	ANC
<b>CD November</b>	PR	ANC
<b>T Mangcayi</b>	PR	EFF
<b>I Mentoor</b>	PR	ICOSA
<b>M Gana</b>	PR	UEFA
<b>S Fredericks</b>	PR	DA
<b>C Wood</b>	PR	ANC
<b>M Le Roux</b>	PR	ANC
<b>B Tshabe</b>	PR	DA

## EXECUTIVE MAYORAL COMMITTEE AND MEMBERS

The Executive Mayor of the Municipality Alderlady, Christelle Vosloo, assisted by the Executive Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in 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 Executive 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 Executive Mayor operates in concert with the Executive Mayoral Committee.

Below is a table that illustrates the Executive Mayoral Committee for the 2020/2021 financial year:

COUNCILLOR	POSITION	POLITICAL PARTY
<b>Alderlady C Vosloo</b>	Executive Mayor	DA
<b>Alderman KIJ Papier</b>	Executive Deputy Mayor	DA
<b>Alderman DF Du Toit</b>	Speaker	DA
<b>Alderlady PU Stanfliet</b>	Executive Mayoral Committee Member	DA
<b>Alderlady M Koegelenberg</b>	Executive Mayoral Committee Member	DA
<b>Alderlady M Plato-Mentoor</b>	Executive Mayoral Committee Member	DA
<b>Alderman N Pieterse</b>	Executive Mayoral Committee Member	DA
<b>Councillor J Arendse</b>	Executive Mayoral Committee Member	DA



**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**

<b>FINANCIAL SERVICES COMMITTEE</b>		<b>TECHNICAL AND ELECTRICAL SERVICES COMMITTEE</b>		<b>PLANNING SERVICES COMMITTEE</b>	
<b>MM Koegelenberg – Chairman</b>	<b>DA</b>	<b>PU Stanfliet – Chairman</b>	<b>DA</b>	<b>KIJ Papier - Chairman</b>	<b>DA</b>
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	
<b>JI Arendse – Chairman</b>	<b>DA</b>	<b>N Pieterse - Chairman</b>	<b>DA</b>	<b>M Plato-Mentoor – Chairman</b>	<b>DA</b>
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			%	%
<b>D DU TOIT</b>	FT	None	Ward Represented	90%	10%
<b>C VOSLOO</b>	FT	Executive Mayoral Committee	Party Represented	100%	0%
<b>M NONGXAZA</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	95%	5%
<b>J ARENDSE</b>	FT	Corporate Services Committee	Ward Represented	100%	0%
<b>M BHANGAZANA</b>	PT	Corporate Services Committee	Ward Represented	90%	10%
<b>R BRINKHUYS</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Ward Represented	100%	0%



<b>S FREDERICKS</b>	PT	Financial Services Committee; Corporate Services Committee	Party Represented	100%	0%
<b>D JOOSTE</b>	PT	Community Development Committee	Ward Represented	100%	0%
<b>M KOEGELENBERG</b>	FT	Financial Services Committee	Ward Represented	100%	0%
<b>C LAMPRECHT</b>	PT	Financial Services Committee; Technical and Electrical Services Committee	Ward Represented	100%	0%
<b>M LE ROUX</b>	PT	Corporate Services Committee	Party Represented	95%	5%
<b>T MANGCAYI</b>	PT	Financial Services Committee; Corporate Services Committee	Party Represented	80%	20%
<b>A MENTILE</b>	PT	Community Development Committee	Ward Represented	85%	15%
<b>R MIENIES</b>	PT	Financial Services Committee	Party Represented	95%	5%
<b>T NDLEBE</b>	PT	Community Development Committee	Ward Represented	80%	20%
<b>C NOVEMBER</b>	PT	Financial Services Committee	Party Represented	95%	5%
<b>K PAPIER</b>	FT	Planning Committee	Party Represented	100%	0%
<b>N PIETERSE</b>	FT	Community Services Committee; Planning Committee	Ward Represented	100%	0%
<b>M PLATO-MENTOOR</b>	FT	Community Development Committee	Ward Represented	100%	0%

<b>S POTBERG</b>	PT	Planning Committee	Ward Represented	90%	10%
<b>N MGQWETO</b>	PT	Community Services Committee	Party Represented	85%	15%
<b>U SIPUNZI</b>	PT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	85%	15%
<b>P STANFLIET</b>	FT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	100%	0%
<b>I Mentoor from 29 April 2021)</b>	PT	Community Development Committee; Planning Committee	Party Represented	95%	5%
<b>M Mathews (until 25 April 2021)</b>	PT	Community Development Committee; Planning Committee	Party Represented	80%	20%
<b>B TSHABE</b>	PT	Corporate Services Committee; Community Development Committee	Party Represented	100%	0%
<b>T TSHUNGWANA (until 31 October 2020)</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	85%	15%
<b>M GANA (From 17 November 2020)</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	90%	10%
<b>C WOOD</b>	PT	Community Services Committee	Party Represented	95%	5%
					T A

## 2.1.2 POLITICAL DECISION-TAKING

Meetings of Council were scheduled as follows for the period 01/07/2020 to 30/06/2021:

1. Council Meetings = 11
2. Special Council Meetings = 5
3. Council-in-Committee Meetings = 9
4. Special Council-in-Committee Meetings = 1

All meetings are scheduled on a virtual platform and the public is also invited to attend these meetings.

Notices of meetings are advertised on the Municipal Website and Municipal Facebook Page.

Notice of the approval of the Draft IDP and 2021/22 Draft Budget and the IDP and 2021/22 Budget were advertised in the local newspapers as well.

Agendas of meetings are distributed within 7 days before the meeting and Minutes of meetings are distributed within 14 working days after the meeting as per the Rules of Order of Council.

Agenda-items submitted to Council for discussion:

1. First Quarter = 73 and 6 were referred back due to various reasons.
2. Second Quarter = 63 and 2 were referred back due to various reasons.
3. Third Quarter = 32
4. Fourth Quarter = 90 and 2 were referred to a Workshop of Council.

Agenda-items referred back to the Item Author must be amended before resubmission to Council for discussion.

Agenda-items referred to a Workshop of Council will be submitted to Council after discussed at the Workshop and a recommendation was made for Council consideration.

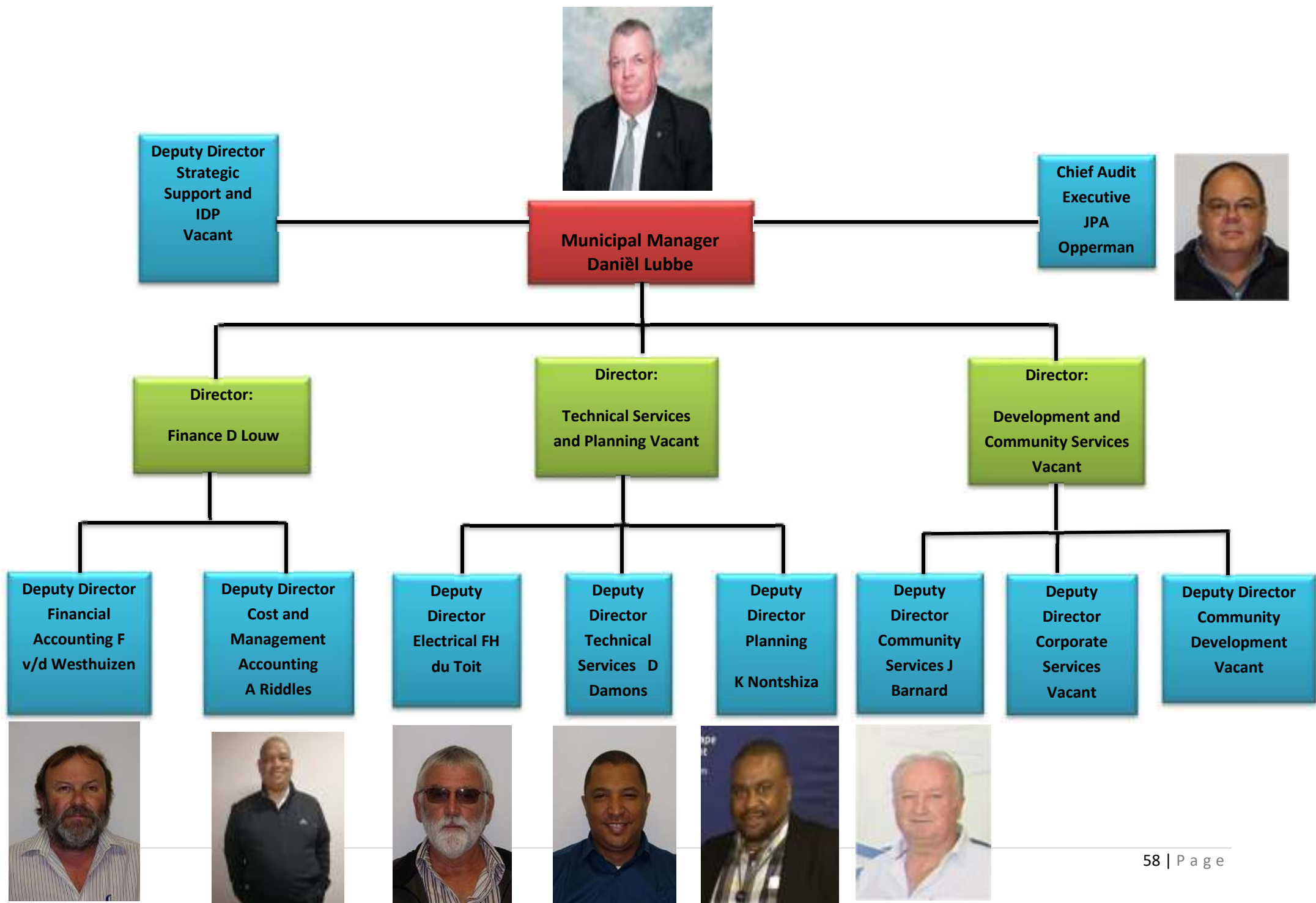
## 2.2 ADMINISTRATIVE GOVERNANCE

### 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:



## 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: <ul style="list-style-type: none"> <li>• a real-time platform for information exchange, networking and collaboration for ICT Managers in local government.</li> <li>• a platform where ICT Managers in local government rate service providers and report about service, satisfaction and quality in order to separate the "husks from the grain".</li> </ul>
	National Joint Operational And Intelligence Structure (NATJOINTS) Structure	Coordination of crime combating operations
	National Road Traffic Management Coordinating Committee (NRTCC) / Law Enforcement And Transport Committee (LETCOM)	Coordination of traffic operations
	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.
PROVINCIAL	Records Provincial Public Participation Forum	Record legislation applicable to the functions applicable to document management in the municipality.
	Provincial Public Participation Forum	Public Participation processes in the district / upcoming ward committee elections in 2021 after the municipal elections and the preparations therefor.
	SALGA Provincial HR Development Working Group	<ul style="list-style-type: none"> <li>• A platform for Councillors within the Province to give input into collective bargaining as well as policy issues.</li> <li>• This forum also receives feedback from National and Provincial Bargaining Forums.</li> <li>• It is also a platform for information sharing and to discuss issues of mutual interest;</li> </ul>
	HR Practitioners Forum	<ul style="list-style-type: none"> <li>• A forum used to draft policy, give input into various topics such as legislation, agreements etc.</li> <li>• This forum also serves as a platform for HR managers to network and share best practice</li> <li>• Receive feedback from SALGA in respect of negotiations etc.</li> </ul>
	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	<ul style="list-style-type: none"> <li>• To create a platform for ICT Managers to discuss ICT- specific issues</li> <li>• To create a space for information sharing, knowledge exchange and inter-provincial cross pollination</li> <li>• To manage, co-ordinate and support the implementation of ICT initiatives, ICT-related activities in order to strengthen support and avoid duplication</li> <li>• To obtain inputs and comments on national- and provincial processes and initiatives that have an impact on ICT's, and</li> <li>• To achieve standardization for benchmarking and reporting purposes on critical activities.</li> </ul>
District IDP Managers Forum	<ul style="list-style-type: none"> <li>• A platform for IDP Managers in the Overberg District to discuss IDP-specific matters;</li> <li>• A platform for information sharing, knowledge exchange and inter-District cross pollination;</li> <li>• co-ordinate the implementation of IDP initiatives and activities;</li> <li>• standardization of IDPs in the District; and</li> <li>• To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality</li> </ul>
Provincial Joint Operational And Intelligence Structure (PROVJOINTS) Structure	Coordination of crime combating operations
Provincial road traffic management coordinating committee (PRTMCC) / provincial law enforcement and transport committee (PLETCOM)	Coordination of traffic operations
Department of Environmental Affairs MOP meetings	Feedback on all EIA and Basic assessment NEMA regs.
Biodiversity management DEADP	Control meetings on Alien eradication management

<ul style="list-style-type: none"> <li>• Gerald Wright Thusong Stakeholders Forum consist of Local and District Representatives of government departments, non- profit organisations, Businesses, community members and faith based organisations.</li> <li>• Thusong District Meetings is held every quarter where all the district Thusong Managers and government departments on provincial level have a joined meeting to discuss Thusong Outreaches.</li> <li>• Thusong Programme Forum is held twice a year where the whole province Thusong centres get together with provincial and national departments</li> </ul>	<ul style="list-style-type: none"> <li>• The Thusong Stakeholders Forum is a consultative platform aimed at increasing co-ordination and communication through information sharing, dialogue, capacity building and consultation.</li> <li>• Social integration and inclusion in communities and society at large</li> <li>• Mutual solidarity finds expression among individuals and communities</li> <li>• Social Cohesion as a cohesive society that works toward the well - being of all its members</li> <li>• Fights exclusion and marginalization</li> <li>• Creates a sense of belonging</li> <li>• Promotes trust</li> </ul>
IDP Rep/PPCOM Forum	<ul style="list-style-type: none"> <li>• A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials</li> <li>• Share experiences</li> <li>• Joint Planning</li> </ul>
Overberg ICT (OICT) Managers Forum	<ul style="list-style-type: none"> <li>• A platform for ICT Managers in the Overberg District to discuss ICT-specific matters;</li> <li>• A platform for information sharing, knowledge exchange and inter-District cross pollination;</li> <li>• standardization of ICT infrastructure in the district; and</li> <li>• To identify areas of shared-services</li> </ul>
District IDP Managers Forum	<ul style="list-style-type: none"> <li>• A platform for IDP Managers in the Overberg District to discuss IDP-specific matters;</li> <li>• A platform for information sharing, knowledge exchange and inter-District cross pollination;</li> <li>• co-ordinate the implementation of IDP initiatives and activities;</li> <li>• standardization of IDPs in the District; and</li> <li>• To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality</li> </ul>
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Overberg LED/Tourism Forum	<ul style="list-style-type: none"> <li>• Platform for LED/Tourism practitioners</li> <li>• Joint Planning</li> <li>• Share best practices</li> </ul>
District Joint Operational And Intelligence Structure (Clusterjoints) Structure	<ul style="list-style-type: none"> <li>• Coordination of crime combating operations</li> </ul>
District Road Traffic Management Coordinating Committee (Drtmcc)	<ul style="list-style-type: none"> <li>• Coordination of traffic operations</li> </ul>
District Disaster Safety Committee Meeting	<ul style="list-style-type: none"> <li>• Discussion on all safety aspects in local and district Mun.</li> </ul>
Interdepartmental Steering Committee – Villiersdorp	<ul style="list-style-type: none"> <li>• Representing municipality as Town Manager on ISC to ensure that Government departments include Villiersdorp community action items on their IDP budgets.</li> </ul>



## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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 on 25 August 2020. The plan includes dates of the following meetings which require public participation:

- a. Between August and November 2020, the Theewaterskloof Municipality together with the Overberg District Municipality and the Community Development Workers, raised **awareness on Covid19** amongst community members and educated them about the health risks involved, should they contract the virus, through loudhailing and door-to-door visits. We also distributed information brochures and face masks to the most vulnerable communities at the same time.
- b. **Quarterly Ward 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. These meetings could not take place due to Covid19 Regulations and the limitations and risk of gatherings.
- c. **Council meetings** was published on the Municipal Website and Municipal Facebook Page to inform the broader community that the meetings are open for Public attendance on a virtual platform.
- d. **IDP Consultations** took place during 30 November and 10 December 2020 through Ward Committee meetings to give the public the opportunity to influence the IDP for the 2021/ 2022 financial year.
- e. A **Draft Budget Summit** were conducted on 16 April 2021 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. The Draft Budget was

also discussed with the ward committees during April 2021 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.

- f. In terms of our Ward Committee Policy, the **ward committee meetings** need to take place on a bi-monthly basis. We however, could not meet bi-monthly due to Covid19 Regulations and the fact that we moved between National Lockdown levels.
- g. **Housing Demand Database Roadshow** was conducted to allow new housing applicants the opportunity to register on the housing demand database and existing applicants to update their information in order to ensure a credible database. This process was conducted between July and November 2020. A **Housing deed of Sale drive** also took place during September and November 2020. This year the annual roadshow programme was launched across the municipality in towns, such as Botrivier, Grabouw, Greyton, Genadendal, and Villiersdorp. The process ran from the period starting in September 2020 till up to this date. During this time a total of **1231** clients were assisted with either registration, verification and updating of information in the HDDB system. A total number of 1231 clients have been reached through the 2020 TWK Housing Demand Database Roadshow Programme. 10% of these were new registrations and 90% came to verify and update their details.

The total can also be categorised in terms of those specifically targeted in this initiative:

- Informal Settlements: 508 (persons staying in informal settlements)
- Farm workers 288 (persons working and living on farms)
- Backyarders: 341 (persons living in backyards)
- Renting: 94 (persons renting in formal houses/or formal houses)

## 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. Ward 14 has been dissolved by Council due to non-functionality and will the ward committee be re-established based on a Council resolution which was taken on 30 June 2021.

The Ward Councillor together with his/ her ward committees embarked on a process of consulting with their constituencies before they gave their input and prioritise projects on the IDP between 30 November and 10 December 2020.

Due to Covid19, no ward committee meetings took place between January and April 2021 and could we only proceed with our activities during May 2021. A total of 43 Ward committee meetings were held for the current financial year.

We started with our Ward Committee Pre-establishment process for the 2021 – 2026 term of Council, and did the process include the following:

- a) The Revision of our current Ward Committee Policy which was also workshopped with the Ward committee members.
- b) Invitations to Stakeholders such as the Business Sector, Agriculture, Ratepayers Association and Civil society to register on our Municipal Stakeholder database to be considered for our Ward committee structure
- c) A ward committee awareness campaign to communicate the role, functions and importance of ward committees to the communities by means of an information brochure.

## **2.4.2 FUNCTIONALITY OF WARD COMMITTEES**

The purpose of a ward committee is:

- To be an independent representative advisory body for the ward councillor and the Council.
- To promote participatory democracy by assisting communities and community organizations in the municipal processes
- To communicate and consult with the community in respect of development and service plans.
- To engage with the community through regular meetings and attend to grievances and complaints
- To meet bi-monthly or at least quarterly
- To be involved in municipal processes such as the drafting of the IDP, Annual Budget, Annual Reports and Policies and by-laws that affects the ward or the municipal area.

Ward committees are 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. Ward 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	0	0
	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	0	2
	J Kroukamp				
	R Martin				
	R Rouillard				
	P Adams				
	V Jansen				
	C Barthus				
	W Beukman				
	G Juries				
	A White				
	G Emslie				
Three (3)	COUNCILLOR J ARENDSE	Yes	4	0	0
	E Magerman				
	Y van Tonder				
	A Davids				
	M Booysen				
	S Swartz				
	K Hoffman				
	C Benjamin				
	L Freeman				
	J Paulsen				

<b>Four (4)</b>	<b>COUNCILLOR M KOEGELEBERG</b>	<b>Yes</b>	<b>4</b>	<b>0</b>	<b>0</b>
	J Brinkhys				
	N Jende				
	J de Waal				
	J Norval				
	M Wessels				
	J de Witt				
	G Siza				
	D du Toit				
	J Hauman				
<b>Five (5)</b>	<b>COUNCILLOR C LAMPRECHT</b>	<b>Yes</b>	<b>3</b>	<b>0</b>	<b>1</b>
	L Jonase				
	N Pali				
	J Smith				
	J Mckenzie				
	C Nel				
	B Bester				
	F Matheone				
	J Nicolls				
	R Jansen				
	H Schoeman				
	M de Lange				
<b>Six (6)</b>	<b>COUNCILLOR R BRINKHYS</b>	<b>Yes</b>	<b>4</b>	<b>0</b>	<b>0</b>
	E Jansen				
	T Vali				
	R Antonie				
	G Engelbrecht				
	H Blignaut				
	J Nicolls				
	J Mckenzie				
	V Hendricks				
	H Schoeman				
<b>Seven (7)</b>	<b>ALDERMAN P STANFLIET</b>	<b>Yes</b>	<b>3</b>	<b>0</b>	<b>0</b>
	M Goniwe				
	C Afrika				
	I Andries				
	H Pitcher				
	M Ngakana				

	H Hendricks				
	J Faroa				
	E Herman				
Eight (8)	COUNCILLOR A MENTILE	Yes	3	0	6
	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	3	0	0
	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	3	0	0
	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	3	0	1



	C Gertze				
	E Skey				
	S Mxhuma				
	Z Saziwa				
	P Mcetwa				
	A Matheone				
	S Jonas				
	J Nganyatsi				
	P Mzolisa				
<b>Twelve (12)</b>	<b>COUNCILLOR U SIPUNZI</b>	<b>Yes</b>	<b>3</b>	<b>0</b>	<b>0</b>
	W Nomxhanya				
	C Absalom				
	P Speelman				
	L Madizeni				
	L de Bruyn-Davids				
	S Ninon				
	M Ritcher				
	T Zacharia				
<b>Thirteen (13)</b>	<b>COUNCILLOR M BHANGANZANA</b>	<b>Yes</b>	<b>3</b>	<b>0</b>	<b>2</b>
	N Mchasa				
	M Thobiganya				
	S Maziza				
	U Mtoko				
	J Fourie				
	D de Wee				
	G Pedro				
	A Julies				
	T Langa				
	T Nomshuva				
<b>Fourteen (14)</b>	<b>COUNCILLOR N PIETERSE</b>	<b>No</b>			<b>0</b>

### 2.4.3 PUBLIC MEETINGS

Public Meetings were scheduled as follows but due to Covid19 restrictions, we could not proceed. Full details are provided under Appendix 2.4.3:

- Ward Councillor Report Back Meeting 1 – 15 October 2020
- IDP Public Participation 2020/2021 30 November – 10 December 2020

- Ward Councillor Report Back: 3rd Quarter 1 - 19 March 2021
- Ward Councillor Report Back: 3rd Quarter 1 - 25 June 2021

We could proceed with the Draft Budget Summit on 16 April 2021 which was attended by Civil Society, Business sector, Agriculture and Rate Payers Associations.

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
<b>Ward Councillor Report Back Meeting: 2nd Quarter (October - December 2020)</b>					
Ward 1					No meetings took place due to COVID19
Ward 2: Greyton and Heuwelkroon					No meetings took place due to COVID19
Ward 2: Voorstekraal					No meetings took place due to COVID19
Ward 3: Bergsig					No meetings took place due to COVID19
Ward 4					No meetings took place due to COVID19
Ward 5					No meetings took place due to COVID19
Ward 6					No meetings took place due to COVID19
Ward 7					No meetings took place due to COVID19
Ward 8					No meetings took place due to COVID19
Ward 9					No meetings took place due to COVID19
Ward 10					No meetings took place due to COVID19
Ward 11					No meetings took place due to COVID19
Ward 12					No meetings took place due to COVID19
Ward 13					No meetings took place due to COVID19
Ward 14 Town					No meetings took place due to COVID19
<b>Ward Councillor Report Back: 3rd Quarter (January - March 2021)</b>					
Ward 1					No meetings took place due to COVID19
Ward 2					No meetings took place due to COVID19
Ward 3					No meetings took place due to COVID19
Ward 4					No meetings took place due to COVID19
Ward 5					No meetings took place due to COVID19
Ward 6					No meetings took place due to COVID19
Ward 7					No meetings took place due to COVID19
Ward 8					No meetings took place due to COVID19
Ward 9					No meetings took place due to COVID19
Ward 10					No meetings took place due to COVID19
Ward 11					No meetings took place due to COVID19
Ward 12					No meetings took place due to COVID19
Ward 13					No meetings took place due to COVID19
Ward 14 Molteno Farm					No meetings took place due to COVID19

Budget Stakeholder Engagement	16-Apr-21	2	9	19	The Draft Budget was presented to Ratepayers Associations, Business, Agricultural and Civil Society Sector as part of the draft Budget Public Participation Process. Input and comments was raised by the various stakeholders which was taken into account in the final Budget for 2021/ 2022
<b>Ward Councillor Report Back: 4th Quarter(March - June 2021)</b>					
Ward 1					No meetings took place due to COVID19
ward 2					No meetings took place due to COVID19
Ward 3					No meetings took place due to COVID19
Ward 4					No meetings took place due to COVID19
Ward 5					No meetings took place due to COVID19
Ward 6					No meetings took place due to COVID19
Ward 7					No meetings took place due to COVID19
ward 8					No meetings took place due to COVID19
Ward 9					No meetings took place due to COVID19
ward 10					No meetings took place due to COVID19
Ward 11					No meetings took place due to COVID19
ward 12					No meetings took place due to COVID19
Ward 13					No meetings took place due to COVID19
Ward 14					No meetings took place due to COVID19

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

No Public meetings could be held during this financial year because of the risks that gatherings carry. As a Municipality we had to find a way to limit this risk. Communication took place through ward committee meetings, social media, the sms system of Council and The Theewaterskloof Communicator App. The Executive mayor also reported and communicated regularly to the community through the local radio stations. We had a very effective and participative Draft Budget summit and this summit gave the Executive Mayor and newly appointed Municipal Manager the opportunity to engage with sectors and record the frustrations and uncertainties with regards to service delivery.

#### 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) states 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 encompass 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.

Since the Chief Risk Officer (CRO) was appointed on the 1<sup>st</sup> August 2015, Fraud and Risk Management has since been managed as a shared service of the Overberg District Municipality (ODM). It is then that the proposal of the shared service business model between the municipalities within the district was raised with the intention to deliver the same standard service under a shared cost model.

As a result, to this model, there was significant cost-savings because now skills and resources were available in-house and there was a corresponding reduction in the need for external service providers for the establishment and maintenance of fraud and risk management structures and processes. At local level, the Theewaterskloof Municipality has a local risk champion.

The initiatives and actions performed by the Fraud and Risk Management Unit during 2020/21 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.
- 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 endorsed fraud and Risk Management Committee (FARMCO) on the 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 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	<b>08 October 2020</b> <b>20 October 2020</b> <b>28 January 2021</b> <b>03 June 2021</b>
Administrator: OHS & Risk Official	
Director: Finance	
Deputy Director: Community Services	
Deputy Director: Technical and Planning	
Deputy Director: Corporate Services	
Deputy Director: Planning	
Manager: Human Resources	<b>Specialised Contribution</b>
Manager: Information Technology	<b>Specialised Contribution</b>
Member of Performance and Audit Committee/	<b>Observer / Specialised Contribution</b>
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 2020/21 commenced in February/ March 2020. 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 11 June 2020. 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
<b>Difficulties to respond to disease outbreaks / pandemics</b>	<ul style="list-style-type: none"> <li>Lockdown</li> <li>Movement restriction between districts and provinces</li> <li>Provincial and District JOC meetings</li> <li>SAPS / SANDF</li> <li>Implementation of shift work system.</li> <li>Covid-19 Committee</li> </ul>	High	1. Covid-19 Statistic Report 2. Adequate PPE 3. Covid-19 Committee Meetings 4. Daily screening
<b>SCM under resourced and under capacitated.</b>	<ul style="list-style-type: none"> <li>Intern/ students assisting in the office.</li> </ul>	High	1. Filling of vacant positions and acquiring budget for positions not budgeted for.
<b>Limited Economic Growth and Over-reliance on the Agricultural sector</b>	<ul style="list-style-type: none"> <li>Outdated LED strategy</li> </ul>	High	1. Update LED Strategy



<b>Capacity to deliver against the housing demands</b>	<ul style="list-style-type: none"> <li>○ WC Housing Department - agent agreement.</li> <li>○ Housing Project Budget System</li> <li>○ Housing Application Process and Validation.</li> <li>○ Housing Committee and Public Participation.</li> <li>○ TWK housing unit - internal processes.</li> </ul>	High	<ol style="list-style-type: none"> <li>1. Review of Housing Pipeline</li> <li>2. Ensure Alignment Of The 3 Year Infrastructure Plan With The Housing Pipeline</li> <li>3. Implementation of Housing Pipeline</li> </ol>
<b>Increase Demand for Basic Services within existing Informal Settlements</b>	<ul style="list-style-type: none"> <li>○ Municipal Capital and Operational Budget.</li> <li>○ Public Participation</li> <li>○ Operations Department's maintenance teams.</li> </ul>	Medium	<ol style="list-style-type: none"> <li>1. Draft an Informal Settlements Operational Plan and Submit to Council.</li> </ol>
<b>Inadequate Capital Funding to eradicate Infrastructure Backlog Timeously</b>	<ul style="list-style-type: none"> <li>○ Maintaining Status Quo (Make due with available resources)</li> </ul>	High	<ol style="list-style-type: none"> <li>1. Upgrade The Bulk Outfall Sewer In Caledon (Phase 3).</li> <li>2. Construct A New Waste Transfer Station In Caledon (Phase 2).</li> <li>3. Construct Riviersonderend Waste Transfer Station And Material Recovery Facility Off Station (Phase 1).</li> <li>4. Replace And Upgrade MV And LV Networks And Miniature Substation-Villiersdorp.</li> <li>5. Replace And Upgrade MV And LV Networks –RSE.</li> </ol>
<b>Bulk water provision / Water Sustainability</b>	<ul style="list-style-type: none"> <li>○ Technical Drought Plan</li> <li>○ General communication - Printed media and radio</li> <li>○ Notifications (Possible Water restrictions )</li> <li>○ Alternative provision through boreholes</li> <li>○ Explore Water Source Alternatives on continuous basis</li> </ul>	High	<ol style="list-style-type: none"> <li>1. Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp.</li> <li>2. Upgrade The Waste Water Treatment Works At Caledon Phase 2 (Inlet Works).</li> </ol>
<b>Ageing and deterioration of fleet and small plant.</b>	<ul style="list-style-type: none"> <li>○ Vehicle monitoring system in place to prevent abuse/misuse of vehicles. _Repairs and Maintenance Budget.</li> <li>○ Annual limited Capital Acquisitions</li> </ul>	High	<ol style="list-style-type: none"> <li>1. Upgrade Of Fleet (Detailed budget linked to procurement of specific vehicles in 2020-2021).</li> <li>2. Report on Procurement Plan (Acquisition of Vehicles).</li> <li>3. Appoint Service Providers for maintenance and Repairs of fleet.</li> </ol>
<b>Slow Recovery of Potential Revenue</b>	<ul style="list-style-type: none"> <li>○ Data Cleansing Project.</li> <li>○ Credit control and Debt Collection unit</li> </ul>	High	<ol style="list-style-type: none"> <li>1. Implementation of Revenue Enhancement Framework.</li> <li>2. Report on Debt Collection Ratio and Credit Control Initiatives.</li> </ol>
<b>Non-Compliance with Permit Conditions</b>	<ul style="list-style-type: none"> <li>○ Existing Infrastructure _</li> <li>○ Limited Supervision</li> </ul>	High	<ol style="list-style-type: none"> <li>1. Manage the SLA's pertaining to Waste, Water and Sewerage</li> <li>2. Report on Operations as so far as budgeting &amp; supervision and maintenance / replacements / upgrades.</li> </ol>

			3. Explore better allocation of budget and resources to meet compliance requirements (Staff capacity and OPEX).
<b>Unlawful Land Invasion</b>	<ul style="list-style-type: none"> <li>o Squatter control policy</li> <li>o Land Invasion Unit</li> </ul>	High	1. Implementation of SOP for Land Invasions and Illegal Structures.
<b>Not filling of senior vacancies due to budgetary constraints</b>	<ul style="list-style-type: none"> <li>o Increase debt Collection to improve income.</li> <li>o Expend rates base to improve income</li> <li>o Utilize other staff to conduct the function</li> </ul>	High	1. Secure funding for the Senior positions and start with recruitment process.

## 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 were reviewed by FARMCO on 20 October 2020, see Council approval below:

**TABLE: RISK POLICIES AND STRATEGIES**

NAME OF DOCUMENT	DEVELOPED YES/NO	COUNCIL APPROVAL
RMC Terms of Reference	Yes	29 October 2020 (Council Resolution C153/2020)
Risk Management Policy	Yes	29 October 2020 (Council Resolution C153/2020)
Risk Management Strategy	Yes	29 October 2020 (Council Resolution C153/2020)

## 2.7 ANTI-CORRUPTION AND FRAUD



Section 6(2) (c) of the Municipal Systems Act (MSA) stipulates 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
<b>Fraud Prevention and Anti-Corruption Strategy</b>	Yes	29 October 2020 (Council Resolution C153/2020)
<b>Fraud Prevention and Anti-Corruption Policy</b>	Yes	29 October 2020 (Council Resolution C153/2020)
<b>Fraud Prevention and Anti-Corruption Plan</b>	Yes	29 October 2020 (Council Resolution C153/2020)

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

**TABLE 56 IMPLEMENTATION STRATEGIES**

KEY RISK AREAS	KEY MEASURES TO CURB CORRUPTION AND FRAUD	
	<b>Policy</b>	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: <ul style="list-style-type: none"> <li>• What is fraud and corruption?</li> <li>• How do we deal with it when it arises?</li> <li>• What are the roles and responsibilities?</li> <li>• What are the sanctions?</li> </ul>
	<b>Institutional arrangements</b>	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.
	<b>Systems and control</b>	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
<b>Fraud and corruption risk management</b>	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
<b>Training, awareness and communication</b>	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 Performance and Audit Committee (PAC) 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**

<b>Date of Committee</b>	<b>Committee recommendations during 2020/2021</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
21-Sep-20	Performance and Audit Committee Resolutions Follow-up	Yes
21-Sep-20	Standard Operating Procedure: Internal Audit Request for Information	Yes
21-Sep-20	Compliance to Acts 4th Quarter 2019/2020 Audit	No, the item was referred back for additional Management Comments
21-Sep-20	Quarterly Budget Statement for the 4th Quarter ending 30 June 2020.	Yes
21-Sep-20	Draft Financial Statements for the Year ended 30 June 2020	Yes
21-Sep-20	Auditor General Report Follow-up	Yes
21-Sep-20	Audit Work Completed and Planned	No, the plan for 1 July - 30 September was approved. A new plan should be submitted to the Committee for October 2020 - June 2021
21-Sep-20	Minutes of the Fraud and Risk Management Committee Meetings	Yes
21-Sep-20	Progress report - Risk Management Implementation Plan	Yes
23-Oct-20	Internal Audit Follow-up Reports	Yes
23-Oct-20	Performance Management 4th Quarter 2019/2020 Audit	Yes
23-Oct-20	Revised Annual Risk Based Audit Plan	Yes
23-Oct-20	Quarterly ICT Report - July - September 2020	No, the item was referred back for additional comments and information
23-Oct-20	Auditor General Report Follow-up	Yes
23-Oct-20	Performance- and Audit Committee Meeting Schedule	Yes
23-Oct-20	Fourth quarter 2019/2020 Top Layer SDBIP	Yes
27-Nov-20	Performance and Audit Committee Resolutions Follow-up	Yes
27-Nov-20	Audit Work Completed and Planned	Yes
27-Nov-20	Performance Management 1st Quarter 2020/2021 Audit	Yes

27-Nov-20	Compliance to Acts 1 <sup>st</sup> Quarter 2020/2021 Audit	Yes
27-Nov-20	Internal Audit Follow-up Reports	Yes
27-Nov-20	First quarter 2020/2021 Top Layer SDBIP	Yes
27-Nov-20	First Quarter 2020/2021 Internal Audit SDBIP	Yes
27-Nov-20	Minutes of the Fraud and Risk Management Committee Meetings	Yes
27-Nov-20	Progress report - Risk Management Implementation Plan	Yes
27-Nov-20	Presentation of Combined Assurance Model	Yes
27-Nov-20	Quarterly Budget Statement for the 1st Quarter ending 30 September 2020.	Yes
27-Nov-20	Status of ICT in TWK Municipality	Yes
27-Nov-20	Auditor General Report Follow-up	Yes
27-Nov-20	Feedback report on status of LED Function	Yes
5-Mar-21	Performance and Audit Committee Resolutions Follow-up	Yes
5-Mar-21	Audit Work Completed and Planned	Yes
5-Mar-21	Compliance to Acts 4th Quarter 2019/2020 Audit	Yes
5-Mar-21	Compliance to Acts 2nd Quarter 2020/2021 Audit	Yes
5-Mar-21	Performance Management 2nd Quarter 2020/2021 Audit	Yes
5-Mar-21	Supply Chain Management 4th Quarter Audit	Yes
5-Mar-21	Waste Water Treatment Audit	Yes
5-Mar-21	Solid Waste 2nd Quarter 2020/2021 Audit	Yes
5-Mar-21	Risk Management Audit	Yes
5-Mar-21	2019/2020 Year-End Stock Count Report	Yes
5-Mar-21	Internal Audit Follow-up Reports	Yes
5-Mar-21	Second quarter 2020/2021 Top Layer SDBIP	Yes
5-Mar-21	Internal Audit SDBIP report as on 31 January 2021	Yes
5-Mar-21	2019/2020 Draft Annual Report	Yes
5-Mar-21	Progress report - Risk Management Implementation Plan	Yes
5-Mar-21	Presentation of Combined Assurance Model	Yes
5-Mar-21	Financial Report for the Month ending 31 January 2021	Yes
5-Mar-21	Government Grants and Subsidies as at 31 January 2021	Yes
5-Mar-21	Procurement Plan	Yes
5-Mar-21	Covid 19 Expenditure Report	Yes
5-Mar-21	Status of ICT in TWK Municipality	Yes
5-Mar-21	Feedback regarding agreements on rentals and encroachments	Yes
4-Jun-21	Performance and Audit Committee Resolutions Follow-up	Yes
4-Jun-21	Third quarter 2020/2021 Top Layer SDBIP	Yes
4-Jun-21	Internal Audit SDBIP report as on 30 April 2021	Yes



4-Jun-21	Financial Report for the Month ending 30 April 2021	Yes
4-Jun-21	Auditor General Report Follow-up	Yes
4-Jun-21	Ad Hoc asset verifications	Yes
4-Jun-21	Maintenance on Proclaimed Roads	Yes
4-Jun-21	Compliance to Acts 3rd Quarter 2020/2021 Audit	Yes
4-Jun-21	Performance Management 3rd Quarter 2020/2021 Audit	Yes
4-Jun-21	Internal Audit Follow-up Reports	Yes
4-Jun-21	Internal Audit Evaluation	Yes
4-Jun-21	Performance and Audit Committee Evaluation	Yes
4-Jun-21	Audit work completed and planned	Yes
4-Jun-21	Revised Annual Risk Based Internal Audit Plan 2020/2021	Yes
4-Jun-21	Internal Audit Plan 2021/22	Yes
4-Jun-21	Revised Internal Audit Documents	Yes
4-Jun-21	Quality Assurance Review	Yes
4-Jun-21	Performance- and Audit Committee Meeting Schedule	Yes
4-Jun-21	Supply Chain Management Audit	Yes
4-Jun-21	Supply Chain Management Audit 1 July 2020 – 31 January 2021	Yes

## 2.8.1 PERFORMANCE AND AUDIT COMMITTEE REPORT



THEEWATERSKLOOF MUNICIPALITY



### 2020/2021 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 2021.

#### 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 2021 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 4 June 2021. The outcome of the review was satisfactory.

The PAC held 5 (five) meetings during the financial year under review. All of the PAC meetings for the financial year were virtual meetings. 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:**

- 21 September 2020
- 23 October 2020
- 27 November 2020
- 5 March 2021
- 4 June 2021

<b>Name of Member</b>	<b>Number of Meetings Attended (All meetings were held virtually)</b>
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 2021 the PAC and the Management Team evaluated the Internal Audit unit. The results of the evaluations were discussed at the PAC meeting of 4 June 2021.

An External Quality Assurance Review was performed for the Internal Audit Department. The report was presented to the PAC on 4 June 2021 and the PAC will monitor action plans and implementation of recommendations made in the report.

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 Department conducted 20 planned internal audits during the period under review: (1 July 2020 -30 June 2021)

- 125 findings were made;
- 35 of these findings were regarded as significant (serious). Management agreed with all of these findings and timelines have been set to address these findings. Management gives quarterly feedback on the status of these findings to the Performance- and Audit Committee.
- The remaining 90 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.

All the audits on the approved 2020/2021 annual internal audit plan were completed. The following internal audits were planned and completed during the period under review:

- Supply Chain Management 4th Quarter 2019/2020
- Performance Management 4th Quarter 2019/2020
- Compliance to Acts Assessment 4th Quarter 2019/2020

- Compliance to Acts Assessment 1st Quarter 2020/2021
- Solid Waste 2nd Quarter 2020/2021
- Waste Water Audit
- Performance Management 1st Quarter 2020/2021
- Risk Management Audit
- Supply Chain Management 1 July 2020 – 31 January 2021
- Performance Management 2nd Quarter 2020/2021
- Compliance to Acts Assessment 2nd Quarter 2020/2021
- Maintenance on Roads Audit
- Fleet and Small Plant Audit
- Ad Hoc Asset Verifications
- Supply Chain Management 1 February 2021 – 31 March 2021
- Performance Management 3rd Quarter 2020/2021
- Solid Waste 4th Quarter 2020/2021
- Compliance to Acts Assessment 3rd Quarter 2020/2021
- ICT Security Audit
- Supply Chain Management Orders above R 30 000

### **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.

Key control deficiencies were noted by Internal Audit in the following areas:

- Solid Waste;
- Waste Water;
- Supply Chain Management; and
- Performance Management.

As stated above Management agreed with all of these findings and timelines have been set to address these findings. Management gives quarterly feedback on the status of these findings to the Performance- and Audit Committee.

Other than the matters highlighted above, no material deficiencies in the system of internal control were noted.

### **Risk Management**

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. A member of the PAC regularly attends FARMCO meetings. A member of the PAC is the PAC representative on the FARMCO of TWK.

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 fact that the MM position was vacant for so long;

- 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 fact that there were insufficient directors for the Bid Adjudication Committee;
- ICT Security in particular cyber-attacks;
- Various risks posed by Waste Management and rehabilitation costs;
- Covid-19 risks - especially on the efficacy of the Municipality e.g. working from home/ isolation/ sick leave as well as the purchase of PPE;
- Underspending of the Capital Budget;
- Water losses; and
- Risk around civil unrest, looting and updating Disaster Recovery Plan

The municipality has updated Strategic and Operational Risk Registers.

### **Performance Management**

The PAC have reviewed the 2020/2021 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 targets being set lower than the previous year's performance and targets not being realistic. Other matters such as the PMS not adequately used as an early warning system and the measurement criteria used also caused concern. The PAC is also of the opinion that there are too many Top Layer KPI's and it should be attempted to decrease the number of Top Layer KPI's.

The PAC reviewed the 2019/2020 Annual Report before submission to Council and was satisfied that the information presented to them was adequate and reliable.

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

### **Compliance with Legislation**

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

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

### **Evaluation of Financial Statements**

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

The PAC has:

- reviewed and discussed the budget statements (section 71 reports) on a quarterly basis;
- reviewed, discussed and provided input on the unaudited draft Annual Financial Statements on 30 August 2021 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

The PAC raised its concern regarding the underspending of Capital Funding.

### **Auditor-General**

The PAC discussed the following with the Auditor-General:

- The report of the Auditor-General for the 2019/2020 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 2019/2020 Management Report)

### **Information and Communication Technology**

The ICT Manager reports to the PAC on the status of Information and Communications Technology on a quarterly basis.

The PAC raised its concern regarding Disaster Recovery in terms of ICT.

### **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.

### **Ms R Gani**

**Chairperson of the Performance- and Audit Committee  
October 2021**

## **2.9 SUPPLY CHAIN MANAGEMENT**

The municipality's SCM policy states that "All user departments are required to submit their procurement plans by middle March 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](http://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, or 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 your 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 2020/2021.

### 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. This would be the formal legislative requirement but the social and community benefits are obviously substantial and a website would be a core requirement, tool and resource for any organisation in the modern time and economy. The municipality is striving to expand the services it hosts and publishes on the website additionally to news and communication functionality to the broader public.

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 & social media. This is additional to our Facebook and newest Instagram pages as well.

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 20/21 - 29/05/2020 Final Budget 20/21 - 29/05/2020 Adjustment Budgets 20/21 - 01/09/2020 - 02/10/2020 - 17/12/2020 - 02/06/2021 - 02/06/2021
All current budget-related policies	Yes	Final Budget 20/21 - 29/05/2020
The previous annual report (Year 2019/20)	Yes	Draft: 08/04/2021
The annual report (Year 2020/21) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2020/21) and resulting scorecards	Yes	Director: Financial Services - 06/07/2020 Municipal Manager - 28/04/2021
All service delivery agreements (Year 2020/21)	Yes	Monthly as per policy
All long-term borrowing contracts (Year 2020/21)	Yes	06/08/2019

All supply chain management contracts above a prescribed value for Year 2020/21	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 2020/21	No	
Contracts agreed in Year 2020/21 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 2020/21	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2020/21	Yes	Quarter 1 -29/10/2020 Quarter 2 -21/01/2021 Quarter 3 -29/04/2021 Quarter 4 -29/07/2021

*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.

When the national state of disaster was lowered the municipality went out on tender, the tender however had to be cancelled as all prices quoted was above the allocation received from Provincial Treasury. The municipality has requested Provincial Treasury to rollover the funds and increase the allocation, once approval is received, the municipality will follow the tender process and hopefully find a suitable service provider.

# CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

## (PERFORMANCE REPORT PART I)

### **Introduction**

The Annual Performance Report is prepared and submitted in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 providing guidelines on the Annual Report. The Annual Performance Report covers the performance information from 01 July 2020 to 30 June 2021 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 2020/2021. The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area as well as the performance per Municipal Directorate.

The Following are the Municipalities Key Performance Areas:

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

### **Legislative Background**

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

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

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

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of

the different role players." This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance

### **Performance Summary**

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

MFMA Circular No.13 prescribes that:

The IDP and budget must be aligned;

The budget must address the strategic priorities;

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

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

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

The following elements necessitated the revision of the SDBIP:

#### The adjustment budget:

1. Numerous Adjustments during the 2020/2021 Financial Year (resulting from national lockdown and impact of covid-19)
2. Auditor General's recommendation on the 2019/20 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 where KPIs were drafted to ensure consistency with planned objectives, indicators, targets and also to ensure that the KPI's and targets set are based on the SMART principles.

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

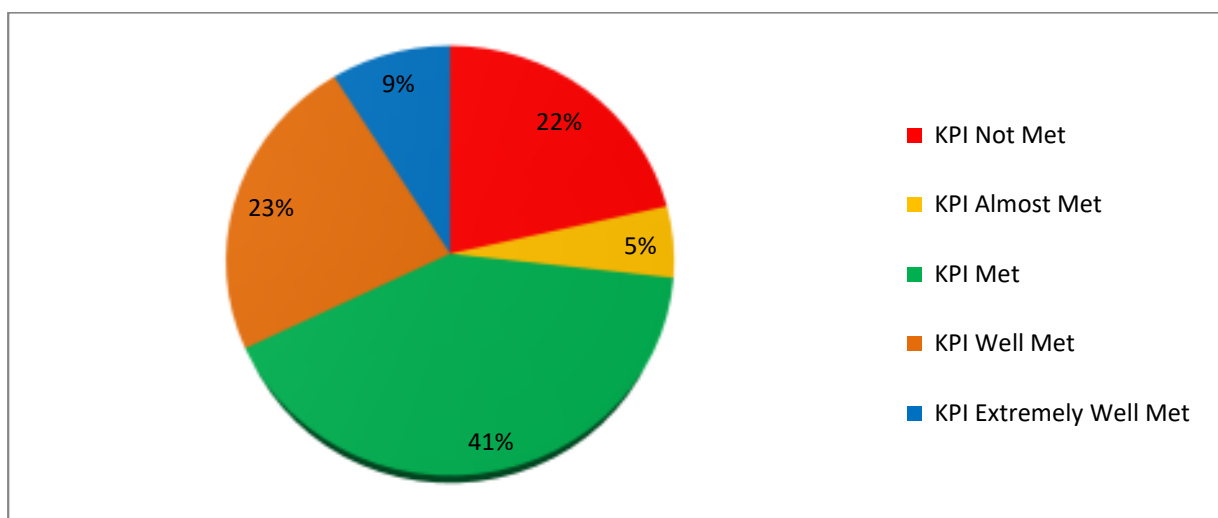
Category	Colour	Explanation
KPI Removed during Adjustment Budget		KPI's with no targets or actuals in the selected period
KPI Not Met		0% >= Actual/Target < 75%
KPI Almost Met		75% >= Actual/Target < 100%
KPI Met		Actual Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met	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

## 2020/2021 Performance Results

The following section will focus on the performance results achieved during the 2020/21 financial year.

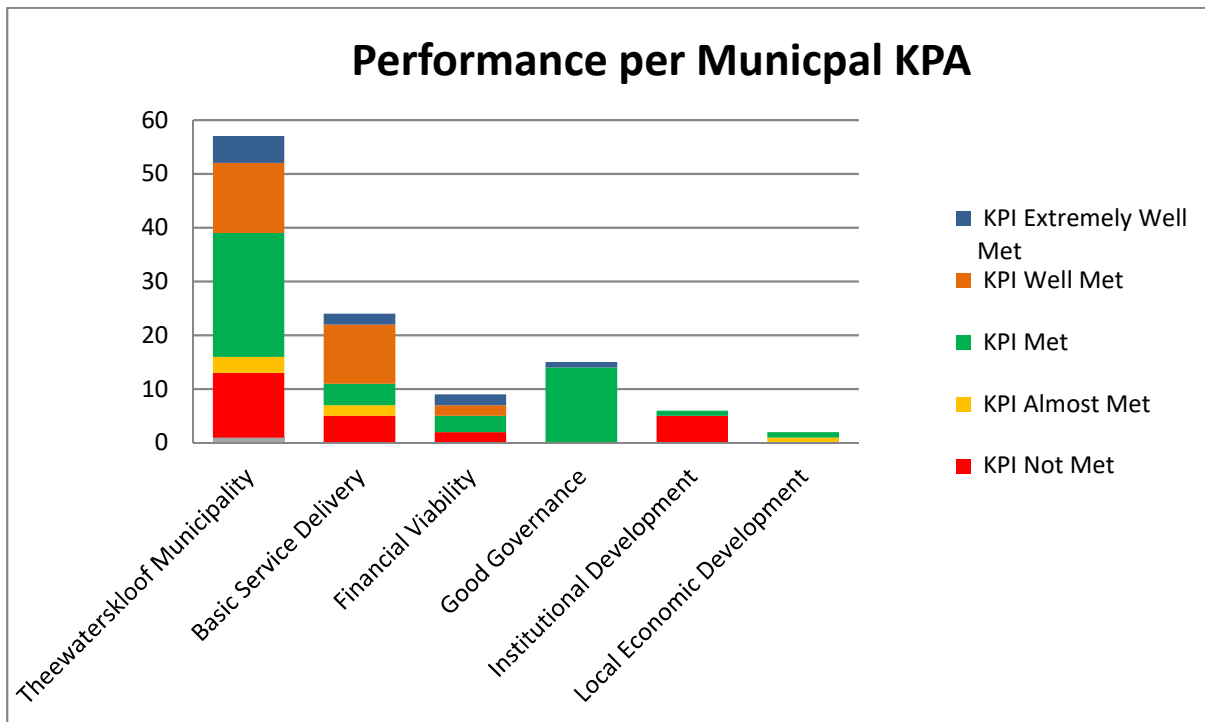
### Summary of Results

	Theewaterskloof Municipality
KPI Not Met	12
KPI Almost Met	3
KPI Met	23
KPI Well Met	13
KPI Extremely Well Met	5
<b>Total:</b>	<b>56</b>



Theewaterskloof had a total of 56 Top layer KPI's that was measured during the 2020/21 financial year. 73% of all KPI's were either achieved or achieved above the expected target, 5% was almost achieved whilst 22% was not achieved. This is a regression on the performance of 2019/20 (78%) decreasing achievement by 5%.

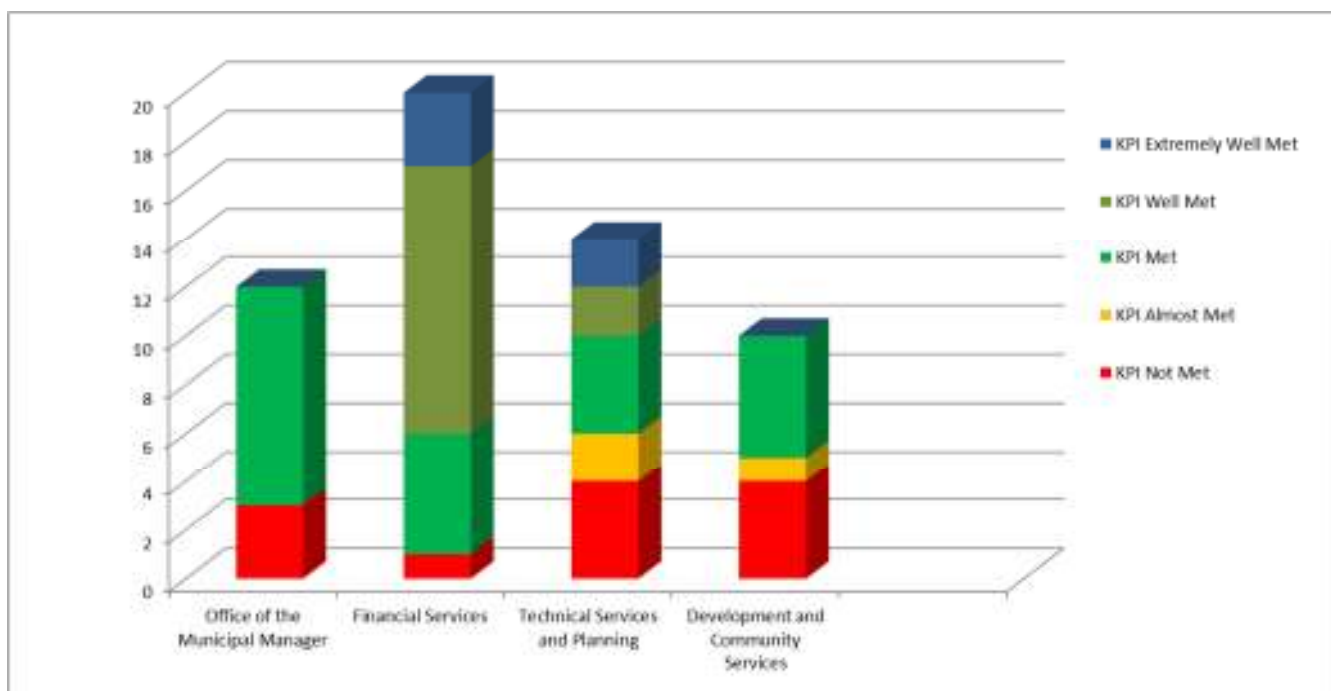
	Theewaterskloof Municipality	Basic Service Delivery	Financial Viability	Good Governance	Institutional Development	Local Economic Development
KPI Not Met	12	5	2	0	5	0
KPI Almost Met	3	2	0	0	0	1
KPI Met	23	4	3	14	1	1
KPI Well Met	13	11	2	0	0	0
KPI Extremely Well Met	5	2	2	1	0	0
<b>Total:</b>	<b>56</b>	<b>24</b>	<b>9</b>	<b>15</b>	<b>6</b>	<b>2</b>



The Table above is indicative that during the target setting the municipality placed its largest focus on Basic Service Delivery and Good Governance with 24 and 15 targets set respectively. The municipality achieved more than 70% of the targets in all of its key performance areas except in Local Economic Development and Institutional Development where it only achieved one of the two and one out of six targets set respectively. The lowest percentage achievement was for Institutional Development, where the municipality only achieved 16% of the targets set.



	Office of the Municipal Manager	Financial Services	Technical Services and Planning	Development and Community Services
KPI Not Met	3	1	4	4
KPI Almost Met	0	0	2	1
KPI Met	9	5	4	5
KPI Well Met	0	11	2	0
KPI Extremely Well Met	0	3	2	0
<b>Total</b>	<b>12</b>	<b>20</b>	<b>14</b>	<b>10</b>



The Financial Services was the best performing department in terms of the KPI's set by achieving 95% of their targets set, followed by the Office of the Municipal Manager with 75% achievement.

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

# Theewaterskloof Municipality

Office of the Municipal

## SDBIP 2020/2021: Top Layer SDBIP Report

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL1	Good Governance	To provide democratic, responsive and accountable government for the local communities	Formal evaluation of the performance of directors in terms of their signed agreements by March	Number of formal evaluations completed	1	Evaluation report and signed scoring sheets	Accumulative	2	2	1	[D2] Municipal Manager: conducted midyear and final evaluation on 14 April 2021 (April 2021)		2	2	G
TL2	Good Governance	To provide democratic, responsive and accountable government for the local communities	Oversee the compilation and submission of the final IDP to Council by 31 May 2021	Final IDP submitted to Council by 31 May	1	Minutes of council meeting during which reviewed IDP was discussed	Carry Over	1	1	1	[D4] Municipal Manager: IDP was submitted to council on the 31 May 2021 (June 2021)		1	1	G
TL3	Good Governance	To provide democratic, responsive and accountable government for the local communities	Oversee the compilation and submission of the final annual budget to Council by 31 May 2021	Final budget submitted to council 31 May	1	Minutes of council meeting during which the Budget was submitted for approval	Carry Over	1	1	1	[D5] Municipal Manager: annual budget was submitted to council on the 31 May 2021 (June 2021)		1	1	G
TL4	Good Governance	To provide democratic, responsive and accountable government for the local communities	Oversee the compilation and submission of the Oversight Report to Council by 31 May 2021	Report submitted to Council by 31 May	1	Minutes of council meeting during which report was discussed	Carry Over	1	1	2	[D7] Municipal Manager: Final Oversight and Annual report was submitted to council on the 31 May 2021 (June 2021)		1	1	G

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL5	Institutional Development	To provide democratic, responsive and accountable government for the local communities	Draft Annual Report submitted to Council by 31 March (MFMA 127(2) and MSA 46(2))	Annual report submitted	1	Council Minutes	Carry Over	1	1	1			1	1	G
TL6	Basic Service Delivery	To provide democratic, responsive and accountable government for the local communities	The percentage of the municipal capital budget spent on projects as at 30 June 2021 {(Actual amount spent on capital projects excluding orders/Total amount budgeted for capital projects)X100}	% of capital budget spent	72.50%	S71 Report And Financial Statements	Last Value	90.00%	90.00%	72.50%		[D25] Manager: Budget: The impact of covid 19, state of disaster and various alert levels relating to lockdown severely hampered the spending of the municipality. Rotation of staff and restriction of face to face meetings meant lengthy delays on procurement processes and decision making abilities. The municipality is now completely comfortable with the virtual platforms that they have introduced to speed up procurement process under different alert levels for disaster management. In addition, procurement processes were hampered by the BAC limitations, which required 4 directors to serve on the committee versus the vacancies in directors at the municipality. This challenge is also being addressed, where in the interim directors from neighbouring Overstrand are being contracted to serve on the BAC. The municipality has amended its Macro Structure to provide for 5 Director positions. The recruitment is suitable candidates are taking place The actual spending	90.00%	63.00%	R

												and implementation of projects remain a challenge under higher alert levels, unfortunately there is not much the municipality can do when activities are restricted under the disaster management act. Strict adherence to the procurement plan will be implemented and all responsible official will be advised to start with their projects as early as possible to give sufficient time for introducing remedies when project are paused or not implementable under the regulations. (June 2021)			
TL7	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit Annual Performance Report (APR) to the AG by 31 October	Annual Performance Report Submitted	1	Confirmation by AG	Accumulative	1	1	1			1	1	G
TL8	Good Governance	To provide democratic, responsive and accountable government for the local communities	Approval of SDBIP by Mayor within 28 days after the approval of the main budget by council	SDBIP approved by Mayor	1	Approved SDBIP (signed by Mayor)	Carry Over	1	1	1			1	1	G

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL9	Institutional Development	Refine and improve the institutional capacity of the municipality	Ensure Stability at top management	Percentage of working days ((1)Total sum of standard working days, in the reporting period, that each S57 post was occupied by a fully appointed official (not suspended or vacant) with a valid signed contract and performance agreement)/ ((2)Aggregate working days for all S57 posts) *100	75%	Report from HR	Stand-Alone	90.00%	90.00%	75%		The municipality is in the process of filling one vacant director post. Already in advanced stage. One appointment has been made and awaiting MEC approval. The other director position as advertised will not be filled pending a review of the macro org structure. The process is given priority.	90.00%	30.95%	R
TL10	Institutional Development	Refine and improve the institutional capacity of the municipality	Signed Performance agreements for all S56/57 Appointments	Number of Performance Agreements Signed	2	Signed Agreements	Accumulative	4	3	2		The municipality is in the final stages of the appointment of a third director. The municipality is also embarking on a much needed restructuring process to enhance service delivery. Once the structure is approved further appointment to senior positions will follow.	3	2	R

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL56	Good Governance	To provide democratic, responsive and accountable government for the local communities	Establish a Recovery-coordinating Committee (RECO) to oversee the municipality's response to the COVID-19 pandemic by 30 September 2020	Number of committees established	0	Minutes of the RECO Meeting	Carry Over	1	1	NEW KPI			1	1	G
TL57	Good Governance	To provide democratic, responsive and accountable government for the local communities	Establish damage caused by the lockdown and present a remedial plan to council for adoption by November 2020.	Number of remedial plans adopted by council	0	Council minutes	Carry Over	1	1	NEW KPI			1	1	G

Office of the Municipal Manager	
KPI Not Met	3
KPI Almost Met	0
KPI Met	9
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total</b>	<b>12</b>

## Technical Services and Planning

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL30	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	95% of the capital budget for the directorate spent by 30 June 2021	% of capital budget spent by 30 June	60.00%	CAPEX Report from finance	Carry Over	95.00%	95.00%	60%	Director: Technical Services and Planning: Upgrading of Streets Grabouw; Capital - Beverly hills: reinstatement of Bos Street road surface; Reinstatement of Bosstreet - Grabouw; Tender Advertised for ENG 20/2020/21 - Upgrading of Roads in Grabouw on the 12th of March. Tender Closed on the 16th of April. Technical Evaluations was completed and submitted on the 4th of May but could not be tabled before BEC and BAC due to the legality of the Municipality's Adjudication Committee. After which the 21 day appeal period must also come into effect which will in turn will cause the construction period to roll over into the 2021/2022 financial year. Pipe Replacement - Caledon Basil	Director: Technical Services and Planning: The funds have been requested to be rolled over since these underspending are not due to neglect by this department.	95.00%	55.26%	R



											<p>Newmark Tender Advertised for ENG 21/2020/21 - Replacement of Basil Newmark Water Pipeline in Caledon on the 5th of March. Tender closed on the 9th of April and Technical Evaluations was completed and submitted on the 9th of April but could not be tabled before BEC and BAC due to the legality of the Municipality's Adjudication Committee. After which the 21 day appeal period must also come into effect which will in turn will cause the construction period to roll over into the 2021/2022 financial year. Greyton WWTW - Negotiations with the Mechanical contractor was successful. However the negotiations with the preferred bidder for the Civil tender was unsuccessful. The tender served at the BEC who recommended that the second preferred bidder, the tender must now serve again at BAC to recommend that negotiations with the second preferred bidder can go ahead.</p>			
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												Negotiations commenced.				
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TL31	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Spend 95% of the Municipal Infrastructure Grant by 30 June	% MIG funding spent	99.55%	Capital Expenditure Report	Last Value	95.00%	95.00%	99.55%	The upgrading of the Greyton waste water treatment plant was brought forward on our program due to an unforeseen EIA delay on another project and in order to endeavor to ensure full expenditure of the 2020/21 MIG allocation. The upgrading of the Greyton waste water treatment plant, with an estimated cost of R 23 829 252, was approved in this amount by the MIG appraisal committee. Funding, in line with this amount was made available in 2020/21 and 2021/22. MIG funding made available in 2020/21 amounted to R 4 528 803. Tenders were called in October 2020 and closed in December. The tender offers received however exceeded the available funding as follows: Lowest responsive tender offer ENG 12/2020/21 R 19 326 296.83 (Civils) ENG 13/2020/21 R 18 935 787.75 (M&E) Total R 38 262 084.58 Funding available R 23 829 252 Shortfall R 14 432 832 The	[D78] Director: Technical Services and Planning: We will have to appoint the contractor for Greyton and Caledon WWTW to expedite expenditure. (April 2021) [D78] Director: Technical Services and Planning: Application was launched to National Treasury to have the funds rolled over to the new financial year. (June 2021)	95.00%	88.00%	O
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										<p>shortfall in funding delayed the evaluation and adjudication of bids received. In January the Municipality petitioned requested the DCoG and DLG to increase the MIG registration. The DCoG approved the request for a budget maintenance, however the application process was protracted and by the end of March had not been finalized. The municipality then opted to forgo the budget maintenance process and revised its 21/22 draft budget to account for the shortfall. Unfortunately, the exemption notice in respect of the composition of the BAC in terms of the SCM regulations had since expired. In terms of the said regulations. a bid adjudication must consist of at least four senior managers, while Theewaterskloof Municipality's macro structure only provides for three directors of which only one was filled. Accordingly, the bid adjudication committee could not form a quorum and thus convene and</p>			
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										<p>the municipality had to approach the NT for advise on how to proceed with the bid given the non-compliance with the SCM regulations. We were advised that the municipality can approach neighboring municipalities to appoint its directors (senior managers) as members of Theewaterskloof Municipality bid adjudication committee. As a result of all these delays and challenges, the municipality is in this difficult position that an award cannot be made until confirmation is received that the funds will be rolled over. The municipality is of the opinion that had the budget maintenance process been prompt and more decisive; the additional funding required to make an award would have been secured sooner and that this would have put the municipality in position to spend the available MIG funds by June.</p>			
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Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL32	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Comply with minimum quality of supply standards as prescribed by NRS 048/2	% compliance	85.00%	Status report issued by independent laboratory	Last Value	85.00%	85.00%	85			85.00%	95.50%	G2
TL33	Basic Service Delivery	Work towards a sustainable future through sound financial management and continuous revenue growth	Submit a funding applications to potential donors for energy saving streetlights by 30 June	Funding application submitted	1	Proof of submission	Accumulative	1	1	1			1	1	G
TL34	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Submit funding application for high mast lighting	Funding application submitted	1	Proof of funding application submitted	Carry Over	1	1	1			1	1	G
TL35	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Limit unaccounted electricity to less than 8.4% as at 30 June 2021 {(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	7.07%	Distribution Losses Report	Reverse Last Value	8.40%	8.40%	7.07%			8.40%	7.56%	B

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL36	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Construct top structures for Grabouw Rooi Dakke by 30 June 2021	Number of top structures constructed Grabouw Rooi Dakke	68	Completion certificate	Accumulative	50	50	68			50	54	G2
TL37	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Construct top structures for Grabouw Hillside by 30 June 2021	Number of top structures constructed Grabouw Hillside	0	Completion certificate	Accumulative	25	25	0			25	41	B



Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL38	Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	Construct top structures for Riviersonderend by 30 June 2021	Number of top structures constructed Riviersonderend	85	Completion certificate	Accumulative	48	10	85	[D109] Manager: Human Settlements: This project never kick off, as funding can only be made available in the September adjustments budget (Provincial). It was primarily delayed due to the National Directive that speaks to prioritization of upgrading of informal settlements as opposed to top structure projects (and the implied redirecting of funding (June 2021)	[D109] Manager: Human Settlements: The project is due to commence mid- July as commitment in terms of funding has been received. Will ensure that all action under control of municipality are executed timeously.	10	0	R

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL39	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Transfer subsidised houses successfully by 30 June 2021	Number of subsidised houses transferred	185	Attorney confirmation letter of the number of title deeds successfully transferred	Accumulative	500	300	185		The delay in transfers are owing to many variables. Primarily the unavailability of the funds / vote due to a MSCOA requirement meant that a 6 month delay was experienced and no orders could be made out against the particular vote- either to appoint attorneys or contract the land surveyor. Essentially all title deeds stood still during this time. To correct this the CFO and service providers (Phoenix Collaborator ) was consulted. Collaborator had to build a requisition system that allows housing to make out direct orders against the allocated funds as per the email of 07 July 2021 attached. (June 2021)	300	292	○

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL41	Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	Provide informal settlements with interim services by 31 May 2021	Number of informal settlements provided with interim services	3	Completion certificate	Accumulative	2	2	0		Siyanyanzela certificate - reloaded Berg en Dal - can not be corrected unless contractual/AG issue resolved additional funding will be required to first implement the sewer pump to initiate the project Iraq will achieve practical completion after Sept. when snags are resolved.	2	1	R
TL42	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Complete the construction of Botriver Community Hall	Botriver Community Hall Constructed (project completed)	0	Completion certificate	Accumulative	1	1	0			1	1	G

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL60	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit reports in respect of COVID-19 (inclusive of the lockdown) that illustrates the damaged caused, risk (both current and future) and the new normal in terms of bulk infrastructure and housing to the Strategic Session by 30 November 2020	Number of reports submitted to Council's Strategic Session	0	Minutes of Strategic Session	Accumulative	2	2	NEW KPI			2	2	G
TL62	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Submit a progress report to management on the status of the EIA process for the Botrivier Service Sites (TRA) project by end of May 2021.	Number of reports submitted	0	Management Minutes	Accumulative	1	1	NEW KPI		Through the process prior the relevant role players was kept up to date with regards to the progress and time timelines as per the attached programme. (June 2021)	1	0	R

	Technical Services and Planning
KPI Not Met	4
KPI Almost Met	2
KPI Met	4
KPI Well Met	2
KPI Extremely Well Met	2
<b>Total</b>	<b>14</b>

## Development and Community Services

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL43	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Spend 95% of the project budget approved for the procurement of new fleet vehicles by 30 June {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	95.80%	Capital Expenditure Report	Last Value	95.00%	95.00%	95.80%		The municipality will use national treasury transversal tender and also procurement from other state organs like city of capetown to speed up procurement process in future.	95.00%	59.57%	R
TL44	Institutional Development	To provide democratic, responsive and accountable government for the local communities	Complete the annual risk assessment and submit to the Risk Committee by 30 June 2021	Completed risk assessment submitted to the Risk Committee	1	Minutes of Risk Management Committee with Assessment	Last Value	1	1	1		[D252] Manager: Human Resources and Risk Management: A Special FARMCO meeting is arranged for 28 July 2021 for the approval of the 2021 / 2022 Risk Register. (June 2021)	1	0	R

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL45	Institutional Development	To provide democratic, responsive and accountable government for the local communities	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2021 [(Actual amount spent on training/total personnel budget)x100]	% of the personnel budget spent on implementing the workplace skills plan	0.73%	Budget Expenditure Report	Last Value	0.50%	0.39%	.73%		The planned training could not be spend due to the Covid-19 pandemic. The municipality will explore alternative methods e.g. online training courses to give effect to its skills development plan	0.39%	0.14%	R
TL46	Institutional Development	To provide democratic, responsive and accountable government for the local communities	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 2021	Number of people employed	3	Appointment letters and Equity Plan	Accumulative	2	2	3		The Employer will continue to encourage applicants from designated groups as defined in Section 1 of the Employment Equity Act as well as the EE Plan of the Municipality to apply for positions through advertising in the newspapers, Website as well as the Notice Boards.	2	1	R
TL47	Local Economic Development	To provide democratic, responsive and accountable government for the local communities	Create temporary work opportunities in terms of EPWP by 30 June 2021	Number of temporary work opportunities created	333	Participants list	Accumulative	490	490	333		1. We cant report on project that is not epwp compliant. 2. EPWP requirements to be stipulated in all tenders.	490	456	O

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL48	Local Economic Development	To provide democratic, responsive and accountable government for the local communities	Review the LED strategy and submit to council by December 2020	LED Strategy reviewed and submitted to Council	0	Promote the second and township economy (SMME development)	Last Value	1	1	0			1	1	G
TL50	Financial Viability	To provide democratic, responsive and accountable government for the local communities	Review terms of reference for all informal settlement committees and submit to management by end of March	Terms of Reference Submitted to Management	0	Management Minutes	Accumulative	1	1	0			1	1	G
TL51	Financial Viability	To provide democratic, responsive and accountable government for the local communities	Review informal settlement containment plan and submit to management by March 2021	Informal Settlement containment plan drafted	1	Management Minutes and move target to March 2021	Accumulative	1	1	NEW KPI			1	1	G
TL59	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit reports in respect of COVID-19 (inclusive of the lockdown) that illustrates the damaged caused, risk (both current and future)	Number of reports submitted to Council's Strategic Session	0	Minutes of Strategic Session	Accumulative	4	4	NEW KPI			4	4	G





	Development and Community Services
KPI Not Met	4
KPI Almost Met	1
KPI Met	5
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total</b>	<b>10</b>

## Financial Services

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL11	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	95% of the capital budget for the directorate spent by 30 June 2021	% of capital budget spent by 30 June	93%	CAPEX Report from finance	Last Value	95.00%	95.00%	93%			95.00%	97.00%	G2
TL12	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Compile An Audit Action Plan To Address AG Audit Findings In The Management Report And Submit To Management By 31 March 2021 For Approval	Plan Completed And Submitted To Management	1	Minutes Of Management Meeting During Which Plan Was Approved	Carry Over	1	1	1			1	1	G
TL13	Good Governance	Work towards a sustainable future through sound financial management and continuous revenue growth	Successfully award tenders in line with Supply Chain Management Policies and Regulations	Number of successful SCM related appeals	0	Register of appeals referred and written response on outcome of appeals	Reverse Last Value	1	1	0			1	0	B

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL14	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Achieve a debtor payment percentage of 85% as at 30 June 2021 ((Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved	88.00%	Section 71 Report/Financial Statements	Last Value	85.00%	85.00%	88%			85.00%	86.68%	G2
TL15	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021 ((Total Operating Revenue-Operating Grants)/Debt Service Payments (i.e. interest + redemption) due within one year)	% of debt coverage	23.85	Section 71 Report	Last Value	11	11	28.35			11	21.16	B
TL16	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((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	3.71	Section 71 Report	Last Value	1.20	1.20	3.71			1.20	4.07	B

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL17	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors	74.48%	Section 71 Report	Reverse Last Value	60.00%	60.00%	74.48%	The absence of the debt collection (legal) system is hampering further collection attempts to non-metered services as well as in our Eskom areas. National lockdown also had an impact on the collection of accounts in arrears.	The debt collection system is in the final development stage and will assist greatly in the collections on farms unmetered services where the municipality have no credit control tools. The implementation of the new debt collection system is scheduled for July 2021.	60.00%	85.8%	R
TL18	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide 6kl free basic water per month to all indigent households during the 2020/21 financial year	Number of indigent households receiving free basic water	5 252	Report From The Financial System With Registered Indigent Households	Last Value	4 900	4 900	5252			4 900	5 744	G2
TL19	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide 70kwh of free basic electricity per month to all indigent households (Excluding Eskom) during the 2020/21 financial year	Number of indigent households receiving free basic electricity	2 373	Report From The Financial System With Registered Indigent Households	Last Value	1 800	1 800	2373			1 800	2 586	G2

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL20	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide free basic refuse removal to indigent households in terms of the equitable share requirements during the 2020/21 financial year	Number of indigent households receiving free basic refuse removal	5 354	Report From The Financial System With Registered Indigent Households	Last Value	4 200	4 200	5354			4 200	5 713	G2
TL21	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide free basic sanitation to indigent households in terms of the equitable share requirements during the 2020/21 financial year	Number of indigent households receiving free basic sanitation	5 299	Report From The Financial System With Registered Indigent Households	Last Value	4 050	4 050	5299			4 050	5 677	G2
TL22	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	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 2020/21 financial year	Number of residential properties which are billed for water or have prepaid meters	15 469	Report From The Financial System Indicating Billed Debtors	Last Value	14 920	14 920	15469			14 920	16 070	G2

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL23	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	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 2020/21 financial year	Number of residential properties which are billed for electricity or have prepaid meters (excluding ESKOM areas)	7 452	Report From The Financial System Indicating Billed Debtors	Last Value	7 100	7 100	7452			7 100	7 490	G2
TL24	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Number of formal residential properties for which refuse is removed once per week and billed for the services during the 2020/21 financial year	Number of residential properties which are billed for refuse removal once a month	15 894	Report From The Financial System Indicating Billed Debtors	Last Value	15 220	15 220	15894			15 220	16 096	G2
TL25	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Purchase smart (utility) water meters by 30 June 2021	Number of smart water meters purchased	1 200	Invoices and Goods Received Note	Accumulative	2 000	1 500	1200			1 500	2 100	G2

Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL26	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	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 2020/21	Number of formal residential properties which are billed for sewerage	15 268	Report From The Financial System Indicating Billed Debtors	Last Value	14 020	14 020	15268			14 020	15 483	G2
TL27	Good Governance	To provide democratic, responsive and accountable government for the local communities	Achieve an unqualified audit opinion for the 2019/20 financial year	Unqualified audit opinion achieved	1	Signed Audit Report	Last Value	1	1	1			1	1	G
TL28	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit the final annual budget to Council by 30 May 2021	Final budget submitted to Council	1	Council minutes	Accumulative	1	1	1			1	1	G



Ref	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2021				
											Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL29	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit the Annual Financial Statements to the Auditor General (AG) by 31 October 2020	Annual Financial Statements submitted to the AG	1	Acknowledgement of receipt	Accumulative	1	1	1			1	1	G
TL58	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit a report in respect of COVID-19 (inclusive of the lockdown) that illustrates the damaged caused, risk (both current and future) and the new normal in terms of financial viability to the Strategic Session by 30 November 2020	Number of reports submitted to Council's Strategic Session	0	Minutes of Strategic Session	Accumulative	1	1	NEW KPI			1	1	G

Financial Services	
KPI Not Met	1
KPI Almost Met	0
KPI Met	5
KPI Well Met	11
KPI Extremely Well Met	3
<b>Total</b>	<b>20</b>

## 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.

Theewaterskloof Municipality's Management Area includes the following towns and urban areas (**Water Distribution Systems**):

- Bot River – Bot River System
- Caledon and Myddleton – Caledon System
- Genadendal, Voorstekraal and Bereaville - Greater Genadendal System
- Grabouw – Grabouw System
- Greyton and Boschmanskloof – Greyton System
- Riviersonderend – Riviersonderend System
- Tesselaarsdal and Bethoeskloof – Tesselaarsdal System
- Villiersdorp – Villiersdorp System
- The rural farm areas

The most significant challenges, from a Water Services perspective, are the upgrading of the WTWs and WWTWs in order to meet future treatment capacity requirements, the provision of bulk water and sewerage infrastructure to service future development areas, the replacement and upgrading of the old infrastructure to ensure the sustainability of the existing infrastructure, the operation and maintenance of the WTWs and WWTWs in a sustainable manner, the provision of sustainable basic services to informal settlements and to ensure the provision of basic services to households located on privately owned farms. Strategies and action plans will need to be developed and implemented, in collaboration with farm owners, in order for the Municipality to fulfil its legal obligations and responsibilities as WSA, with regard to the provision of basic services once clear and practical policy guidelines are made available from the DWS and funding is made available.

**Caledon:** The town is supplied with potable water by the Overberg Water Board through the Rûensveld West Water Supply System (RWWSS). The RWWSS supplies water from the Theewaterskloof Dam via the Mariasdal WTWs close to the Theewaterskloof Dam. A new Bulk Water Supply Contract was signed between Theewaterskloof Municipality and Overberg Water in December 2010, which allows for a volume of 2 409 Ml/a from Overberg Water for supply to Caledon. The Municipality's existing borehole (Baronsbos) was recommissioned during 2017/2018 after it was previously vandalised. A new borehole (CN BH2) was also drilled and commissioned to provide additional groundwater to Caledon's water distribution network. A new WTW Package Plant was installed at the 4Ml reservoir for the treatment of the groundwater. Water from the spring is also used and treated at a new WTW Package Plant at the Badskop reservoir.

**Genadendal:** Water gravitates from a weir on the Baviaans River (approximately 3.5 km upstream from Genadendal) to the Genadendal WTW and excess water gravitates into the Badsberg dam (one of two irrigation dams) belonging to the Genadendal agricultural community. A "back-up" pump (in the event of the supply pipeline being damaged) is situated upstream of a small weir in the Baviaans River within the town.

**Voorstekraal** obtains its water from a weir on a perennial mountain stream, which flows from north to south through the area. Fountains also contribute to the stream flow. Two boreholes were also drilled in Voorstekraal, which are available to increase the supply to the town by a further 416 Ml/a. One of the boreholes was commissioned during 2017/2018 and provide groundwater to the WTW Package Plant that was put back into operation.

**Bereaville** is supplied from a perennial mountain stream that flows from north to south through the area. The borehole north-east of the town was commissioned during 2017/2018 and provide groundwater to a new WTW Package Plant.

**Greyton and Boschmanskloof:** Greyton is supplied from two surface water sources and a borehole. The first surface water source is from a weir on the Wolwekloof mountain stream and

the second surface water source is from an abstraction point in the Gobos River (Boesmanskloof). A borehole at the Gobos River also supply groundwater to the WTW.

**Boschmanskloof** obtains its potable water from the Greyton reservoirs. A perennial mountain stream flowing north to south through the valley supplied raw water to Boschmanskloof up to 2011, but was then decommissioned due to the poor quality of the raw water and the inability of the Boschmanskloof WTW to treat the water.

**Grabouw:** A new Service Level Agreement between Theewaterskloof Municipality and the Groenland WUA was signed in February 2013, which allows for an allocation of 4 420 Ml/a from the Eikenhof Dam for supply to Grabouw. Although the Eikenhof Dam is privately owned, the infrastructure including the extracting and conveyance of the raw water from the Eikenhof Dam to Grabouw's WTW is owned and operated by Theewaterskloof Municipality. All bulk water is currently being pumped from the Eikenhof Dam via the new Eikenhof PS.

**Riviersonderend:** The town is supplied with raw water from two surface water sources. The main water supply originates from a weir situated in the Olifantsbos. The water flows under gravity through a 150 dia pipeline to the raw water pump station. Water is also pumped directly from the Riviersonderend River to the raw water pump station. A new borehole was drilled during 2017/2018 as a back-up groundwater supply, but is not yet in use.

**Tesselaarsdal and Bethoeskloof:** The town is supplied with water from a single production borehole in Tesselaarsdal. Previous years the groundwater was augmented by water abstracted from a weir in a nonperennial mountain stream in Tesselaarsdal. However, the weir is a limited resource which may not be used during periods of high demands, which mostly occurs during summer months. All supply to Tesselaarsdal over the last number of years was from the one borehole. Bethoeskloof is also supplied with treated water from Tesselaarsdal. The Bethoeskloof borehole is dry, which previously supplied bulk water to Bethoeskloof.

**Villiersdorp:** The town is supplied with raw water from the Elandskloof Dam via the Elandskloof Government Water Scheme, the Kommissiekraal River during the winter and from one borehole on the north western side of the town. A new borehole was drilled recently and the municipality is currently busy with the commissioning of the new borehole.

### **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 2017/18	Year 2018/19	Year 2019/20	Year 2020/21
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Water:</u> (above min level)</b>				
Piped water inside dwelling	29 745	29 745	27 052	27 756
Piped water inside yard (but not in dwelling)	–	–	–	2671
Using public tap (within 200m from dwelling )	1 840	1 840	7 536	7 536
Other water supply (within 200m)	-	-	–	
<b>Minimum Service Level and Above sub-total</b>	31 585	31 585	34 588	37 963
<b>Minimum Service Level and Above Percentage</b>	87,00%	87,00%	87,38%	96,56%
<b><u>Water:</u> (below min level)</b>				
Using public tap (more than 200m from dwelling)	-	-	90	206
Other water supply (more than 200m from dwelling)	4 907	4 907	4 907	1 148
No water supply	-	-	-	
<b>Below Minimum Service Level sub-total</b>	4 907	4 907	4 997	1 354
<b>Below Minimum Service Level Percentage</b>	13,45%	13,45%	12,62%	3,44%
<b>Total number of households*</b>	<b>36 492</b>	<b>36 492</b>	<b>39 585</b>	<b>39 317</b>
<b>* - To include informal settlements</b>				

### 3.1.3 HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

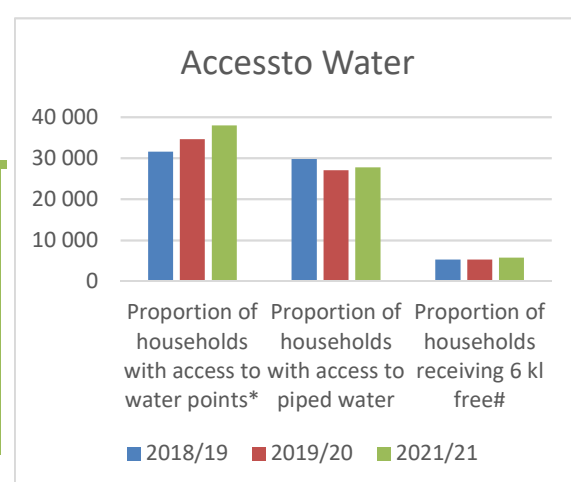
Households - Water Service Delivery Levels below the minimum						
						Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	29 745	29 745	27 052	27 756	27 756	27 756
Households below minimum service level	-	-	-			
Proportion of households below minimum service level	-	-	-			
<b>Informal Settlements</b>						
Total households	6 747	6 747	8 779			
Households ts below minimum service level	4 907	4 907	4997	1354	1354	1354
Proportion of households ts below minimum service level	13,45%	13,45%	12,62%	3,44%	3,44%	3,44%
						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#
2018/19	31 585	29 745	5 319
2019/20	34 588	27 052	5 252
2021/21	37 963	27 756	5 7 44



### 3.1.5 EMPLOYEES WATER SERVICES

Employees: Water and Sewerage Networks					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees	Posts Budgeted	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	26	32	30	2	6%
4 - 6	8	8	7	1	13%
7 - 9	6	8	8	0	0%
10 - 12	1	1	0	1	100%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>42</b>	<b>50</b>	<b>46</b>	<b>4</b>	<b>8%</b>
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
T3.1.7					

### 3.1.6 FINANCIAL PERFORMANCE: WATER SERVICES

Financial Performance: Water Distribution					
R'000					
Details	Year 2019/20	Year 2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(81 684)	(83 525)	(84 366)	(87 324)	4%
<b>Expenditure:</b>					
Employees	10,911	9,526	9,081	9,221	2%
Repairs and Maintenance	3,410	4,216	4,210	3,649	-13%
Other	45,807	48,616	49,133	48,285	-2%
<b>Total Operational Expenditure</b>	<b>60,128</b>	<b>62,358</b>	<b>62,423</b>	<b>61,155</b>	<b>-2%</b>
<b>Net Operational Expenditure</b>	<b>(21 556)</b>	<b>(21 167)</b>	<b>(21 943)</b>	<b>(26 169)</b>	<b>19%</b>
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					T3.1.8

### 3.1.9 CAPITAL EXPENDITURE: WATER SERVICES

Capital Expenditure :Water Distribution				
Water Distribution				
R' 000				
Capital Projects	2020/2021			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	<b>6,750</b>	<b>8,349</b>	<b>3,083</b>	<b>-54%</b>
Capital - Grabouw bulk water	–	,398	,392	0%
Capital - Drought Relief: Ground water monitoring infrastruce	–	,371	,259	0%
Smart Meters Replacement	5,000	5,809	,817	-84%
Drought Relief Grant (Provincial)	1,750	1,750	1,616	-8%
Capital - Grabouw bulk water	–	,21	–	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T3.1.9</i>				

### 3.1.10 COMMENT ON WATER SERVICE PERFORMANCE 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 2021. Funding has been rolled-over to 2021/2022 financial year as approved by council. Current available budget that have been rolled over is R 1 101 000. The total Budget for 2020/21 for water infrastructure was R17 million. The total budget for the 2021/22 financial year is R21 million.

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	JAHEH HASSAN	BUY-RITE	MARVELD 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	JAHEH 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



### 3.2.2 RESIDENTIAL SANITATION PROFILE

All the formal households in the urban areas of Theewaterskloof Municipality's Management Area are provided with waterborne sanitation facilities inside the erven. Communal ablution facilities are provided in the informal areas as a temporary emergency service. The current sanitation service levels are included under Topic of the Administration, Information and Comprehensive Overview Report.

The estimated cost to provide at least basic sanitation services to all the residential households in Theewaterskloof Municipality's Management Area are included in the table below:

Table 2.2.1: Estimated cost to provide basic sanitation services to all households with existing sanitation service levels below basic minimum standard.				
Scheme	Area	Number of Households	Number of Toilet Facilities	Estimated Cost (R million)
Grabouw	Waterworks	326	66	R0.528
	Beverley Hills	285	57	R0.456
	Lost City	50	10	R0.080
	Slangpark / Siteview	111	23	R0.184
	Hillside	4	1	R0.008
	Darkside	43	9	R0.072
	Zola	130	26	R0.208
	Marikana	170	34	R0.272
	Irak	99	20	R0.160
	Siyanyanyzela	1 520	304	R2.432
	Kgotsoong	1 030	206	R1.648
Bot River	New France	249	50	R0.400
Voorstekraal	Voorstekraal	35	7	R0.056
Greyton	Madiba Park	35	7	R0.056
Villiersdorp	Poekom	6	2	R0.016
	Goniwe Park	34	7	R0.056
	West Side 1	71	15	R0.120
	Lower West Side	156	32	R0.256
	Kanaal / Enkanini	552	111	R0.888
	Des West	240	48	R0.384
Caledon	Riemvasmaak	446	90	R0.720
Rural	Farms	880	880	R7.040
<b>Total</b>		<b>6 472</b>	<b>2 005</b>	<b>R16.040</b>

Note: The above communal sanitation services allows for at least one toilet facility per 5 households in the informal areas.

Theewaterskloof Municipality is faced with various challenges with regard to the provision of services on private owned land (Farms) in a financial sustainable manner (enabling the on-going operation of services and adequate maintenance and rehabilitation of the assets), which include the following:

#### Free basic sanitation policy:

- Provision of the most viable sanitation facility to the poor household.
- Health and hygiene promotion must be provided in a co-ordinated manner and must be properly managed and adequately funded if free basic sanitation is to become a reality. This requires close collaboration between the EHPs of the Overberg District Municipality responsible for environmental health and Theewaterskloof Municipality.
- Subsidising the operating and maintenance costs. If the basic service is to be provided free to the poor then Theewaterskloof Municipality must ensure that the costs of providing the service are covered by the local government equitable share and / or through cross-subsidies within Theewaterskloof Municipality's Management Area.

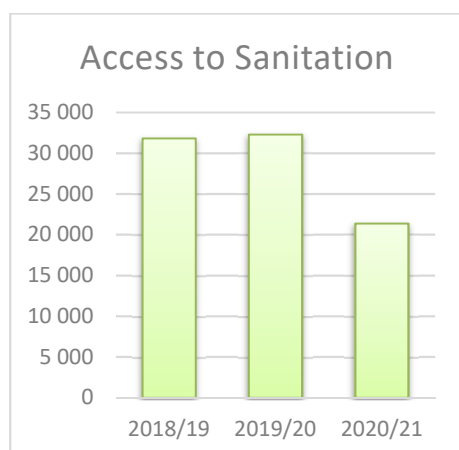
### 3.2.3 SANITATION SERVICE DELIVERY LEVELS

Sanitation Service Delivery Levels				
				*Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<b><u>Sanitation/sewerage:</u> (above minimum level)</b>				
Flush toilet (connected to sewerage)	29 745	29 745	29 745	30 638
Flush toilet (with septic tank)	867	867	867	867
Chemical toilet				
Pit toilet (ventilated)				
Other toilet provisions (above min.service level)				
<i>Minimum Service Level and Above sub-total</i>	30 612	30 612	30 612	31 505
<i>Minimum Service Level and Above Percentage</i>	84%	84%	84%	84%
<b><u>Sanitation/sewerage:</u> (below minimum level)</b>				
Bucket toilet				
Other toilet provisions (below min.service level)	4 309	4 309	4 309	4 309
No toilet provisions	1 571	1 571	1 571	1 571
<i>Below Minimum Service Level sub-total</i>	5 880	5 880	5 880	5 880
<i>Below Minimum Service Level Percentage</i>	16%	16%	16%	16%
<b>Total households</b>	<b>36 492</b>	<b>36 492</b>	<b>36 492</b>	<b>37 385</b>
<i>*Total number of households including informal settlements</i>				<b>T3.2.3</b>

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

Households - Sanitation Service Delivery Levels below the minimum						
						Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>	–	–	–	–	–	–
<b>Total households</b>	30 612	30 612	30 612	30 638	30 638	30 638
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0%	0%	0%
<b>Informal Settlements</b>	–	–	–	–	–	–
<b>Total households</b>	6747	6747	6747	6 747	6 747	6 747
Households ts below minimum service level	4309	4309	4309	4 309	4 309	4 309
Proportion of households ts below minimum service level	1571	1571	1 571	14%	14%	14%
						<b>T3.2.4</b>

### 3.2.5 ACCESS TO SANITATION



Access to Sanitation	
	Proportion of households with access to sanitation
2018/19	31 812
2019/20	32 271
2020/21	21 366

The Grabouw WWTW was upgraded from 3.6 Ml/day to 8.5 Ml/day during 2012 to 2015. The capacity of the new WTW is adequate to meet the future treatment requirements. The average operation flow during 2017/2018 was 36.7% of the hydraulic design capacity of the plant.

The Municipality originally planned that the Greyton WWTW will be decommissioned in the future and the sewage will be pumped to the Genadendal WWTW, but objections were received from the Genadendal community. The Greyton WWTW is currently operating over its hydraulic design capacity and a decision was taken by the municipality to rather construct a new package plant for Greyton, instead of pumping the sewage to the Genadendal WWTW. The average operational flow during 2017/2018 was 110.0% of the hydraulic design capacity.

The Genadendal WWTW was upgraded during 2007 and the current hydraulic design capacity of the WWTW is 0.721 Ml/day, which is adequate to meet the future treatment requirements. The average operational flow during 2017/2018 was 23.2% of the hydraulic design capacity.

The Riviersonderend WWTW consists of an oxidation pond system and has an estimated capacity of 0.7 Ml/day. The pond system allows for long retention times which produce effluent of high standard which is used for irrigating of the neighbouring golf course. The WWTW is operating close to its maximum hydraulic capacity and will need to be upgraded in the nearby future. The average operational flow during 2017/2018 was 76.9% of the hydraulic design capacity.

The Tesselaarsdal WWTW consists of a package plant. The low cost housing development was provided with a full waterborne sanitation system connected to the package plant. The other households make use of either conservancy tanks or septic tanks.

The capacity of the Villiersdorp WWTW was upgraded over the period 2013 to 2015 to a hydraulic design capacity of 2.5 Ml/day in order to comply with the special effluent quality standards as required by the DWS and to meet future treatment requirements. The average operational flow during 2017/2018 was 53.4% of the hydraulic design capacity.

It can be noted from the above that the Caledon- and Greyton WWTW are the most critical for immediate upgrading and thereafter the Riviersonderend- and Bot River WWTW.

The WWTWs to be upgraded in Theewaterskloof Municipality are summarised in the table below:

#### WWTWs to be upgraded in the Future

WWTW	Short, Medium, Long Term,	Estimated Cost Vat Excluded)
Caledon Upgrade of WWTW	Short	R56 753 253
New Package Plant for Greyton	Short	R21 202 416
Bot River Upgrade of WWTW Phase 2	Medium	R9 105 798
Bereaville new WWTW	Long	R4 000 000

### 3.2.6 EMPLOYEES: SANITATION SERVICES

Employees: Sanitation Services (Water and Sewage Purification Works) incl. Suction Tank Services					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	23	25	24	1	4%
4 - 6	16	17	15	2	12%
7 - 9	12	14	14	0	0%
10 - 12	4	6	6	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>56</b>	<b>63</b>	<b>60</b>	<b>3</b>	<b>5%</b>
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.2.7					

### 3.2.7 FINANCIAL PERFORMANCE: SANITATION SERVICES

Financial Performance : Waste Water Management					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(43 784)	(46 780)	(47 351)	(49 290)	4%
Expenditure:					
Employees	12,902	16,537	16,817	16,584	-1%
Repairs and Maintenance	4,836	4,697	6,523	5,889	-10%
Other	20,871	23,781	23,536	23,684	1%
Total Operational Expenditure	38,609	45,015	46,876	46,157	-2%
Net Operational Expenditure	(5 175)	(1 766)	(475)	(3 133)	559%
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 2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	<b>7,979</b>	<b>7,904</b>	<b>5,694</b>	<b>-29%</b>
Riviersonderend WWTW upgrade	,435	,435	,303	-30%
Greyton WWTW	–	4,529	2,258	-50%
Capital - WWTW upgrade	–	3,061	1,166	-62%
Capital - WWTW upgrade	1,600	1,600	1,355	-15%
Capital - Bulk Sewer Destiny Villiersdorp	–	,850	–	-100%
Caledon - WWTW upgrade	8,701	8,701	8,701	0%
Caledon - WWTW upgrade	3,260	3,260	3,260	0%
Caledon - Bulk outfall sewer	8,906	5,896	3,569	-39%
Bulk Sewer Destiny Villiersdorp	1,950	1,950	–	-100%
Botrivier sewer network upgrading	1,380	1,380	1,120	-19%
Botrivier Bulk Sewer (Beaumont)	4,139	4,139	4,139	0%
Botrivier - WWTW upgrade	,435	,435	,435	0%
Ablutions Facilities Sewerage Plants	,75	–	–	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.T3.2.9</i>				

### 3.2.9 COMMENT ON SANITATION SERVICE PERFORMANCE OVERALL EXPENDITURE

Riviersonderend, Botrivier and Greyton WWTW Upgrade planning phase was completed, these projects as well as Caledon WWTW projects are all multiyear projects. Caledon WWTW project are well advance as the third phase was implement in 2020/21 financial year.



### 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.

The maintenance of streetlights in towns where Eskom distributes electricity remain a challenge.

#### **Provision of Prepayment Electricity.**

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:

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



<b>Sonstraal No.1 Tuck Shop PC</b>	Matuwane Street	Riviersonderend
<b>Tawakal Tuckshop PC</b>	7 Player Street	Riviersonderend
<b>Tohow Spaza Shop</b>	Annes Shop 4	Caledon
<b>Tuck Shop No 1</b>	195 Jo Slovo Square	Riviersonderend
<b>Uitsig Supermarket</b>	23 Sayes Street	Caledon
<b>Usave Caledon</b>	25 Prince Alfred Street	Caledon
<b>Valostar Supermarket</b>	19 Voortrekker Road , On the Main Road	Riviersonderend
<b>Village Vinos</b>	32 Main Street	Greyton
<b>Vleiview Café</b>	22 2de Laan, Vlei View	Caledon
<b>Yellow Spaza Shop</b>	340 Erf Goniwe Park	Villiersdorp
<b>Yona Yethu Behchew Shop</b>	296 Shack , Goniwe Park	Villiersdorp
<b>Yone Yethu Spaza Shop</b>	289 Main Street , Goniwe Park	Villiersdorp
<b>Zippy's Supermarket</b>	44 Hoof Street	Greyton

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

### 3.3.1 ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels				
				Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Energy:</u> (above minimum level)</b>				
Electricity (at least min.service level)	32	25	53	55
Electricity - prepaid (min.service level)	7 700	7 721	7 637	7 921
<b>Minimum Service Level and Above sub-total</b>	7 732	7 746	7 690	7 976
<b>Minimum Service Level and Above Percentage</b>	100%	100%	100.00%	100.00%
<b><u>Energy:</u> (below minimum level)</b>				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources				
<b>Below Minimum Service Level sub-total</b>	-	-	-	
<b>Below Minimum Service Level Percentage</b>	-	-	-	
<b>Total number of households</b>	7 732	7 746	7 690	
				T3.3.3

### 3.3.2 EMPLOYEES ELECTRICITY SERVICES

Employees: Electricity Services					
Job Level	Year 2019/2020	Year 2020/2021			
	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	6	5	1	17%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>21</b>	<b>22</b>	<b>21</b>	<b>1</b>	<b>5%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

T3.3.6

### 3.3.3 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

Financial Performance : Electricity Distribution					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(105 193)	(118 854)	(116 320)	(115 372)	-1%
<b>Expenditure:</b>					
Employees	7,363	6,955	8,035	7,990	-1%
Repairs and Maintenance	1,400	3,013	2,897	1,437	-50%
Other	77,643	87,362	84,296	85,788	2%
<b>Total Operational Expenditure</b>	<b>86,406</b>	<b>97,330</b>	<b>95,227</b>	<b>95,215</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>(18,786)</b>	<b>(21,524)</b>	<b>(21,092)</b>	<b>(20,157)</b>	<b>-4%</b>
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .T3.3.7</i></p>					

### 3.3.4 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

Capital Expenditure Year 2020/21: Electricity Services				
R' 000				
Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	<b>14,746</b>	<b>13,700</b>	<b>12,307</b>	<b>-17%</b>
Highmast Lighting	3479	3131	3078	-12%
Replace Pole Mounted Transformer Uitsig.SS K1	2690	2690	1913	-29%
Destiny Infrastructure	5859	4348	4348	-26%
Destiny Infrastructure	878	652	391	-55%
Ringfeed Van Schalkwyk Street Phase 2	–	–	–	0%
Machinery & Equipment	40	73	57	43%
Machinery & Equipment (Upgrade)	–	–	–	0%
Furniture & Office Equipment	3	6	4	33%
Capital - Machinery And Equipment (Renewal)	9	23	20	122%
Capital - Grabouw Highmast Lighting	1615	1 820	1784	10%
Capital - Grabouw Highmast Lighting	174	247	–	-100%
Capital - High Mast Lightning	–	710	710	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T3.3.8</i>				

### 3.3.5 COMMENT ON ELECTRICITY SERVICE PERFORMANCE OVERALL

#### Projects completed in 2020/21

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.
6. Replace 11kV line to pumpstation in Riviersonderend.

### Projects on budget for 2021/22

1. Replace Conventional streetlight luminaires with LED technology.
2. Replace and upgrade Transformer SSK3 in Uitsig Caledon.
3. Replace and upgrade MV and LV Networks in Caledon street ,Greyton.
4. Install Highmast Light in Riviersonderend.
5. Electrification TWK Housing projects.

### 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.

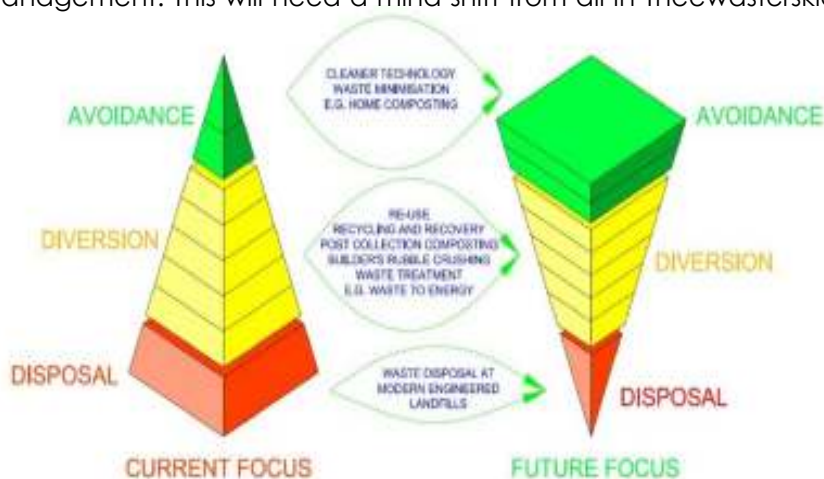


Figure 3-1: Waste Hierarchy

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	Households			
	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal:</u> (Minimum level)				
Removed at least once a week	36 492	36 492	36 492	36 492
<i>Minimum Service Level and Above sub-total</i>	36 492	36 492	36 492	36 492
<i>Minimum Service Level and Above percentage</i>	100%	100%	100%	100%
<u>Solid Waste Removal:</u> (Below minimum level)				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>	-	-	-	
<i>Below Minimum Service Level percentage</i>	-	-	-	
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						
Description	Households					
	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	29 745	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	6 747	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 2019/2020	Year 2020/2021			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	75	81	79	2	2%
4 - 6	4	5	5	0	0%
7 - 9	11	12	12	0	0%
10 - 12	4	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	94	103	101	2	2%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> <b>T3.4.5</b>					

### 3.4.5 FINANCIAL PERFORMANCE: WASTE MANAGEMENT SERVICES

Financial Performance : Solid Waste Management Services					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(49 544)	(47 431)	(49 340)	(49 409)	0%
<b>Expenditure:</b>					
Employees	15,554	19,852	19,069	17,681	-7%
Repairs and Maintenance	2,001	6,819	6,650	5,287	-22,47%
Other	28,843	27,482	27,474	33,619	22%
<b>Total Operational Expenditure</b>	46,398	54,152	53,193	56,586	6%
<b>Net Operational Expenditure</b>	(3 146)	6,722	3,853	7,177	86%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .T3.4.7</i>					

### 3.4.6 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

Capital Expenditure : Solid Waste Management Services				
R' 000				
Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	<b>16,700</b>	<b>17,159</b>	<b>12,660</b>	<b>-24%</b>
<b>Waste drop off</b>	7,135	7,210	6,316	-11%
<b>Waste Transfer Station</b>	–	–	–	0%
<b>Waste Transfer Station</b>	4,783	5,017	1,186	-75%
<b>Waste Drop-off station</b>	4,783	4,783	5,159	8%
<b>Capital - Transfer Station</b>	–	–	–	0%
<b>Capital - Waste drop off</b>	–	150	–	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T3.4.9</i>				

### 3.4.7 COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

In the 2020/21 financial year Greyton Drop off was completed, Riviersonderend Transfer station and MRF Phase 2 was completed and Caledon Waste Transfer Station and MRF Phase 3 tender process was completed.

Phase 3 of the RSE and Caledon Waste Transfer Station and Material Recovery Facilities is under construction. Phase 3 for Caledon will be completed by 30 June 2022 while this phase at RSE will be completed next financial year (2022/23) due to budget constraints.

### 3.5 HUMAN SETTLEMENTS





### 3.5.1 INTRODUCTION TO HUMAN SETTLEMENTS

The abbreviated requirement of the Human Settlements Department is to plan, implement and manage human settlements projects for the Theewaterskloof Municipality. This is a highly complex and inherently multifaceted function. It involves many statutory and technical elements, funding and capacity requirements, as well as a multitude of stakeholders, their input and needs as well as administrative provisions that must be in place and aligned before any housing project can be implemented.

For the Human Settlements Department of effectively delivery on this requirement, often termed its mandate, it is reliant from funds received from the Human Settlements Development Grant (HSDG). For the 2020/21 financial year an allocation of R44 141 000.00 was gazetted to the Theewaterskloof Municipality. Against this grant the municipality claimed and total of R 25 305 528.97 to discharge its functions in respect of project planning and implementation.

In terms of its projects, during the 2020/21 period the Human Settlements Department experienced many highs and some lows. While projects in construction could perform well within limited allowed capacities under Covid-19 related regulations and even reach completion, some planning projects was stalled and suffered delays primarily due to these regulations and its' impact on our work operations. A detailed account of projects completed is provided in a section further below.

Our Title Deeds Programme (TRP) In very diligent ways our staff has tried to retain normal activities as far as possible and even managed to conduct an extensive Outreach Programme. This targeted period saw us reach out to **1 231** clients just between the July to September 2020 period, and excludes our regular and ad hoc request for Outreach activities.

During this financial year **292** title deeds were transferred through our Title Deeds Restoration Programme. This number is increasing owing to many township establishment process that is gaining traction.

#### Completed Human Settlements Projects 2020/21

##### 1. Botrivier Community Hall Project

The 200 seat, multi-purpose facility was completed at the end of August 2020. In total the project cost the DoHS R 5 060 772.50. During its construction this project made use of local labour and local contractors. As the only Socio Economic facility of its kind in Botrivier a total of 2 093 households will draw benefits from this hall.

##### 2. Siyanyanzela Interim Services Project

This interim services project was completed in August 2020 at a total cost of R4,470,970. The project delivered the construction of a 1500 m long sewer main and an 800m long water main with 96 precast concrete toilets with water points constructed along the route of these services. Slabs have been constructed with the view of increasing the number of toilets if and when funding becomes available. Additional to the above the project also made use of local labour and contractors.

##### 3. Rooidakke 1169

During the 2020/21 financial year 63 housing units was constructed. This project is now entering its final phase. This People's Housing Process project is linked to the Civils project in the area.

#### 4. Hillside Grabouw

A total of 41 houses was completed and handed over at Hillside Grabouw. Work on the phase 2 of this project will recommence early in 2022 pending finalisation of revisions to its site development plan. The revisions to this plan was necessary to accommodate the much older category of people intended to benefit from this project.

### 3.5.2 EMPLOYEES HUMAN SETTLEMENTS

Employees: Human Settlements (Including Informal Settlements)					
Job Level	Year 2019/2020	Year 2020/2021			
	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	2	3	2	1	33%
10 - 12	7	7	4	3	43%
13 - 15	0	1	0	1	100%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>10</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>42%</b>
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.            *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
<b>T3.5.4</b>					

### 3.5.3 FINANCIAL PERFORMANCE: HOUSING SERVICES

Financial Performance: Housing Services					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(26 126)	(44 141)	(47 319)	(7 249)	-85%
<b>Expenditure:</b>					
Employees	5,694	6,002	6,851	6,342	-7%
Repairs and Maintenance	353	641	549	344	-37%
Other	12,142	19,713	29,286	3,989	-86%
<b>Total Operational Expenditure</b>	<b>18,189</b>	<b>26,356</b>	<b>36,686</b>	<b>10,675</b>	<b>-71%</b>
<b>Net Operational Expenditure</b>	<b>(7,937)</b>	<b>(17,785)</b>	<b>(10,633)</b>	<b>3,426</b>	<b>-132%</b>
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					<b>T3.5.5</b>

### 3.5.4 CAPITAL EXPENDITURE: HOUSING SERVICES

Capital Expenditure : Housing Services				
R' 000				
Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	<b>26,489</b>	<b>16,307</b>	<b>5,693</b>	<b>-79%</b>
<b>Caledon Riemvasmaak Planning</b>	1,000	250	208	-79%
<b>Caledon Riemvasmaak (Roads)</b>	500	–	–	-100%
<b>Caledon Riemvasmaak (Sewerage)</b>	500	–	–	-100%
<b>Caledon Riemvasmaak (Stormwater)</b>	500	–	–	-100%
<b>Caledon Riemvasmaak (Water)</b>	500	–	–	-100%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	1,625	1,000	–	-100%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	250	–	–	-100%
<b>Siyanyanzela interim Services</b>	2,500	505	505	-80%
<b>Grabouw Rooidakke Exten Iraq</b>	3,000	2,784	2,072	-31%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	1,625	–	–	-100%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	250	451	451	81%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	1,625	–	–	-100%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	250	–	–	-100%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	1,625	–	–	-100%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	250	–	–	-100%
<b>Villiersdorp Destiny Farm</b>	4,000	6,868	–	-100%
<b>Botrivier Hall</b>	1,000	898	898	-10%
<b>Botrivier Beaumont Land (Planning)</b>	1,000	755	581	-42%
<b>Botrivier Beaumont (interim services)</b>	4,489	2,794	978	-78%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>				T3.5.6

### 3.5.5 COMMENT ON HOUSING SERVICE PERFORMANCE OVERALL

For the 2020/21 financial year the Human Settlements Capital Expenditure reflects a 21% expended against the adjusted budget of R16 million.

This means that the department spent R 5,693, 000.00 as it relates to the implementation of capital project s that speaks primarily to the planning and implementation of the services component of housing and upgrading projects.

The reasons for the apparent low spending is owing to the complex and inter-dependent environment in which the function operates, but also largely relates to the;

- Project feasibility and readiness;
- Bulk availability and related funding;
- Time frames for statutory approvals;
- Project funding and reliance on grant funding for implementation; and
- Re- prioritisation of projects to deal with ad hoc matters such as land invasion and settlement growth.

Additional to the above the impact of Covid-19 cannot overlooked and must be emphasised in the context of housing delivery. Many processes simply could not proceed as they normally do and required either a pause or a re- visit of approaches. The impact of this is observed in particularly project readiness and its' reliance on statutory approvals such as land use applications and environmental authorisations. New and innovated approached had to be implemented to deal with the required public participation and communication aspects. In the case of environmental approvals, a requirement has been set for the submission and approval of a public participation plan as part of the process. This context places strain on projects in planning and the timeframes as it relates to funding submissions and budgeting provisions, and ultimately implementation.

It is also true that often while all efforts are applied to ensure that planning already concluded speak to the realities of the intended beneficiary community, sometimes we do find that the two are not in harmony. In the **Hillside** project, this was noted. In the course of the roll- out of the project the approved site development plan (that outlines also the housing typologies) was found to no longer adequately meet the needs of the beneficiary profile of the affected community. For this reason, the affected community was consulted and it was then decided that the site development plan should be revised to adequately address the housing need. The obvious impact of this is that no construction could commence until such time that the new plan is approved, this inhibited spending.

An important part of housing is land availability. Without suitable land, there can be no projects and if suitable land become invaded or illegally occupied its mandates the municipality to re- prioritise, re- budget and re- plan. It is important that the community, as the primary stakeholder in housing, and at the crux of service delivery, project the municipal housing pipeline and projects and not invade or illegal occupy land intended for housing. It is a frustrating wait, but ultimately one- sided containment efforts will fail if the intended beneficiaries do not support them.

Housing is a developmental issue and while this capital expenditure for 2020/21 has a lot of room for improvement, there are many processes happening behind the scene that cannot be quantified but will see the realisation of these projects happen with speed once in place. These relate to policies in terms of Informal Settlement Management and Beneficiary Selection and Allocation, Standard Operating Procedures for the establishment of housing and informal settlement committees, improved communication strategies and outreach programmes and continued registration and verification of the housing demand database.

### 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.

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	%
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%
2020/21	35 594	5792	5744	99%	5677	98%	2586	45%	5713	99%
T 3.6.3										

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

### 3.6.2 FINANCIAL PERFORMANCE: FREE BASIC SERVICES DELIVERED

Financial Performance: Cost to Municipality of Free Basic Services Delivered R '000					
Services Delivered	2019/20	2020/21			Variance to Budget
	Actual	Budget	Adjustment Budget	Actual	
Water	6,927	7,896	10,138	8,388	-17%
Waste Water (Sanitation)	10,139	11,474	14,732	11,666	-21%
Electricity	3,316	3,915	5,027	4,093	-19%
Waste Management (Solid Waste)	11,473	13,039	16,741	13,138	-22%
<b>Total</b>	<b>31,856</b>	<b>36,325</b>	<b>46,638</b>	<b>37,284</b>	<b>-20%</b>
					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.

#### 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
<b>Total Cost per Indigent</b>	<b>742.60</b>	<b>408.61</b>	<b>333.99</b>

#### 2020/2021 INDIGENT COST

Indigent			
Services	Tariff	Equitable Share Allocation	Total Cost per Indigent
Sewerage	197.40	111,28	86.12
Water	217,10	155,73	61.37
Electricity (70 free units)	161.00	99,83	61.17
Refuse	220.90	93,28	127.62
<b>Total Cost per Indigent</b>	<b>796,40</b>	<b>460,12</b>	<b>336.28</b>

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 336, 28 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 31,856 m to 37,284 m in 2020/21.

## 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;

VOTE	PROJECT	TOWN	FUNCTION	SOURCE OF FINANCE	BUDGET 2020 - 2021
72512201214	Grabouw Hop-On Drop-Off PT Facility	Grabouw	Roads	SANRAL	4 421 191
72512201233	Grabouw Upgrade of roads & stormwater at Rooidakke (Phase 1)	Grabouw	Roads	Loans	2 500 000
72512201263	Upgrading of Streets Grabouw	Grabouw	Roads	Capital out of Revenue	480 220
72512201293	Reinstatement of Bosstreet - Grabouw	Grabouw	Roads	Capital out of Revenue	1 066 000
72512401233	Upgrading of Streets - Riviersonderend - Heideweg	Riviersonderend	Roads	Loans	1 155 942
72512401263	Upgrading of Streets - Riviersonderend Bree	Riviersonderend	Roads	Loans	705 691
72512200181	Capital - Rooidakke Storm water	Grabouw	Roads	Capital out of Revenue	-
72512200190	Capital - Beverly hills: reinstatement of Bos Street road surface	Grabouw	Roads	Loans	-
72512400191	Capital - Upgrade Disa Street	Riviersonderend	Roads	Capital out of Revenue	-
72512400201	Capital - Upgrading of Streets - Riviersonderend	Riviersonderend	Roads	Capital out of Revenue	-
72512401293	Upgrading of Streets Riviersonderend	Riviersonderend	Roads	Capital out of Revenue	350 000
72512701233	Upgrading of Streets - Botriver-Garden Crescent	Botriver	Roads	Loans	1 290 261
72512701263	Upgrading of Streets - Botriver Heidelaan	Botriver	Roads	Loans	1 453 441
72512701293	Upgrading of Streets - Botriver Smith	Botriver	Roads	Loans	1 194 378
72512701323	Upgrading of Streets and Storm water Botriver	Botriver	Roads	Capital out of Revenue	501 959

#### GRAVEL ROAD INFRASTRUCTURE

Gravel Road Infrastructure				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year 2017/18	91.8	2.2	0.3	100.3
Year 2018/19	93.7	0	0	103.3
Year 2019/20	93.7	0	1.5	103.3
Year 2020/21	90.7	0	3	85
				T3.7.2



## 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
2017/18	164.03	0.3	0	0	operations
2018/19	164.3	0	0.2	0	operations
2019/20	164.3	0	1.5	0	operations
2020/21	167.3	3	0.28	0	operations
					T3.7.3

## COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
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
2020/21	No new gravel roads	R13 572 069	operations	R13 572 069	R46 000	operations
						T3.7.4

### 3.7.2 EMPLOYEES: ROAD SERVICES

Employees: Road Services (Streets and Storm water) - including building maintenance					
Job Level	Year 2019/2020		Year 2020/2021		
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	45	53	50	3	6%
4 - 6	12	13	13	0	0%
7 - 9	9	13	13	0	0%
10 - 12	8	8	7	1	13%
13 - 15	5	5	5	0	0%

16 - 18	2	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>81</b>	<b>92</b>	<b>88</b>	<b>4</b>	<b>4%</b>
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
<b>T3.7.7</b>					

### 3.7.3 CAPITAL EXPENDITURE: ROAD SERVICES

Capital Expenditure: Road Services				
R' 000				
Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	<b>8 129</b>	<b>69</b>	<b>69</b>	<b>-99%</b>
<b>Grabouw Hop-On Drop-Off PT Facility</b>	<b>4 421</b>	<b>–</b>	<b>-</b>	<b>-100%</b>
<b>Construction of Driving Licence Testing Centre (DLTC) - Grab</b>	<b>3 708</b>	<b>69</b>	<b>69</b>	<b>-98%</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.T3.7.9</i>				

### 3.7.4 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).

## **STATUS QUO**

TWKM has the largest municipality population in the Overberg District. It is a category B municipality divided into 14 wards. As of 2016, the community survey states the population of TWKM totals 117 167 people. This equates to 35.9 people per square kilometre. The estimated population growth is approximately 0.9% average over the next 5 years. The increase in population as well as the increase in the economic growth rates will have an effect on the increase traffic and trips in the LM. The increase in both these aspects will increase the housing and bulk services demand and thus additional neighbourhoods will be needed. This creates a need for additional roads and capacity improvements to existing roads. The effect hereof is proposed to be assessed through simulation models as discussed in chapter 8 of the ODM DITP 2020-2025.

The Department of Social Development 2018 Socio-economic Profile (SEP) report projected the population to increase to 122 207 in 2020 and 126 635 in 2024. The Report states, in 2016, there were 33 117 actual households in the municipality, 20.3% are informal dwellings. It also identified increase in population and demand for services as potential socio-economic risks.

## **Roads Network**

TWKM has a relatively good road connectivity provided by an extensive road network. There are three kinds of roads, which make up the TWKM road network: national, provincial and local roads. These roads are owned and maintained by different government bodies.

National roads are the responsibility of the National Roads Agency, SANRAL. Provincial roads are the responsibility of the Provincial Government of the Western Cape under the Road Network Management Chief Directorate of the Department of Transport and Public Works. Local roads are the responsibility of the local authority, which is TWKM.

## **Extent of Road Network**

The road network in TWKM consists of 1 177.05 kilometres of national, provincial and local roads. Provincial roads are classified into four categories according to their function as follows:

- Trunk roads- Access to neighbouring district municipalities and link large towns;
- Main roads- Access to neighbouring district municipalities and link large towns;
- Divisional roads- Link rural areas to trunk and main roads; and
- Minor roads- Provide local access.

In 2019, the Theewaterskloof developed a road asset management plan (RAMP). In accordance with the 2019 RAM study, the TWKM contains 282 km of roads and an additional 22 km of roads which are 80/20 subsidised by the Province. Approximately 105 km of the roads are unpaved roads while most of the paved roads have bituminous, flexible pavement surfacing's. Eight (8) km of the roads have block pavements. Around 85% of the roads are Class 5 Access roads with the balance being Class 4 Collectors. There is a short section of Class 3 road represented by Main Road through Bot Rivier. The western portion of this road is a gravel road. The road hierarchy as identified by the RAMP

ROAD CLASS				
Town	Distributor	Collector	Access	Total
Theewaterskloof	3.0	38.6	240.0	281.7
Botrivier	3.0	3.3	20.8	27.1
Caledon		9.1	46.4	55.5
Genadendal		3.6	29.8	33.3
Grabouw		4.7	64.5	69.3
Greyton		6.4	18.7	25.0
Myddleton		2.1	4.4	6.5
Riviersonderend		5.8	23.0	28.8
Tesselaarsdal			2.1	2.1
Villiersdorp		3.8	30.3	34.1

### 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.

#### STORMWATER INFRASTRUCTURE

Stormwater Infrastructure				
	Kilometres			
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2017/18	165	0	0.3	operations
2018/19	165	0	0	operations
2019/20	165.2	0.2	0	operations
2020/21	165.7	0.5	0	operations
				T3.9.2

#### 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
2020/21	3 891	0	operations
			T3.9.3

### 3.9.2 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.

The town planning section embarked on a process to review and amend the current Theewaterskloof Municipality Bylaw on Municipal Land Use Planning. The aforementioned bylaw was first implemented within the municipality on 1 December 2015. The objective of the amendment process was to address certain issues that were experienced during the implementation of the 2015 bylaw. A final version of the proposed new bylaw was presented at a Council workshop to Council in June 2021. The amended bylaw will be implemented in the 2021/2022 financial year.

The term of the Theewaterskloof Municipality Planning Tribunal came to an end during the latter part of 2020. Following the prescribed legislative process, members of the Municipal Planning Tribunal were appointed for a period of five (5) years.

Table T3.10.2 illustrates the breakdown of the types of land use applications that were considered and finalized during the course of the financial year. In total, 86 land use applications were finalized, which comprised the different types of applications as contained in the aforementioned table. In the 2019/2020 financial year, a total of 65 land use applications were finalized. The discrepancy between the two financial years is a result of the hard COVID-19 lockdown that was initiated in March 2020. During this particular period, no decisions on land use applications could be finalized.

The building control section in turn finalized a total of 285 building plan applications through the course of the financial year. In the 2019/2020 financial year a total of 622 plans were finalized. The large discrepancy between the two financial years can be attributed to the large number of subsidised housing building plans that were approved by the section in the 2019/2020 financial year. The estimated total value of all building plans approved is R 683 649 939.50. It should be noted that this estimated value is provided by service providers (architects, draftspersons, etc) of clients, upon submission of building plans. The actual value of all building plans approved may therefore vary.

Despite being challenged with COVID-19 protocols, such as rotational office days, limited number of allowable staff during office hours, limited physical contact with members of the public, etc, the town planning and building control section still managed to achieve its operational KPI's as approved by Council in the Municipality's Service Delivery and Budget Implementation Plan, as indicated within Table T3.10.2.

### 3.10.2 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development									
Planning applications finalised	Departure	Consent use	Rezoning	Subdivision	ROR	Permission to zoning scheme	Extension of validity period	Occasional land use	Consolidation
	46	24	15	9	-	2	4	1	7
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 500m <sup>2</sup> and 60 days for buildings larger than 500m <sup>2</sup> after all information required is correctly submitted.	85%	89%	85%	89%	50%	54%	85%	98
	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%	94
	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%	98
T 3.10.3									

### 3.10.3 EMPLOYEES: PLANNING SERVICES AND IDP

Employees: Planning Services (Building Control)					
Job Level	Year 2019/2020		Year 2020/2021		
	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	4	4	4	0	0%
10 - 12	4	5	4	1	20%
13 - 15	3	4	4	0	0%
16 - 18	2	2	2	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>13</b>	<b>15</b>	<b>14</b>	<b>1</b>	<b>7%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T3.10.4</p>					

Employees: IDP					
Job Level	Year 2019/2020	Year 2020/2021			
	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	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	2	2	1	1	50%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>25%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.52.4</b></p>					

### 3.10.4 FINANCIAL PERFORMANCE: PLANNING SERVICES

Financial Performance : Technical Services and Planning					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(2 367)	(71 708)	(73 984)	(31 830)	-57%
<b>Expenditure:</b>					
<b>Employees</b>	8,994	31,943	30,746	28,048	-9%
<b>Repairs and Maintenance</b>	—	383	435	180	-59%
<b>Other</b>	3,353	20 256	29 329	2 974	-90%
<b>Total Operational Expenditure</b>	12,348	52,581	60,510	31,202	-48%
<b>Net Operational Expenditure</b>	9,981	(19 127)	(13 473)	(628)	-95%
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .T3.10.5</i></p>					



### 3.10.5 CAPITAL EXPENDITURE: PLANNING SERVICES

Capital Expenditure : Planning Services				
				R' 000
Capital Projects	2020/2021			
	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	26 498	21 107	5 698	-78%
<b>Grabouw Rooidakke Exten Iraq</b>	3 000	2 784	2 072	-31%
<b>Botrivier Beaumont (interim services)</b>	4 489	2 794	978	-78%
<b>Botrivier Hall</b>	1 000	898	898	-10%
<b>Botrivier Beaumont Land (Planning)</b>	1 000	755	581	-42%
<b>Siyanyanzela interim Services</b>	2 500	505	505	-80%
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	7 500	1 451	451	-94%
<b>Caledon Riemvasmaak Planning</b>	1 000	250	208	-79%
<b>Machinery and Equipment (RENEWAL)</b>	4	4	3	-25%
<b>Furniture and Office Equipment (NEW)</b>	1	3	2	100%
<b>Machinery and Equipment (NEW)</b>	4	4	–	-100%
<b>Caledon Riemvasmaak (Roads)</b>	500	–	–	-100%
<b>Caledon Riemvasmaak (Sewerage)</b>	500	–	–	-100%
<b>Caledon Riemvasmaak (Stormwater)</b>	500	–	–	-100%
<b>Caledon Riemvasmaak (Water)</b>	500	–	–	-100%
<b>Villiersdorp Destiny Farm</b>	4 000	6 868	–	-100%
<b>Purchase of Land (Gypsy Queen)</b>	–	500	–	0%
<b>Capital - Grabouw Rooidakke 1169 Civil Engineering Services</b>	–	3 800	–	0%
<b>Greyton 595: Planning</b>	–	489	–	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>				
T3.10.6				

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



Table below: Achievements within Local Economic Development

Achievements / Highlights	Description	
Business Interventions	Number of business interventions for the financial year	
	2019/20	2020/21
	Business Registrations	10 35
	Municipal Database Registration/CSD	10 35
	Advise to walk-ins	43 96
	Workshops / Training	1 7
	Funding application assistance	2 19
	Referrals	10 25
	CIDB Registrations	1 10
	BEE Certification	10 35
	Tax Registrations	10 35

Mentorships	<ul style="list-style-type: none"><li>- SEDA TREP Project - Coaching &amp; Mentoring Sessions held during May and June 2021.</li><li>- In total 15 (15) one –on –one consultations took place with smme’s who applied for the Township and Rural Enterprise Fund.</li></ul>																																											
Tender Training	2019/2020		2020/2021																																									
	0		4																																									
LED / SCM Statement and Performance	<ul style="list-style-type: none"><li>- In terms of the IDP, “<i>Theewaterskloof municipality will whenever the procurement of goods and services arises apply the constitutional imperatives governing SCM in terms of section 217 of the constitution in relation and alignment to section 152 and 153 of the constitution as well as the national development plan and its 2030 vision</i>”.</li><li>- Enabling the municipality to give effect to sections 152 and 153 of the constitution and in doing so:<ul style="list-style-type: none"><li>• The LED and SCM agree on the proposed procurement strategy after an in-depth analysis of the market forces performed.</li><li>• LED and SCM will develop process and procedures to ensure the municipality give effect to S152 and S153 of the constitution.</li><li>• Given the latter, the LED Department forms part of the demand management process of the Municipality, whereby tender strategies are determined for the procurement of capital goods and services, to give effect to the constitutional imperatives governing SCM and Section 152 and 153.</li><li>• Following a summary of tenders and quotations awarded through the SCM process to local suppliers:<p><i>Table below is a summary of tenders awarded for 2019/20 &amp; 2020/21 in particular local awards</i></p><table><tr><th></th><th>2019/20</th><th>2020/2021</th><th>%</th><th>Increase / Decrease</th></tr><tr><td><b>Contracts awarded</b></td><td>44</td><td>67</td><td>52</td><td>Increase</td></tr><tr><td><b>Cancelled contracts</b></td><td>9</td><td>7</td><td>22</td><td>Decrease</td></tr><tr><td><b>Contracts awarded</b></td><td>R185 373 573.83</td><td>R 275 363 283.02</td><td>49</td><td>Increase</td></tr><tr><td><b>B-BBEE Awards “R”</b></td><td>R 174 622 342.90</td><td>R 256 431 970.30</td><td>47</td><td>Increase</td></tr><tr><td><b>Local Awards</b></td><td>3</td><td>2</td><td>33</td><td>Decrease</td></tr><tr><td><b>Contracts amount</b></td><td>R 8 382 836.91</td><td>R 5 479 728.16</td><td>35</td><td>Decrease</td></tr><tr><td><b>Local “R”</b></td><td></td><td></td><td></td><td></td></tr></table></li></ul></li></ul>					2019/20	2020/2021	%	Increase / Decrease	<b>Contracts awarded</b>	44	67	52	Increase	<b>Cancelled contracts</b>	9	7	22	Decrease	<b>Contracts awarded</b>	R185 373 573.83	R 275 363 283.02	49	Increase	<b>B-BBEE Awards “R”</b>	R 174 622 342.90	R 256 431 970.30	47	Increase	<b>Local Awards</b>	3	2	33	Decrease	<b>Contracts amount</b>	R 8 382 836.91	R 5 479 728.16	35	Decrease	<b>Local “R”</b>				
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	<p><i>T below is a summary of formal written price quotations awarded for 2019/20 &amp; 2020/21 in particular local awards:</i></p>																																											

	2019/20	2020/2021	%	Increase / Decrease										
	Total number of orders	4 756	5 025	6	Increase									
	Total orders approved “R”	R 57 008 103.42	R 77 445 125.70	36	Increase									
	Total Orders Local “R”	R 21 686 09.03	R 29 150 407.81	34	Increase									
	% Local spent p/month	38%	36%	5	Decrease									
Informal Trading Permitting & Licencing	<table><tr><th></th><th>2019/2020</th><th>2020/2021</th></tr><tr><td>Number of trading permits issued:</td><td>43</td><td>270</td></tr><tr><td colspan="3"><ul style="list-style-type: none"><li>- In addition to the informal trading permitting and licensing, the LED Department drafted concept site development plans for existing sites i.e. Grabouw, Villiersdorp and Caledon and new proposed sites in Grabouw, Caledon and Riviersonderend.</li><li>- The aim of the site development plans to look at future development to improve trading infrastructure and to source external funding through partnerships.</li><li>- An application for the upgrade and expansion of the existing and new sites made to the Booster Fund, but was unsuccessful.</li><li>- The Dept. is still exploring external funding sources for the development and upgrade of the informal trading areas as identified.</li><li>- The informal Trading By-law have been amended, and is due for the public participation process and consultation with stakeholders.</li><li>- Due to challenges of COVID, the consultations hampered due to regulations and lockdown guidelines.</li></ul></td></tr></table>						2019/2020	2020/2021	Number of trading permits issued:	43	270	<ul style="list-style-type: none"><li>- In addition to the informal trading permitting and licensing, the LED Department drafted concept site development plans for existing sites i.e. Grabouw, Villiersdorp and Caledon and new proposed sites in Grabouw, Caledon and Riviersonderend.</li><li>- The aim of the site development plans to look at future development to improve trading infrastructure and to source external funding through partnerships.</li><li>- An application for the upgrade and expansion of the existing and new sites made to the Booster Fund, but was unsuccessful.</li><li>- The Dept. is still exploring external funding sources for the development and upgrade of the informal trading areas as identified.</li><li>- The informal Trading By-law have been amended, and is due for the public participation process and consultation with stakeholders.</li><li>- Due to challenges of COVID, the consultations hampered due to regulations and lockdown guidelines.</li></ul>		
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<b>Enterprise Development &amp; Support</b>	<ul style="list-style-type: none"> <li>- Training of local entrepreneurs could not be done optimally, due to the pandemic.</li> <li>- However, one-on-one-consultation sessions between the smme and SEDA took place.</li> <li>- The Unit also assisted local SMME's with PPE to ensure compliance with health protocols during the pandemic. In total 220 safety kits distributed to smme's during Covid, funded by the Department of Economic Development and Tourism.</li> <li>- The Unit has been very active with the processing of trading permits during the lockdown to ensure that micro businesses could trade and is currently continuing with the informal trading license permitting process.</li> <li>- The Dept. assisted in total 40 smme's to access the Department of Small Enterprise (DSD) Township and Rural Enterprise Programme [TREP] Funding assistance, to assist local smme's during COVID.</li> </ul>
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	<ul style="list-style-type: none"> <li>- Regular communication via the Municipal communication platforms communicated weekly on national government support programmes to smme's during the COVID period outbreak and continuous communication is still taking place on new and existing interventions by national and provincial government.</li> </ul>
<b>Agricultural Support to small farmers</b>	<ul style="list-style-type: none"> <li>- Considerable time has been spend with local small farmers in terms of consultation on the current needs and the formalisation of these local small farmers into a representative forum.</li> <li>- In collaboration with the Dept. of Agriculture and Rural Development and Land Reform, investigation for land was completed.</li> <li>- An application for the leasing / transfer of state owned agricultural land from the Department of Public Works compiled and submitted for consideration by the said department.</li> <li>- The key challenge remain with access to agricultural land for agricultural activities.</li> <li>- 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.</li> </ul> <p>Presidential Economic Stimulus Initiative (PESI)</p> <ul style="list-style-type: none"> <li>- The Department served on the District Joint Operations Committee, which served as coordinating body to assist small farmers accessing the Presidential Economic Stimulus Support Fund.</li> <li>- The Department assisted with the application and pre-evaluation screening with the Department of Agriculture and ODM.</li> <li>- The objective to financial support small-scale farmers during the pandemic to continue their farming operations.</li> <li>- In total 144 small-scale farmers applied for the Presidential Economic Stimulus Initiative (PESI) funding.</li> <li>- In total 100 applications have been approved to receive financial support between R5 000 – R10 000 through the PESI Support Programme.</li> </ul> <p>Support by The Department of Agriculture to small farmers in Theewaterskloof Local Municipality were as follow:</p> <ul style="list-style-type: none"> <li>- Training provided to small farmers of Caledon, Grabouw, Tesselaarsdal, Riviersonderend, Myddleton and Genadendal on the following commodities e.g. pig production, vegetable and poultry production, irrigation systems and the safe use of chemicals, infrastructure maintenance, production inputs and mechanization.</li> <li>- In addition, financial support given to grain farmers through the Comprehensive Agricultural Support Programme.</li> </ul>

	<ul style="list-style-type: none"> <li>- In terms of household food security water tanks and equipment was distributed and production inputs provided to households with food gardens.</li> </ul>		
<b>Events applications approved</b>		<b>2019/20</b>	<b>2020/21</b>
	Total Events Applications received and processed	66	31
	Events cancelled / postponed	24	15
	Events Applications not approved	0	3
	Events applications approved	42	14
	Revenue generated	R79 387.40	R26 334.00
	<ul style="list-style-type: none"> <li>- The pandemic during the 2020/21 financial year had a significant impact on the events applications and revenue, due to national regulations and the Disaster Management Act, prohibiting the holding of events.</li> <li>- As part of the ease of doing business, the events application portal designed, but not implemented, due to technical challenges.</li> <li>- The Department will be continuing this process to finalise the events portal to ensure - that applications assessed timeously and without any delays.</li> <li>- The finalisation of the reviewed Events Policy and Events portal will be continued in the 2021/22 financial year.</li> </ul>		
<b>Events Policy and Events Portal</b>			

<b>Coved revised Economic Growth Plan</b>	<ul style="list-style-type: none"> <li>- <b>The LED Strategy was revised and adopted by Council on 10 December 2020.</b></li> <li>- <b>Key themes and programmes are as follow:</b></li> </ul>		
	<b>Business Support &amp; Retention</b>		
	Projects	Project Objectives	Project Activities
	Cut red tape	TWK to reduce bureaucracy and long processes for existing businesses and potential businesses.	<ul style="list-style-type: none"> <li>○ Allow online applications for more services and functions</li> <li>○ Improve turnaround time for responding to applications</li> </ul>
	<b>Agricultural Development</b>		
	Projects	Project Objective	Project Activities
	Emerging farmer support	To equip farmers with skills and equipment to contribute towards commercial agriculture.	<ul style="list-style-type: none"> <li>○ Provide training for emerging farmers</li> <li>○ Avail land</li> <li>○ Encourage sustainable agricultural practices</li> </ul>

		<ul style="list-style-type: none"> <li>Establish a support programme for emerging farmers</li> </ul>
<b>Tourism Expansion</b>		
Projects	Project Objective	Project Activities
Branding & Product Development	To create a unified market strategy for the Theewaterskloof area.	<ul style="list-style-type: none"> <li>Improve signage</li> <li>Revamp Cape Country unified tourism information service (marketing each node or town individually)</li> </ul>
Maximise events tourism	Attract more events	<ul style="list-style-type: none"> <li>Develop events strategy with complementary measures for easier applications and streamlined municipal support</li> </ul>
Support Local Tourism Organisation	To act as a link between businesses and municipality.	<ul style="list-style-type: none"> <li>TWK to assist existing LTOs and encourage establishment of further LTOs in other areas</li> <li>Align with post covid-19 requirements</li> <li>Forge stronger links with Overberg tourism</li> </ul>
Agri-Tourism	To grow the touring of agricultural areas in TWK	<ul style="list-style-type: none"> <li>Get farms to develop and better their tourism offerings</li> <li>Municipality to make liquor licenses applications easy for wine farms so that they can offer more tourism products such as wine tasting</li> </ul>
Town Beautification	Enhance the aesthetic of the Theewaterskloof area to attract more tourists and to market the area.	<ul style="list-style-type: none"> <li>Enforcement of by-Laws to keep the towns clean</li> <li>Clean-up signage</li> <li>Erect selfie point infrastructure in conjunction with private partners</li> </ul>
<b>Enterprise Support</b>		
Projects	Project Objective	Project Activities
SMME Support	Provide support to SMMEs in the Municipal	<ul style="list-style-type: none"> <li>Procurement from local suppliers by the municipality</li> </ul>

		area to ensure their growth and sustainability.	<ul style="list-style-type: none"> <li>○ Create procurement targets for local businesses within the municipality</li> <li>○ Encourage BBBEE compliance and enterprise development initiatives</li> </ul>
	Informal sector- Development and Training	Support informal sector and promote informal-formal economy linkages.	<ul style="list-style-type: none"> <li>○ Facilitate Information and training sessions (skills development) through partners such as SEDA</li> <li>○ Upgrading &amp; utilisation of designated trading facilities</li> <li>○ Simplify informal trading permit obtainment process</li> <li>○ Establish partnerships with private sector to provide, mentoring services, learnerships, etc.</li> </ul>
	Relationship Building	Establish & facilitate a good working relationship between TWK LM& business sector	<ul style="list-style-type: none"> <li>○ Municipality to facilitate the establishment of an LED Forum</li> <li>○ Trust Building</li> <li>○ Private Public Partnerships</li> </ul>
	Utilisation of procurement process to improve market share of smme's	Utilisation of municipal capital budget as enabler to grow the market share of smme's in the local municipal area.	<ul style="list-style-type: none"> <li>○ Assessing municipal spending over the past three years to determine tender strategies per commodity</li> <li>○ Council approved conditions to broaden the scope of smme's</li> <li>○ Develop, implement and monitor Councils Preferential Procurement Policy</li> <li>○ Quarterly reporting to Council on the Preferential Procurement Policy</li> </ul>
	<b>Job Creation through the Expanded Public Works Programme</b>		
	<b>Projects</b>	<b>Project Objective</b>	<b>Project Activities</b>
	EPWP Grant funded and Municipal Funded Projects	To provide short-term employment opportunities to unemployed, to empower them through skills development and training to enter the formal job market.	<ul style="list-style-type: none"> <li>○ Identification of projects</li> <li>○ Recruitment and placement of unemployed persons on the projects</li> <li>○ Provision of skills development and training to upskill persons.</li> <li>○ Exiting from programme to formal employment opportunities.</li> </ul>



## LED Challenges

The table below gives a brief description of the challenges encountered by the local economic development department during the 2020/21 financial year.

Description	Actions to address
Lack of funding to upgrade informal trading areas and expansion of economic business hubs in township areas	<ul style="list-style-type: none"> <li>- Municipality to explore external funding sources and to make provision from own funds to systematically address this challenge</li> </ul>
Lack of coherent tourism plan to drive local tourism	<ul style="list-style-type: none"> <li>- To derive at an action plan collectively to drive the tourism agenda of TWK, through the establishment of a task team with internal and external stakeholders.</li> <li>- Draft report on preliminary findings compiled and internal deliberations needs to take place.</li> </ul>
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>- Draft Revised EPWP Policy and Implementation Plan compiled and will be workshopped with Council end September 2021, to standardize and streamline internal processes to address the challenges.</li> <li>- The Provincial Department of Public Works and Transport noted the challenge and indicated that they will follow up the issues raised during the workshops and report with National Department. No commitment however can be made from Provinces side.</li> </ul>
Lack of municipal land for small scale agricultural production and expansion	<ul style="list-style-type: none"> <li>- Issue has been raised with Province, whereby through the Joint District Management Approach (JDMA) model, an application for transfer of state-owned agricultural land to the Municipality has been submitted.</li> <li>- The municipality awaits feedback on this application.</li> </ul>

## Tourism Development & Marketing

Achievements / Highlights	Description
Tourism Development & Marketing	<p>Social Media</p> <ul style="list-style-type: none"> <li>- Shared relevant information to tourists and local product owners, which lead to the increase of followers ( 2063) on social media platforms and increased visibility of tourism</li> </ul> <p>Destination Branding</p> <ul style="list-style-type: none"> <li>- Build relationships with local tourism stakeholders to market tourism products and services, lead to joint marketing of events on the social media platform.</li> </ul> <p>World Travel Market Exhibition</p> <ul style="list-style-type: none"> <li>- WTM postponed due to COVID. This platform used as joint marketing platform, whereby local stakeholders i.e. LTA's afforded the opportunity to jointly market the region as a destination.</li> </ul> <p>Tourism Signage Applications</p> <ul style="list-style-type: none"> <li>- In total two (2) tourism signage applications received during the financial year.</li> <li>- One (1) application approved and the other is still in progress.</li> </ul> <p>Tourism Brochures and Information leaflets</p> <ul style="list-style-type: none"> <li>- The Municipality assisted the local tourism associations through the funding of tourism brochures and maps as part of marketing and promotion of the area as a destination.</li> </ul>
Route / Product Development	<p>Events Marketing</p> <ul style="list-style-type: none"> <li>- Facilitated three (3) events through sponsorship grant offered by Wesgro i.e. Stokefees (Villiersdorp0, Elgin Winer Festival (Elgin) and Elgin Blossom Weekend.</li> <li>- Due to Covid, the events committee cancelled the Stokefees.</li> </ul>
Information collection & dissemination	<p>Creating &amp; Updating of tourism database</p> <ul style="list-style-type: none"> <li>- Tourism database has been created and is continuously updated which highlights the local tourism offerings, with the aim to improve communication and collaboration of the tourism brand.</li> </ul> <p>Capacity Building</p> <ul style="list-style-type: none"> <li>- Capacity building workshops coordinated presented by the National Department of Tourism in March 2021.</li> <li>- The objective of the workshop was to present the National Departments 3- year programme to the district and the support provided over the 3-year period.</li> </ul> <p>Stakeholder Engagements</p> <ul style="list-style-type: none"> <li>- Mostly stakeholder engagements done virtual due to Covid.</li> <li>- All government support programmes offering relief to the tourism industry during Covid, was communicated to stakeholders on the database, as well as through social media.</li> </ul>

Reviving of Tourism and the Tourism Brand	<ul style="list-style-type: none"> <li>- Tourism in Theewaterskloof is not growing to its potential due to lack of partnership, collaboration, trust and commitment.</li> <li>- During consultations with tourism stakeholders in January 2020, and consultations during July - Sept 2021, the main challenges faced by the tourism sector is summarized below: <ul style="list-style-type: none"> <li>- Tourism businesses closed down during lockdown period of which that has led to no feet to tourism areas.</li> <li>- Tourism businesses had to pay cancellation fees to clients cancelling their bookings and that led to loss of income.</li> <li>- Tourism businesses in Theewaterskloof had to pay municipal bills and rates despite having no income.</li> <li>- No funding for tourism resulted in closing of some of the VIC</li> <li>- No clear branding and marketing</li> <li>- No collaboration between tourism businesses</li> <li>- Lack / No commitment from the Municipality and poor relationship</li> </ul> </li> <li>- Public spaces and infrastructure not well maintained</li> <li>- Safety of tourists not prioritized</li> <li>- Degradation of tourism assets</li> <li>- Stakeholder management</li> <li>- No feet due to covid-19 restrictions</li> <li>- Cancellation of reservations</li> <li>- Loss of income</li> <li>- Payment of municipal bills and rates despite no income</li> <li>- Assets decaying due to maintenance put on hold due to lack of funding</li> <li>- Declining investment by private sector into tourism in TWK.</li> </ul> <p>Given the extensive consultations, the Department, in collaboration with the private sector will continue to develop a plan to revive the tourism brand and elevate TWK as destination of choice. This plan will be finalised by June 2022 and subject to public participation.</p>
Tourism Funding	<p>The Department received funding for the 2021/2022 financial year to assist local tourism associations with local tourism activities. The allocation of funding is subject to the signing of formal agreements between the parties.</p>

JOB CREATION THROUGH EXPANDED PUBLIC WORKS PROGRAMME (EPWP) PROJECTS				
FINANCIAL YEAR	CONDITIONAL GRANT RECEIVED	JOB OPPORTUNITY TARGETS SET BY NATIONAL DEPARTMENT	NUMBER OF JOB OPPORTUNITIES ACHIEVED THROUGH EPWP PROJECTS (TWK)	MUNICIPAL TARGET
2017/2018	R1 621 000.00	478	664	460
2018/2019	R1 451 000.00	502	684	470
2019/2020	R1 857 000.00	314	330 (revised target due to non-implementation of all projects within the financial year due to unprecedented health crisis)	480
2020/2021	R1 931 000	316	452	490

### 3.11.1 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

Employees: Local Economic Development Services (LED)					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	1	1	0	0%
7 - 9	0	1	1	0	0%
10 - 12	1	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.11.8</b></p>					

### 3.11.2 FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Financial Performance : Local Economic Development Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	(500)	(53)	-89%
Expenditure:					
Employees	1,791	1,000	1,842	1,865	1%
Repairs and Maintenance	–				0%
Other	341	507	587	308	-47%
Total Operational Expenditure	2,132	1,506	2,429	2,174	-11%
Net Operational Expenditure	2,132	1,506	1,929	2,121	10%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					
T3.11.9					

### 3.11.3 CAPITAL EXPENDITURE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Capital Expenditure: Local Economic Development Services				
R' 000				
Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	-	420 000.00	52 600.00	-
Project A	-	420 000.00	52 600.00	-
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>				T3.11.10

### 3.11.4 COMMENT ON THE PERFORMANCE OF LOCAL ECONOMIC DEVELOPMENT SERVICES OVERALL

#### Project No: TWK 17/16/1/12 – VILLIERSDORP MARKET UPGRADE

##### Progress

- The RSEP funding is earmarked for the erection of fencing, security gates and installation of shutter doors at the trading market.
- A service provider has been appointed for the labour component for the installation of the fencing and the gates.
- An informal tender was awarded end of May 2021 to a service provider for the supply and delivery of the fencing and gates. Due to the discontinuation of the specific type of fencing, the service provider was unable to deliver the material.

- An informal tender will be advertised by 16 July 2021 for the supply and delivery of fencing and gates. The specifications for the fencing has been amended to ensure that the material is available on the market.
- Pre-empted date for adjudication of the informal tender is 30 July 2021 and delivery of materials pre-empted for beginning August 2021, where after installation of fencing can commence.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### COMMUNITY DEVELOPMENT IN TIMES OF COVID-19.

The COVID-19 Pandemic brought stark realities to the fore, with an ideal opportunity to test the solidity and agility of organizational readiness to step up and respond.

While reflecting on the realities of the past year, one needs to appreciate the lessons learned and opportunities created.

COVID-19 and the subsequent lockdown taught us valuable lessons, amongst others, the ways communities and local government can work together in times of crisis.

Attitudes and behaviours became more open and collaborative, with less emphasis on mandates and more focus on responses. Partnerships between Provincial and Local Government, Community-Based/ Grassroot Organisations strengthened under the common goal of expedited provision of humanitarian assistance to the most vulnerable.

Community Development's role and focus become; coordination, networking and collaboration with all and any role-players and structures active in the space of humanitarian relief.

**COORDINATION** of humanitarian Relief efforts through centralised distribution centres:

Establishing central distribution points in each of the towns meant that activities around collection and further distribution of goods could be streamlined and effectively managed. Small soup kitchens and NGOs would collect their allocations from the central points for further re-distribution and usage. This allowed us to maintain relationships with the NGOs and have immediate feedback on situation on the ground. This model allowed us for easier tracking of value of support and number of meals and parcels distributed.

Being able to connect to grass roots organisations meant local knowledge could be harnessed to understand the needs of the community, institute distribution mechanisms; map out feeding sites, and establish a system to provide permits for volunteers.

#### **NETWORKING:**

Connect to Formal Structures such as the Western Cape Food Forum, the Overberg JOC and United Grabouw Solidarity Fund, meant we were able to access knowledge, opportunities and financial support to augment the efforts of community organisations on the ground.

The department was able to leverage Corporate Social Investment (CSI) contributions from the private sector and channel it towards humanitarian relief efforts. Non-perishable items could be redirected from projects such as school feeding schemes, not operating at the time of Lockdown, and channelled to the local soup kitchens, providing much needed addition to the food supply.

## COLLABORATION:

Understanding the benefits of collaboration, the department further strengthened its efforts to work closer with others. The assistance of Community Development Workers (CDWs), SALGA and the District lead to number of successful campaigns, such as Community Awareness Drives, distribution of masks and ongoing re-iteration the #Staysafe message.

## Lessons Learned:

Recognising the resilience and ingenuity of local communities to drive humanitarian relief efforts and the economic recovery processes humbled us. Communities in Theewaterskloof area have proven to be creative, connected and self-organising.

The overall approach to social relief efforts was pragmatic and effective. Our lesson here is to continue to advocate for partnering with communities; co-creating, re-imagining and co-implementing, towards a brighter tomorrow.



## TWK COVID -19 RESPONSE IN NUMBERS





### Summary of activities for the Community Development Unit for 2020/2021

Focus area	Inputs	Outcomes
YOUTH	➤ Villiersdorp Youth Café(VYC)	<ul style="list-style-type: none"> <li>➤ 7 new youth interns were appointed for the 2020/2021</li> <li>➤ Various afterschool and life skills programs were implemented to over 400 children and youth per annum</li> <li>➤ Study support was provided to the Matric Class of 2020 at the Centre during the final examination.</li> </ul>
	➤ Rural Youth Intervention (RYI)	<ul style="list-style-type: none"> <li>➤ The Department of Agriculture hosted the RYI workshop in Villiersdorp on 25 September 2020 to youth between 18 to 35 years. <b>25 Youth</b> attended this workshop</li> <li>➤ This project aims at addressing high school dropout rate in rural communities; high-risk behaviour amongst teenagers (teenage pregnancies, alcohol and substance abuse); career development and youth unemployment. The project will support the long –term vision of addressing youth unemployment.</li> <li>➤ The project will focus on unemployed youths and school dropouts living on farms and prioritised rural nodes of which Villiersdorp is one.</li> </ul>
	➤ Job readiness workshops in partnership with NYDA, Department of Employment & Labour.	<ul style="list-style-type: none"> <li>➤ A WhatsApp-based workshop was done in September 2020 and this joint venture <b>reached 32 youth</b> during.</li> <li>➤ All 32 youth were also registered on the Department of Employment &amp; Labour's unemployment database.</li> <li>➤ Another Youth readiness workshop was hosted in <b>Tesselaarsdal</b> and <b>10 youth</b> attended</li> <li>➤ A Youth job readiness (four modules) workshop series was run both via our Facebook page and on WhatsApp during <b>February 2021</b> in partnership with NYDA. We reached over <b>1000 youth</b> during this intervention.</li> <li>➤ The Western Cape Provincial Dept of Employment &amp; Labour's PES (Public Employment Services) hosted an outreach session in <b>Myddleton</b> on <b>24 March 2021</b> – with <b>22 youth</b> in attendance.</li> <li>➤ <i>CV writing, applying for work and interviewing</i> skills were covered during these workshops</li> </ul>
	➤ Friday Virtual Youth Health Clinics	<ul style="list-style-type: none"> <li>➤ We featured the local Professional Wellness Nurse from Villiersdorp Clinic through weekly video segments on our Facebook page from <b>26 February to 12 March 2021</b>.</li> </ul> <div style="background-color: #f0f0f0; height: 20px; width: 100%; margin: 10px 0;"></div> <ul style="list-style-type: none"> <li>➤ She covered the following topics: Teenage Pregnancy, Youth Mental Health and Gender-based violence reporting &amp; procedures via clinics. These weekly segments reached between <b>4000 and 7000</b> viewers each week.</li> </ul>

	➤ Girl Power Wednesdays (International Women's Month social media campaign)	➤ We ran this campaign during March 2021 via our Facebook page. ➤ The purpose of the campaign was to share the positive young girl role-models from Theewaterskloof between the ages of 13 to 18 years. ➤ We featured 4 young girls and one group of young girls who are doing exceptionally good deeds within their own communities. ➤ This campaign reached between <b>3500 and 7500 viewers</b> on a weekly basis
	➤ Greyton Youth Profile Project	➤ At the end of March 2021, our unit received the completed questionnaires that were distributed to Ward 2 youth groups, organisations and churches who participated in this youth profile sampling exercise ( <b>100 youth between 18 – 25 years were reached</b> ) ➤ The data from this sample is critical to the municipality and a basis for unit to implement the relevant programs to address unemployment.
	➤ Genadendal Child Welfare Youth Career day	➤ Child welfare initiated a Career Open Day for the Grade 11 & 12 learners of Emil Weder High School. ➤ The Municipality (Community Development unit) assisted in linking Child Welfare with tertiary institutions who were able to form part of this Open Day and sent information on bursary and training opportunities as well. ➤ The Open Day was hosted on <b>11 June 2021</b> and the Social Worker confirmed that it was a successful intervention with the learners.
Local Drug Action Committees (LDACs)	➤ Municipal LDAC Executive meetings	➤ 4 meetings were held ➤ LDAC operational plan for 2020/21 was finalised in August 2020 and implemented as of September 2020
	➤ Capacity building of LDAC community-based volunteers	➤ National Drug Master Plan 2019-2024 training session - virtual training workshop for municipalities and civil society organisations, facilitated by the National Dept of Social Development – was held on <b>16 February 2021</b> ➤ <b>35 community LDAC volunteers</b> from all Theewaterskloof towns participated in a 9-day training ( <b>16 March 2021 – 28 April 2021</b> ) program that focused on initial foundation stage training of Substance Use Disorders and Motivational Interviewing. ➤ Volunteers are capacitated to facilitate support group workshops. ➤ The Training provider was STAND ACTION.

	➤ Town-based LDAC committees	➤ 2 Town-based LDAC committees were established during 2021: <b>Grabouw on 26 March and Botrivier on 02 June.</b> ➤ 6 Town-based LDAC stakeholder engagement sessions were hosted in <b>Villiersdorp, Grabouw and Botrivier</b> respectively with government department and civil society organisations. ➤ A total of <b>30 stakeholders</b> attended these sessions.
	➤ Awareness campaigns	➤ Door-to-door street campaigns done in <b>September 2020</b> in Grabouw and <b>120 people</b> were reached ➤ Awareness campaigns done in <b>October &amp; November 2020</b> , mainly amongst youth (Tesselaarsdal, Greyton, Genadendal, Caledon & Villiersdorp) and reached 350 young people ➤ <b>4 x Social media campaigns done:</b> International Substance Abuse Day ( <b>June 2020</b> ); Fetal Alcohol Syndrome month ( <b>September 2020</b> ); Crime Awareness & Transport Month ( <b>October 2020</b> ) and 16 days of Activism ( <b>November/December 2020</b> ) and the total of people reached was <b>9007</b>
<b>Persons with Disabilities (PwD)</b>	➤ Disability Awareness Campaign	➤ A joint venture between the Municipality and Tools 4 Life was hosted on <b>26 November 2020 in Villiersdorp</b> , with <b>35 participants</b>
	➤ Stakeholder engagement	➤ The municipality facilitated a stakeholder engagement session between Tools 4 Life, SALGA and the municipality on <b>10 March 2021</b> ➤ Community Development unit facilitated a brainstorming workshop with Tools 4 Life's Board members, volunteers and staff on <b>12 April 2021</b> to prepare a comprehensive project plan for the organisation's future operations. ➤ On <b>25 March 2021</b> , Community Development unit hosted the 1st stakeholder engagement with organisations and departments who work within the Persons with Disabilities sector in Theewaterskloof – 11 institutions formed part of this engagement. ➤ The purpose of this stakeholder engagement was to determine services offered, where the gaps are and how the municipality can play a pivotal role in enhancing and capacitating these institutions in the work they do. The TWK Disability Network was established.

<p><b>Early childhood development/ Child care</b></p>	<p>➤ Donations to organisations After school programmes</p>	<p>➤ During <b>October to December 2020</b>, the Community Development was able to distribute <b>728 booklets</b> and crayons packs to <b>11 organisations</b> within Theewaterskloof that run After school Programmes for grades R to 4.</p> <p>➤ The municipality received this donations of booklets from <b>The Learning Trust</b> – booklets were designed for children to continue with learning from home especially during the lockdown period.</p> <p>➤ The Western Cape Education department published an article in their newsletter in March 2021 of the donation given to Tesselaarsdal Primary School.</p>
	<p>➤ Stakeholder engagement</p>	<p>➤ Genadendal Child Welfare engaged with Community Development unit on <b>19 May 2021</b> to give an overview of the services they offer and also to determine the focus areas of the Community Development unit of municipality.</p> <p>➤ Community Development partnered with this organisation during Child Protection week <b>30 May to 06 June 2021</b>, to create awareness on child safety.</p>
<p><b>MARKETING</b></p>	<p>➤ Community development Facebook page to keep TWK informed.</p>	<p>➤ <b>TWK Resource Network: Stay-in-know</b> Facebook page has 2800 followers and reach between 4000 to 7000 viewers per week - job, training, bursaries and business opportunities as well as relevant community related information are shared.</p> <p>➤ <b>During 2020/2021</b> the unit made more use of this social media platform because our interaction have been limited due to the pandemic.</p>



The Learning Trust Booklets donated to Greyton & Genadendal Foundation phase classes

### Grabouw and Botrivier LDAC new committees:



Grabouw LDAC Committee members



Botrivier LDAC Committee members



Stakeholders of 1<sup>st</sup> TWK Disability Network Engagement session





## SUD Training






**The Group In training session**

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

Libraries : summary of activities for 2020/2021


Focus area	Inputs	Outcomes
<b>Botrivier library– Refurbishment</b> 	<p>The upgrade of Botrivier library was done .The inside and outside of building was painted All the shelving varnished with a white washed look. Focus walls was painted to give it a new and inviting environment and make it user friendly for patrons</p> 	 



<b>Caledon Satellite Library</b>	A Project team has been appointed in order to renovate the “historical “ Vlei View Clinic into a Satellite library for the community that will function under the Caledon Library	<ul style="list-style-type: none"> <li>➤ <b>The Library will work together with the Swart Berg Primary School and the surrounded ECD Centres to roll out Outreach programmes</b></li> <li>➤ <b>Toy library facilities and activities</b></li> </ul>
<b>Tesselaarsdal Humpty Dumpty Toy Library</b>	The building has been renovated and all renovation has been finalised	<ul style="list-style-type: none"> <li>➤ <b>The building will form part of a Toy library</b></li> <li>➤ <b>ECD programs and project will form part of daily activities with pre-school children</b></li> <li>➤ <b>Reading programs will be held by Yeboneers to help stimulate pre-school children</b></li> </ul> <div> <div>Before</div> <div>After</div> </div> <div>   </div>
<b>Villiersdorp Library</b>	Maintenance was done and the library building was painted .	
<b>OUTREACH PROGRAMMES</b>	<ul style="list-style-type: none"> <li>➤ World Read Aloud Day</li> <li>➤ South African Library Week</li> <li>➤ National Water Week</li> <li>➤ Early Childhood Development with Caledon library and Villiersdorp Toy library</li> <li>➤ Youth Day</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Social Media platforms was used by various Libraries to do online story.</b></li> <li>➤ <b>South African Library week was held differently this year due to COVID 19 most events held virtually with the theme “ Libraries Matters”</b></li> <li>➤ <b>For National Water Week libraries create awareness by displays and interaction with the community to stress the importance how to use water sparingly</b></li> <li>➤ <b>Caledon Library and Villiersdorp library with stimulation and a love for</b></li> </ul>

		<p>reading</p>  <p>working with ECD centres in their communities</p> <p>Read Aloud Day</p> <p>Activities</p>  
<b>ACTIVITIES OF LIBRARIES</b>	<ul style="list-style-type: none"> <li>➤ Circulation</li> <li>➤ Exhibitions</li> <li>➤ Outreaches</li> <li>➤ Patrons</li> </ul>	<ul style="list-style-type: none"> <li>➤ Book Circulation for all 10 Libraries and 1 Toy library was a total of 144 351</li> <li>➤ Total of Exhibition reported on SDBIB -44</li> <li>➤ 110 Outreaches held from July 2020- June 2021</li> <li>➤ Number of active patrons 5200</li> <li>➤ The closing of libraries during The pandemic had a big impact on circulation and number of active patrons</li> </ul>
<b>RE-OPENING OF LIBRARIES DURING LOCKDOWN LEVEL 3</b>	Libraries still remain closed under lockdown level 3	<p>Services rendered</p> <ul style="list-style-type: none"> <li>➤ Curb side collection</li> <li>➤ Assist with vaccination registrations</li> <li>➤ Borrowing of E-books and Audiobooks for free was</li> </ul>



		<p>launched on the 17 August</p>  <p>2021</p>
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### 3.12.1 EMPLOYEES: LIBRARY SERVICES

Employees: Libraries					
Job Level	Year 2019/2020	Year 2020/2021			
	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	12	15	13	2	13%
7 - 9	5	5	5	5	100%
10 - 12	3	3	3	3	100%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>20</b>	<b>23</b>	<b>21</b>	<b>10</b>	<b>43%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *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</i></p>					

### 3.12.3 FINANCIAL PERFORMANCE: LIBRARIES

Financial Performance: Libraries					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(8 207)	(9 177)	(10 633)	(9 296)	-13%
<b>Expenditure:</b>					
Employees	6,712	8,066	7,644	7,374	-4%
Repairs and Maintenance	204	54	457	381	-17%
Other	730	370	920	789	-14%
<b>Total Operational Expenditure</b>	<b>7,646</b>	<b>8,490</b>	<b>9,021</b>	<b>8,543</b>	<b>-5%</b>
<b>Net Operational Expenditure</b>	<b>(561)</b>	<b>(687)</b>	<b>(1 612)</b>	<b>(752)</b>	<b>-53%</b>
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget . T3.52.5</i></p>					

### 3.12.4 CAPITAL EXPENDITURE: LIBRARIES SERVICES

Capital Expenditure: Libraries				
R' 000				
Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	120	1045	206	72%
Furniture And Office Equipment (NEW)	30	85	72	141%
Furniture And Office Equipment (NEW)	30	30	26	-13%
Furniture And Office Equipment (NEW)	30	60	52	73%
Furniture And Office Equipment (NEW)	30	40	30	0%
Modular Library	–	800	–	0%
Furniture And Office Equipment (NEW)	–	30	26	0%
<b>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T3.52.6</b>				

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

Reasons for under-expenditure:

The pandemic and lockdown related regulations rendered the library services to operate on a smaller scale

Capital budget for modular library in Grabouw could not be spent as Tender TCS 13/2020/2021 was found to receive unresponsive bids by the BAC and had to be cancelled

LIBRARIES EXPENDITURE REPORT																
2020/2021 FINANCIAL YEAR																
Libraries	BUDGET	ADJUSTMENT BUDGET	July	August	September	October	November	December	January	February	March	April	May	June	Total	Available Budget
Operational Expenditure																
Employee Related Cost	8 061 465	7 639 466,00	561 404,02	576 467,43	626 419,39	589 773,62	834 125,94	573 138,89	605 462,37	608 590,88	615 123,36	589 719,70	589 661,22	675 450,09	7 445 336,91	194 129,09
Employee Related Cost - Bargaining Council	4 112	4 112,00	148,72	311,77	326,68	202,83	324,70	328,70	326,70	326,70	326,70	326,70	326,70	326,70	3 603,60	508,40
Contracted Services - Security Services	5 500	5 500,00	-	-	-	-	-	-	-	320,00	320,00	320,00	320,00	320,00	1 600,00	3 900,00
Contracted Services - Cleaning and Grass Cutti	4 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Services - Maintenance of Buildings	34 000	334 980,00	-	-	1 980,00	1 358,16	1 778,85	177 891,18	-	272,70	8 855,00	2 582,05	44 853,71	69 250,37	308 822,02	26 157,98
Contracted Services - Personnel and Labour	75 818	475 818,00	1 674,10	-	-	13 483,50	24 407,50	35 213,50	17 064,00	17 138,50	15 780,88	41 703,46	100 128,67	140 586,12	407 180,23	68 637,77
Contracted Services - Business and Financial Management ( Professional Legal Services)	-	20 095,00	-	-	-	-	-	-	-	-	-	-	-	-	-	20 095,00
Other Materials - Sundry Consumables	6 000	88 000,00	-	-	-	260,52	1 080,58	975,82	259,10	16 587,60	-	4 381,47	33 267,68	10 184,58	66 997,35	21 002,65
Other Materials - Refreshments	4 000	14 000,00	-	-	-	750,03	745,06	40,57	139,54	-	-	-	7 234,48	524,93	9 434,61	4 565,39
Other Materials - Printing, Publications and Books (Station)	3 000	13 905,00	-	-	-	206,32	707,82	-	-	-173,91	-	-	-	8 044,34	1 784,50	10 569,07
Other Materials - Maintenance Materials (Groom Replacement books)	20 000	122 000,00	-	-	-	855,74	6 521,25	2 474,07	4 221,18	323,04	-	11 867,15	27 039,20	18 172,76	71 474,39	50 525,61
Other Expenditure - Printing, Publications and Books	-	13 500,00	-	-	-	2 318,49	-	-	-	969,99	-	-	531,97	-	3 820,45	9 679,55
Other Expenditure - Municipal Services (Eskom)	184 755	184 755,00	6 890,51	18 743,40	23 648,61	19 327,58	13 083,50	21 769,19	12 920,45	17 585,46	24 845,55	9 548,00	11 957,40	3 524,04	183 843,69	911,31
Other Expenditure - Postage	-	500,00	-	-	-	-	-	-	-	-	-	-	-	-	-	500,00
Other Expenditure - Skills Development Fund Le	59 349	59 349,00	-	-	4 663,33	4 548,66	8 802,86	4 951,10	4 804,95	4 838,42	4 910,25	4 656,85	4 631,33	5 448,88	50 256,63	9 092,37
Other Expenditure - Uniform and Protective Clothing- COVID 1	-	20 000,00	-	-	-	-	-	-	-	6 417,00	-	5 579,43	-	7 241,50	19 237,93	762,07
Other Expenditure - Travel and Subsistence (Ow	3 000	-	-	-	-	-	-	-	-	-	-	941,78	-	669,20	1 610,98	-1 610,98
Other Expenditure - Telephone	5 000	5 000,00	-	-	-	-	-	-	-	-	-	-	-	-	-	5 000,00
Other Expenditure - Insurance (Premiums)	20 000	20 000,00	20 000,00	-	-	-	-	-	-	-	-	-	-	-	20 000,00	-
Internal Charges - Expenditure	501 000	501 000,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	41 750,00	501 000,00	-
TOTAL OPERATING	8 990 999	9 521 989	631 867	637 273	698 788	674 835	931 328	858 533	686 948	714 946	711 912	713 377	889 747	975 234	9 104 788	417 192
Capital Expenditure																
Furniture and Office Equipment (New) - Caledon	30 000	85 000,00	-	-	-	-	-	-	-	-	-	-	20 371,34	-	20 371,34	64 628,66
Furniture and Office Equipment (New) - Villersdorp	30 000	30 000,00	-	-	-	-	-	-	-	-	-	-	-	-	-	30 000,00
Furniture and Office Equipment (New) - Riversderend	30 000	60 000,00	-	-	-	-	-	-	-	-	-	-	-	-	-	60 000,00
Furniture and Office Equipment (New) - Greyton/Genadendal	-	30 000,00	-	-	-	-	-	-	-	-	-	-	-	-	-	30 000,00
Furniture and Office Equipment (New) - Botriver	30 000	40 000,00	-	-	-	-	-	-	-	-	-	-	-	3 889,80	3 889,80	36 110,20
Modular Library	-	800 000,00	-	-	-	-	-	-	-	-	-	-	-	-	-	800 000,00
TOTAL CAPITAL	120 000	1 945 000	-	-	-	-	-	-	-	-	-	-	20 371	3 889	24 261	1 029 739
TOTAL (OPEX & CAPEX)	9 110 999	10 566 989	631 867	637 273	698 788	674 835	931 328	858 533	686 948	714 946	711 912	713 377	890 118	979 123	9 129 049	1 437 931,00
Budget Allocation (DORA)	9 111 000	9 111 000	631 867,35	637 272,60	698 788,01	674 835,45	931 328,06	858 533,02	686 948,29	714 946,38	711 911,74	713 376,59	890 118,04	979 123,47	86%	% Spend of DORA
Roll over approved	-	1 455 981	-	-	-	-	-	-	-	-	-	-	-	-	1 437 932	(Over)/Underspend

### 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.

CEMETERY	AVAILABILITY	CAPAITY IN YEARS/LIFESPAN
Chavonnis Caledon	Yes	30 Years
Villiersdorp	Yes	12 Years
Botriver	Yes	1 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	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(604)	(667)	(667)	(780)	17%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	303	402	262	174	-34%
Other	181	442	442	394	-11%
Total Operational Expenditure	484	844	704	568	-19%
Net Operational Expenditure	(120)	176	36	(212)	-685%
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

### 3.13.2 COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIALS

#### 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

Challenges at various towns:

Riviersonderend have sufficient burial space for the next 10 years and can expand if necessary.

- Although there are no dedicated personnel to maintain the grounds, we make use of contractors and EPWP workers to deliver a much needed service
- Hiring machines to dig graves are very costly.
- Community expectation that the municipality must maintain the graves instead of only the surrounding grounds

All Towns:

- Burial space remains an issue
- Lack of ablution facility
- Constant vandalism and theft occurring at the cemeteries
- Fencing
- Accessibility to water

Caledon is in the process of identifying a new cemetery in Uitsig for additional space. In Grabouw, finding a suitable site as a graveyard is still a challenge.

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

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

##### 3.14.1.1 COMMUNITY SOCIAL SERVICE

#### THUSONG CENTRE 2020/ 2021

Focus Area	Activities & Inputs	Outcomes
<b>Permanent Service Providers</b>  <b>Services Rendered and Target Services received</b>	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	8253 beneficiary accessed this services
	SASSA – Access to social grants	10 776 accessed this service
	Community Development Workers – Access to and training from government services by	No statistics submitted

	Department of Employment and Labour, Public Protector, SEDA	
	Department of Home Affairs – Access to personal documentation	14 140 accessed this service
	Theewaterskloof Municipality Meetings	652 beneficiaries formed part of engagements
	Overberg District Municipality – Access to Occupational Health Services	No statistics submitted
	Right to Care- Access to medical screenings and testing	365649 services were rendered
	Child Welfare – Child Protection services	952 clients were served
	Pineview Library – Access to copy and books	3362 books were read
	Department recreation and sport – Indigenous games	472 beneficiaries partake in activities
	GECO Victim Empowerment Programme – Therapeutic Counselling in partnership with the Youth Clinic	443 clients received Victim Empowerment Services
<b>Temporary Service Providers</b>	Vision without Borders – Access to eye screening, testing, spectacles	62 beneficiaries received glasses
	VPUU Meetings and Sessions	42 members attended
	Department of Labour – Access to labour related services eg, UIF,	468 beneficiaries received services
	SAMWU	10 members attend engagement
	Career Guidance by Boland College	168 Youth accessed services
	Helderberg Stroke Rehabilitation Group – Rehabilitation, medical services, socialising and support	499 services were rendered
	Community Social Uplifting BY City of Light, Dept Agriculture, ELF, Designers without Borders, Shabach House of Prayer	900 beneficiaries were reached through the various services
	Changing Lives – Substance Abuse Support Group, Prevention and After Care services	15 Participants are enrolled in this programme
	Church Services – Community members use facility for church ceremonies, funerals, prayer groups	50 members attend church service
	Sport practice and games from community clubs as well as Sport Forum Meetings	69 sport members formed part in sport engagements
	Economic Development by SEDA/SEFA, rainbow Civils, Cape Asphalt, FNB	119 beneficiaries accessed these various services
	SARS	80 beneficiaries got served by SARS

<b>Training and Skills Development</b>	Basic Computer Training by Cape Access	49 beneficiaries is computer skilled
	Atvance Academy	1386 services were rendered to youth who are enrolled in this programme
	Ilithalabantu Gender Based Violence	22 beneficiaries attended
	Youth at risk empowerment	9 youth are enrolled in this programme
	Overberg District Municipality Youth COVID 19 screenings	36 youth received this learnership
	Planning ahead career guidance	2 Youth were capacitated
	Early Childhood Development Centres Governance support	2 Centres documentation are in place
	Knitting	10 children are members of this classes
<b>Training and Skills Development</b>	NSFA Online Applications	87 applications submitted
	University and Online Applications	97 application submitted
	Songwriting Workshop by DCAS	64 participants enrolled
	Elgin Learning Foundation ECD Registration Workshop, Learnerships	52 ECD Centres accessed services offered by ELF
	Youth in Construction Learnerships	136 attended the information session 10 participants enrolled
	Film School of Africa	105 participants reached
	Child Protection Week Workshops	330 youth attended and accessed the various services offered by 25 Institutions Officials
	Career Guidance and Expo on 20 May	
<b>Lease Agreements</b>	Water Academy on water specifications	20 employees of TWK enrolled
	Rental received and Lease agreements concluded	<ul style="list-style-type: none"> <li>Lease agreements extended till 2023 and rental received from SASSA, Overberg District Municipality, Department of Home Affairs</li> <li>Lease agreements extended till 2021 and rental received from Right to Care</li> </ul>

		<ul style="list-style-type: none"> <li>• Child Welfare Lease Agreement finalised.</li> <li>• Lease agreements extended of municipal partnerships and support with Department Recreation and Sport, Pineview Library and Community Development Workers, Advance Academy</li> <li>• Use of facilities in support with Department of Health and Youth Clinic Operation</li> </ul>
<b>Project Management</b>	Mandela Day was held on 18 July 2020 for the Frontline Workers of Right to Care and the Security Officials at the Thusong Zone. We celebrated their committed and services for keeping the premises safe and for rendering emergency service during the Covid 19 pandemic.	36 Frontline workers participated in this activity.
<b>Project Management</b>	Woman's Day Celebration was held on 9 and 10 August 2020, with the theme, Blossom. It was held in the form of a Road show from area to area, Started at Hillside, Bosbou, Rooidakke, Molteno Farm, The Valley Farm. It was held in partnership with Cape Access, DCAS, Glen Elgin Community Organisation, Department of Health, Department of Education.	102 Woman we reached. The participants were identified by Community Volunteers with specific focus on woman affected by Gender Based Violence. Through this activity, the focus was to enhance Woman's dignity, self-worth and personal well-being.
	On 20 September 2020 Public Service Month was celebrated with a Heritage Day Teambuilding Theme among Thusong Zone Officials in partnership with Government Communication and Information System, Rural Arts Network and Alistair Teambuilding programme.	50 Officials formed part of the Teambuilding session. Acknowledgement was given to each Stakeholder based on their achievements and outstanding service delivery per organisation.
	Thusong Week was celebrated from 14 till 18 September 2020 in partnership with all Stakeholders on the Thusong Zone. The theme was to 'Growing South Africa together for an Ethical Public Service. Special services were rendered by each Tenant during that week.	408 beneficiaries were reached.
	NSFAS Online applications and support was on 3 October 2020	87 Youth applied at NSFAS through the Cape Access Computer service



	Theewaterskloof Mun LED Department Economic Drive was held in 8 Oct 2020. The drive was done in partnership with SEDA and SEFA.	64 Participants were reached.
	Department Recreation and Sport have every Friday a wellness programme that include fitness, aerobics and indigenous games	45 participants were reached.
	Dogs Care – “Hondsdolheid” injections provided by Department of Agriculture on 13 Oct 2020	151 received injections
	Career Guidance and Expo was on 15 October 2020.	The Career Day was attended by 261 youth. Various tertiary institutions formed part of the Career Support to youth.
	Career Online applications to different Tertiary Institutions were co-ordinated on Saturdays via the Cape Access Service.	97 Online applications were submitted.
	Youth Female Empowerment Programme, called Buddy Ladies. This Programme is done in partnership with GECO'S Victim Empowerment Service. 18 Nov 2020.	48 Youth female was reached and motivated on the Theme: Happiness Looks Gorgeous on YOU.
	Youth at Risk Male. Is a lifeskills programme with young boys.	25 young boys enrolled and 3 completed the programme on 3 December 2020 and were graduated. Handover was done by Colonel Swartland, SAPS Grabouw.
	16 Days of Activism:  On 25 November 2020 a Roadshow was done, door to door /street to street Awareness and Education  Gender Based Violence Workshop was done on 2 Dec 2020 and facilitated by Saartjie Baardman Centre  Human Rights Commission, Gender Based Violence Workshop with Men on 30 March 2021	16 Days of Activism partnership included pamphlets distribution, loudhailing, workshops and singing through streets. Partnership between SAPS, Education, GECO, Child welfare, Pineview Library, DCAS 318 beneficiaries were reached  23 Beneficiaries attended the workshop  23 Men attended the workshop
	Freedom Day Celebration through Netball on 27 April 2021	75 ladies participated in this tournament
	Career Guidance and Expo on 20 May 2021	330 Youth attended and applied at the various tertiary institutions

	Child Protection Week on 1 and 2 June 2021 based on Roles and responsibilities as service providers in community and Parenting Skills workshop for parents with behaviour difficult children.	105 Adults attended these two days.
	Youth Day Netball Tournament celebration and Colour Run was on 16 June 2021	150 beneficiaries attended. A Shield was handed over to the winning team, medals were provided to all the players and each player received a gift bag sponsored by BG CMA.
	Covid 19 Vaccination registrations were done with the Elderly. Door to Door in partnership with Cape Access, Right to Care and Pineview Library.	A total of 528 elderly were registered.
<b>Stakeholders Management</b>	<p>Quarterly Stakeholders Meeting</p> <p>Project Team Meetings</p> <p>Project Identification</p> <p>Project Evaluation</p> <p>Stakeholders Acknowledgement</p>	<p>Quarterly Stakeholders meetings held on 1 August (Woman's Day), 18 September (Heritage), 30 September (16 Days), 14 October (16 Days), 16 March (Freedom), 5 May (Child Protection), 11 May (Child Protection and Youth), 8 June (Youth Day). Special Joint projects were planned and needs identified to address. Networked and formed partnerships.</p> <p>Word of Thanks on 4 Dec 2020 to Thusong Tenants. Cheers to 2020.</p> <p>Special Outreach planning in partnership with Department of Employment and Labour. Meetings were held on 10 and 18 May 2021.</p> <p>Youth Clean and Green Partnership were formed with CWP on 8 June 2021.</p>
<b>Marketing and Communication Initiatives</b>	<p>Design and Print of pamphlets and posters</p> <p>Whats/app communication</p> <p>Facebook page of Thusong Zone Activities co-ordinated by Cape Access.</p> <p>Word of mouth by all officials at the Centre and via ward committee members</p> <p>Email</p> <p>Radio adverts and talks with Radio DISA</p>	<p>Community members or specific target groups are informed on all the activities and services rendered via the Thusong Zone.</p> <p>GCIS provided sound for Public Service Month project on 20 September.</p> <p>Promotional Items such as bags, flags and newspapers were provided by GCIS 16 Days of Activism.</p>

	Branding with GCIS  Loudhailing	Partnership is formed with Radio DISA to advertise projects and share information on calendar awareness days.  Services and Projects were advertised through loudhailing by the CDW's  GCIS sponsored Thusong Centre with entrance board
<b>Tenants -Surveys and Interaction</b>	Maintenance Complaints Occupational Health and Safety concerns General House rules and welfare COVID 19 regulations and rules Service delivery	Maintenance checklist compiled and completed by Tenants on 1 July 2020 for defects to attend to during the quarter.  Various complaints were received from all Tenants via email or whats app and addressed accordingly.
<b>Beneficiary Service Delivery Feedback</b>	Quarterly surveys done with beneficiaries per service providers on the Thusong Zone.	During July 2020, 79 youth beneficiaries participated in Youth need assessment and 77 completed the need assessment forms. Needs and challenges identified form part of the Thusong Annual Planning for the current and following year. Needs identified are as follow: Computer Training, Social Skills Sessions, Art/Music, Job creation, Local Economic Development, various trainings.  During service delivery hours 17 youth were interviewed based on quality of services rendered through the Thusong Programme. Needs identified was drugs prevention programmes, community gym, soccer field, safe house, community services run by youth and netball games.
<b>Infrastructure</b>	Includes all defects on: <ul style="list-style-type: none"> <li>• Maintenance,</li> <li>• Occupational health and safety</li> <li>• Safety and security</li> </ul>	Official appointed to repair roof leakage at the Tenants Offices.  Security Officials and Security Cameras was approved for budget 2021/2022.  Covid 19 Screener was appointed in October 2020.  Fire Extinguishers were serviced.

		<p>Maintenance Funding of R150 000 received from DLG</p> <p>Major Repairs done on Electricity Cables re installed and electricity boxes moved. Repairs on roof leakages. Cost was R271 706.76.</p> <p>Major Vandalism on 30 May at Child Welfare and Home Affairs Building. Repairs were addressed as prioritised.</p> <p>Disinfection services required from SASSA for Thusong Bathrooms. Report to Health and Safety Manager of TWK.</p> <p>Electricity Compliance certificate received.</p>
<b>Occupational Health and Safety</b>	<p>Quarterly meetings with OHS team to identify defects and monitor the implementation and feasibility of it.</p> <p>Compliance in terms of Electricity, Fire, Plumbing</p>	<p>Safety Team was established and progress meetings took place on 20 Aug.</p> <p>Covid 19 Control Meeting was held on 9 October by the Thusong Stakeholders to work out a system for the Centre and their beneficiaries.</p> <p>Safety Meetings were individually held with Tenants on 29 Jan, 1 and 2 Feb 2021 on evacuation drills dates, evacuation signs, responsibilities.</p> <p>TWK Official meeting on Health and Safety and general work ethics on 4 June conducted by Manager.</p> <p>Evacuation Drills was done in Feb, April.</p> <p>Full occupation application was submitted to the ODM Fire Department. Still in Progress.</p>
<b>Staff Development</b>	<p>Thusong Provincial Forum (TPF) Meetings</p> <p>District Thusong Meetings</p> <p>Trainings and courses</p>	<p>Thusong District Meeting was attended on 2 September 2020 in Overstand.</p> <p>Thusong programme Strategic Planning Meeting was attended on 2 and 3 March 2021 in Bredasdorp</p>

		<p>Overberg District Planning Meeting was attended on 16 April 2021 in Caledon.</p> <p>Customer Care Training was conducted by GCIS in Bredasdorp on 6 and 7 May 2021 and attended.</p>
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**Career Day 15 October 2020**



**16 Days of Activism Roadshow – Door to Door/Street to Street Awareness and Education**



**Career Day 20 May 2021: Theewaterskloof Municipality EPWP Services**





**Stakeholders Woman's Day Planning Team 9 August 2020**



**Buddy Boys- Male Empowerment Programme Graduation 3 December 2020**





## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **3.15 BIO-DIVERSITY AND POLLUTION CONTROL**

#### **3.15.1 INTRODUCTION**

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). Environmental pollution control is one of the functions of Municipal Services and it's been regulated by a different set of legislation.



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.

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 2020/21 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.

Initiatives to improve and protect biodiversity and control pollution of the 2020/21 year were as follow:

- Clean-ups per town
- Educational sessions with children regarding biodiversity, climate change and illegal dumping.
- Environmental awareness campaigns in informal settlements

### 3.15.2 FINANCIAL PERFORMANCE: POLLUTION CONTROL

Financial Performance: Pollution Control					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	–	–	–	–	0%
Repairs and Maintenance	–	–	–	–	0%
Other	243	–	–		0%
Total Operational Expenditure	243	–	–	–	0%
Net Operational Expenditure	243	–	–	–	0%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					T3.59.5

## COMPONENT F: HEALTH

### 3.16 CLINICS

Health services are managed by the Provincial Department of Health.

### 3.17 AMBULANCE SERVICES

Ambulance services are provided by the Overberg District Municipality.

### 3.18 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.

### 3.19 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
<b>TRAFFIC SERVICES</b>	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
<b>REGISTRATION AND LICENSING SERVICE</b>	Lack of funding from the Provincial Department of Transport in delivering the said service as an Agent Lack of resources; vehicles, equipment and human resources. High volumes for driving license applications from people residing outside the Theewaterskloof Local Municipal area.	Efficient service delivery to customers re. Core Functions mentioned below.  Successful re-opening of RA's / DLTC's / VTS after the COVID-19 Lockdown  Freshwater Assessment, Geotechnical Evaluation Report & EIA completed, the development of setback line	Focus for the past year has been: - Customer care and customer satisfaction. Efficient service delivery to customers within and outside the Theewaterskloof Municipal Area. Planning & Construction of the new DLTC (Driving Licence Test Centre) in Grabouw.

	<p>Inadequate budget provision for the planning and construction of the DLTC (Driving Licence Test Centre) in Grabouw.</p> <p>The ongoing postponement of the implementation of the Administrative Adjudication of Road Traffic Offences Act, 1998 (AARTO) – New date for implementation June 2021</p>	<p>outstanding re. the planning and construction of the DLTC (Driving Licence Test Centre) in Grabouw.</p>	
<b>LAW ENFORCEMENT SERVICE</b>	<p>Lack of resources; vehicles, equipment and human resources.</p> <p>No radio communication system.</p> <p>Inadequate budget provision.</p> <p>Land Invasion is out of control due to the influx of jobseekers and the prolonged legal processes.</p> <p>Increase of stray animals due to the increase in the small farming industry.</p> <p>Increase in Illegal Shebeens and Taverns in the informal settlements</p> <p>Illegal electrical connections within the informal settlements.</p>	<p>Special Operations held in the different Service Areas re. Stray Animals</p> <p>Consult with private sector (EGVV) to assist in the fight in controlling Stray Animals especially in Grabouw</p> <p>Sale of impounded animals after a lengthy legal process</p> <p>Implementation of management system for the euthanasia of abandon and/or sick animals.</p> <p>Operationalize of the Operational Command Centre (OCC)</p> <p>(Monitoring of CCTV etc.)</p> <p>Replacement of dilapidated fence at the Animal Pound (Caledon)</p>	<p>Focus for the past year has been: -</p> <p>Unlawful Occupation of Land.</p> <p>Stray animals.</p> <p>Integrated operations with other Law Enforcement Agencies with regards to Illegal Shebeens and Taverns.</p> <p>Assist SAPS with the Enforcement of the DMA (Disaster Management Act, Act 2002) Regulations re. COVID-19</p>

**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.)

### 3.19.1 EMPLOYEES: PUBLIC SAFETY

Employees: Traffic (Public Safety)					
Job Level	Year 2019/2020	Year 2020/2021			
	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	36	38	28	10	26%
10 - 12	10	10	6	4	40%
13 - 15	3	3	3	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>64</b>	<b>66</b>	<b>52</b>	<b>14</b>	<b>21%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.60.4</b></p>					

### 3.19.2 FINANCIAL PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

Financial Performance : Traffic and Law Enforcement					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(23 015)	(36 967)	(4 331)	(12 544)	190%
Expenditure:					
Employees	18,723	17,954	16,979	15,791	-7%
Repairs and Maintenance	232	954	907	286	-69%
Other	27,339	38,911	11,560	19,200	66%
Total Operational Expenditure	46,293	57,819	29,447	35,276	20%
Net Operational Expenditure	23 278	20 852	25 116	22 732	-9%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					T3.65.5

### 3.19.3 FINANCIAL PERFORMANCE: ANIMAL LICENCING AND CONTROL

Financial Performance : Animal Control					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	(403)	(205)	(0)	0%
Expenditure:					
Employees	-	-	-	-	0%
Repairs and Maintenance	2	248	255	67	-74%
Other	169	370	477	274	-43%
Total Operational Expenditure	170	618	732	340	-54%
Net Operational Expenditure	170	215	527	340	-35%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.67.5

## 3.20 DISASTER MANAGEMENT

### 3.20.1 INTRODUCTION TO DISASTER MANAGEMENT

TWK Municipality works in conjunction with the Overberg District Municipality to perform the disaster management function; the municipality however has a Disaster Management Plan in place which gets reviewed yearly and submitted to council for approval. The plan is put in place to address the following: Institutional Capacity, Risk Reduction, Preparedness, Response and Recovery. 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.

Disaster Management refers to programs and measures to prevent, mitigate, prepare, respond and recover from effects of all disaster by the means of using –

► Fire Breaks –

The National and Forest Act with the Fire Protection Association prescribe that land owners need to provide fire breaks

► Risk Management –

It is done according to a prescribed risk matrix with the Provincial Disaster Management Centre

► Disaster Education and Awareness -

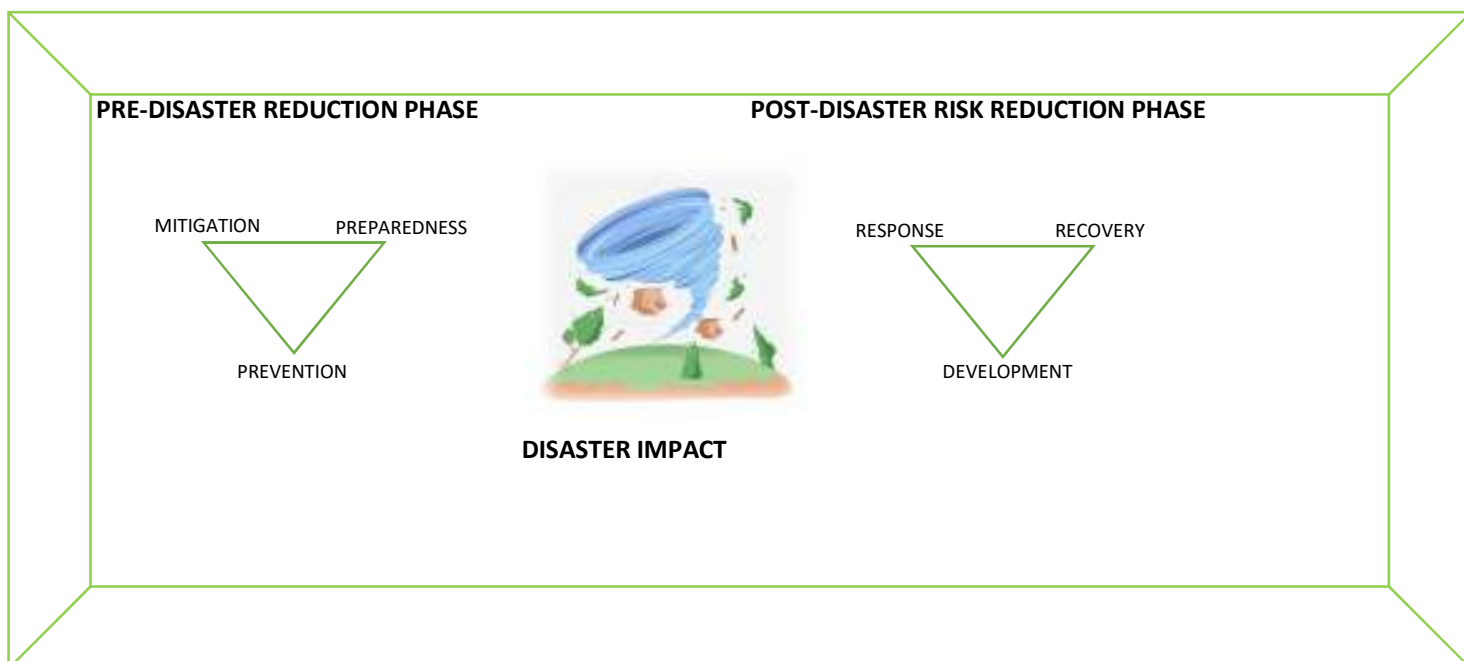
General public need to be made aware of coming disasters

► Fire / Fuel / Plant Reduction -

To reduce alien vegetation that fuel veld fires and reduce alien vegetation

► Early Warning Weather Systems –

Early warning weather support program – National Weather Bureau



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.

Due to the fact that we are a small municipality with limited resources and low capacity, we are only capable to cater for occurrences within the capacity of resources and infrastructure. With that said, when a disaster occurs, we are able to provide blankets, food and shelter. In instances 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 2020/21 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 Vegetation
- Clearing of overgrown plots in TWK

Disaster Incidents:

Lack and insufficient storm water infrastructure are mostly the cause of flooding during excessive rain.

- Providing blankets and food parcels during excessive rain, flooding and wind storms if needed.
- Support residents with sandbags to minimized damage to their properties
- Providing temporary shelter in case of emergencies
- Assist residents in informal areas with the removal of damages structures.
- Provide starter kits to effected families in mostly the informal settlements to rebuild their structures.
- Do preventative maintenance on storm water infrastructure

Donations and Awareness Campaigns

With the help of local stakeholders, businesses 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



### 3.20.2 EMPLOYEES: DISASTER MANAGEMENT

Employees: Disaster Management					
Job Level	Year 2019/2020	Year 2020/2021			
	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%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><b>T3.67.4</b></p>					

### 3.20.3 FINANCIAL PERFORMANCE: DISASTER MANAGEMENT

Financial Performance: Disaster Management					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0
Expenditure:					0%
Fire fighters	2324	–	–	–	0%
Other employees	–	–	–	–	0%
Repairs and Maintenance	677	–	–	–	0%
Other	330	–	–	–	0%
Total Operational Expenditure	3331	–	–	–	0%
Net Operational Expenditure	3331	–	–	–	0%
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget . T3.66.5</i></p>					

## COMPONENT H: SPORT AND RECREATION

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

### 3.21 SPORT AND RECREATION

#### Summary Sport activities for the Community Development unit for 2020/2021

Focus area	Inputs	Outcomes
SPORT	➤ Greyton Mountain Bike and Trails Project	<ul style="list-style-type: none"> <li>➤ Application to fund the upgrading of the Greyton Mountain Bike Trails has been submitted to DCAS (Department Cultural Affairs and Sport) and the amount of R220 000 was received.</li> <li>➤ This project has been completed and feedback from MTB riders has already being received with clear indication that this trail is one of the best now in the region.</li> </ul>
	➤ Inspections of all Sport Facilities in the TWK Municipal area	<ul style="list-style-type: none"> <li>➤ Quarterly inspections were performed to check the condition of all the sport facilities in the TWK municipal area.</li> <li>➤ With the exception of the Villiersdorp Sport grounds which still is the benchmark for the sport facilities, the conditions of the sport facilities in other towns have deteriorated due to vandalism and theft.</li> <li>➤ With the already limited amount of funding available for the maintenance of our facilities it is even more difficult to do reparation work mainly caused by vandalism.</li> </ul>
	➤ Lotto Application for Sport Codes	<ul style="list-style-type: none"> <li>➤ The Overberg Soccer Federation with the guidance of TWK Municipal Sport Administration applied for funding from the National Lottery Distribution Trust Fund (NLDTF).</li> <li>➤ The application to the NLDTF was successful with the amount of R500 000 being grant to this Soccer Federation.</li> </ul>
	➤ Upgrading of Botrivier Sport Grounds	<ul style="list-style-type: none"> <li>➤ Upgrading of Botrivier Sport Grounds</li> <li>➤ Funding has been made available and a contractor was appointed to supply and plant new lawn on the rugby field. This project is completed with the entire surface now covered with grass and the field will be fit for use with the 2022 rugby season.</li> </ul>
	➤ Bergsig Mini Sport Grounds – Darts and Pool facility	<ul style="list-style-type: none"> <li>➤ Funding was made available by the TFG Group (Foschini) for the construction of a facility that can mainly be used by the Darts and Pool Clubs but also serves for other recreational activities.</li> <li>➤ Once Covid restrictions are more relaxed, this facility will be made available to the community participating in these codes.</li> </ul>

### 3.21.1 EMPLOYEES: SPORT AND RECREATION

Employees: Sport and Recreation					
Job Level	Year 2019/2020	Year 2020/2021			
	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%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.68.3</b></p>					

### 3.21.2 EMPLOYEES: PARKS

Employees: Parks (Botanical Gardens)					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	9	12	10	2	17%
4 - 6	24	28	27	1	4%
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%
<b>Total</b>	<b>37</b>	<b>44</b>	<b>41</b>	<b>3</b>	<b>7%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.62.4</b></p>					

### 3.21.3 FINANCIAL PERFORMANCE: SPORT AND RECREATION

Financial Performance: Sport and Recreation					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(29)	(49)	(293)	(241)	-18%
Expenditure:					
Employees	6,770	6,728	6,657	6,544	-2%
Repairs and Maintenance	,695	1,426	1,613	1,032	-36%
Other	8323	4239	4386	3991	-9%
Total Operational Expenditure	9,018	10,659	11,166	10,025	-10%
Net Operational Expenditure	8,989	10,610	10,872	9,784	-10%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					T3.68.4

### 3.21.4 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	,100	,100	,100	0%
Capital - Upgrade of Botrivier Sports Field	100	100	100	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>				T3.68.5

### 3.21.5 COMMENT ON SPORT AND RECREATION SERVICE PERFORMANCE OVERALL

Capital – Mountain Bike Trails

This project has successfully been completed and positive feedback and reviews already received by riders on this track.

The organisers of the international Cape Epic MTB Event also indicated that they would include sections of this track in future races that again is an indication of the standard of workmanship that went into this project.



Bone shaker – before



Bone Shaker after

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### 3.22 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

#### 3.22.1 EMPLOYEES: EXECUTIVE, ADMINISTRATION AND INTERNAL AUDITING

Employees: The Executive (Top Management)					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
SEC 56	3	4	2	2	50%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.69.4</b></p>					

Employees: Administration (INLCUDING T/M positions)					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	9	0	0	0	0%
4 - 6	23	27	26	1	4%
7 - 9	15	16	16	0	0%
10 - 12	10	12	12	0	0%
13 - 15	3	4	4	0	0%
16 - 18	8	7	6	1	14%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>68</b>	<b>66</b>	<b>64</b>	<b>2</b>	<b>3%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.63.4</b></p>					

Employees: Internal Audit					
Job Level	Year 2019/2020	Year 2020/2021			
	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	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.59.4</b></p>					

### 3.22.2 FINANCIAL PERFORMANCE: EXECUTIVE AND COUNCIL

Financial Performance : The Executive and Council					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(901)	(1 098)	(1 537)	(665)	-57%
<b>Expenditure:</b>					
Employee Related Cost	26,767	26,860	25,658	24,773	-3%
Remuneration of Councillors	12,194	13,568	13,568	12,147	-10%
Repairs and Maintenance	445	1754	1679	611	-64%
Other	4,521	4,309	4,727	2,475	-48%
<b>Total Operational Expenditure</b>	<b>43,927</b>	<b>46,491</b>	<b>45,632</b>	<b>40,007</b>	<b>-12%</b>
<b>Net Operational Expenditure</b>	<b>43,026</b>	<b>45,393</b>	<b>44,095</b>	<b>39,341</b>	<b>-11%</b>
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i></p>					<b>T3.69.5</b>

### 3.23 FINANCIAL SERVICES

#### 3.23.1 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

### **3.23.2 FINANCIAL SERVICES: CHALLENGES**

One of the biggest challenges within the financial section remains the slow recovery of debt and a collection rate which is below the National Treasury norm of 95%. Improving the collection rate is important to the financial health of the municipality.

The revenue collection rate for Theewaterskloof municipality as at June 2021 is 87%,

Some of the remedial action planned and in progress to improve the collection rate includes the following:

- The development of the new credit control system is complete.
- The final testing and implementation of the debt collection (legal) system is in an advanced stage, and it is anticipated that the system will be functional during the second half of 2021/22.
- The availability of smart water meters especially for the Eskom areas.

The high number of indigent households, poverty, unemployment and a very low tax base when compared to other municipalities are compounding the financial sustainability challenge. Economic development should therefore be one of our core focus areas to broaden the tax and revenue base. Eskom is distributing electricity in most of the towns and to our larger consumers, as a result of which the municipality is losing not only revenue from selling electricity but also a critical credit control tool. Another threat to the financial sustainability and the long term financial plan, is the unfunded mandates and agency functions.

The backlogs in infrastructure put further pressure on municipal finances. The lack of reserves to contribute towards infrastructure development could potentially stifle economic development. Conversely, infrastructure development without growing the rates base will certainly put more pressure on the current ratepayers and could render the municipal bill unaffordable. 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 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.

### 3.23.3 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 R471 447 in the fight against the Covid-19 pandemic of which R149 912 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 2020/2021 to 2019/2020 as follow:

	2020/2021	2019/2020
<b>Cash available for working capital requirement</b>	110 299 596	100 644 918
<b>Current Ratio</b>	1.88	1.76
<b>Cash coverage ratio</b>	4.1	3.7
<b>Creditors days</b>	48	66
<b>Debtors collection rate</b>	87%	84%

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 ratios are still reasonable within the norms. Therefore, the Municipality has assessed that no going concern issue has been noted.

### 3.23.4 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
<b>0 - 3</b>	0	0	0	0	0%
<b>4 - 6</b>	28	31	29	2	6%
<b>7 - 9</b>	25	26	23	3	12%
<b>10 - 12</b>	13	14	14	0	0%
<b>13 - 15</b>	5	6	6	0	0%
<b>16 - 18</b>	2	2	2	0	0%
<b>19 - 20</b>	0	0	0	0	0%
<b>Total</b>	73	79	74	5	6%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.70.4</b></p>					

### 3.23.5 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

Financial Performance: Financial Services					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(224 983)	(225 830)	(220 620)	(233 051)	6%
Expenditure:					
Employees	30,494	33,895	33,270	32,113	-3%
Repairs and Maintenance	,299	,759	,593	,242	-59%
Other	28,885	34,903	35,693	29,800	-17%
Total Operational Expenditure	59,678	69,557	63,995	62,155	-3%
Net Operational Expenditure	(165,305)	(156,273)	(156,624)	(170,896)	9%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					T3.70.5

### 3.23.6 CAPITAL EXPENDITURE: FINANCIAL SERVICES

Capital Expenditure : Financial Services				
				R' 000
Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	25	74	81	224%
Inventory Items Finance	25	74	81	224%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>				T3.70.6

Debt Recovery			
			R' 000
Details of the types of account raised and recovered			
	Billed in year	Payment	Percentage Collection
Rates	121,198	117,331	97%
Service Charges	265,796	218,112	82%
Total	386,993	335,443	87%
			T3.70.2

### 3.23.7 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 2021 has revealed the following:

The gross outstanding consumer debtors' balance as at 30 June 2021, reflect a total amount of R287, 8 million representing an increase of 11, 4%, when compared to the outstanding balance of R258,4 million as at 30 June 2020.

Despite all the challenges such as high unemployment and poverty, an extremely high indigent population, the Genadendal transformation issue which remains unresolved and an obstacle for debt collection and credit control and the lack of an effective credit control mechanism in Grabouw, Tesselaarsdal, Genadendal and Botrivier, it is incumbent upon us to develop strategies and innovative approach to credit control and debt collection to improve the ratio to at least 90%. Grabouw and Genadendal where the municipality is not providing electricity has the highest percentage outstanding debt. The 2020/21 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.

The measures that will be taken during 2021/22 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.

### 3.24 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.

### **CONCLUSION**

COVID-19 pandemic affected the municipality to a large extent and compelled the municipality to implement relevant administrative controls to cater for the management of leave; flexible work

arrangements in terms of working hours and work locations; acquisition of human resources; and delivery of front-line services.

The COVID-19 global crisis has been a learning opportunity for the municipality on how to manage a crisis of that magnitude. The COVID-19 pandemic has presented an opportunity to the municipality to adapt to change and assess its readiness to adopt and integrate HR processes into its business processes (the new normal). This crisis has, once again, shown the importance of data and information for decision making and effective service delivery. The COVID-19 response has been a collaborative effort between the municipality, private sector, civil society and many other role players across the municipality which demonstrated the value of teamwork. To fully realise the benefits of technology, the municipality needs to address problems relating to inadequate HR (virtual/ electronic) accessibility during this pandemic.

### 3.24.1 EMPLOYEES: HUMAN RESOURCE SERVICES

Employees: Human Resource Services					
Job Level	Year 2019/2020	Year 2020/2021			
	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	1	1	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%
<b>Total</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0%</b>
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.71.4					

### 3.24.2 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

Financial Performance: Human Resource Services					
					R'000
Details	Year 2019/20	Year 2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(427)	(170)	(172)	(396)	131%
<b>Expenditure:</b>					
Employees	5,308	4,988	5,044	4,867	-4%
Repairs and Maintenance	—	—	—	—	—
Other	5,057	6,730	6,742	5,671	-16%
<b>Total Operational Expenditure</b>	<b>10,364</b>	<b>11,718</b>	<b>11,786</b>	<b>10,538</b>	<b>-11%</b>
<b>Net Operational Expenditure</b>	<b>9,937</b>	<b>11,549</b>	<b>11,614</b>	<b>10,142</b>	<b>-13%</b>
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .T3.71.5					

### **3.25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

This component includes: Information and Communication Technology (ICT) services

#### **3.25.1 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 Council's long term strategic objectives, plans and vision. The before mentioned are defined in the Integrated Development Plan (IDP) that Council compiles and reviews annually in their term of office. Further intentions are 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. All this is attempted while still providing an efficient, cost effective and sustainable service to internal and external customers. It is not just compliance and check box tool.

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. This focus is also internal to ensure that staff are capacitated and equipped to do their jobs in the best possible way.

The ICT division takes direction from the Council's Strategic plan with focus also placed on the additional objectives of the Council as determined through the IDP processes. The aim of the strategy is use technology as an enabler of the business and to better serve communities and stakeholders. 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 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 and many broader aspects than the initial obvious ones.

With the worldwide increase of ICT and cyber 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. All this while doing so within the limited economic and financially constrained environment. These are challenging times.

One of our biggest goals is to become a paperless municipality and processes are 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 committee tasked with municipal ICT governance. The ICTSC is chaired by the Municipal Manager and the committee includes councillors, internal audit, senior management and other role-players.



### 3.25.2 EMPLOYEES: ICT SERVICES

Employees: ICT Services					
Job Level	Year 2019/2020	Year 2020/2021			
	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	0	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>20%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					
					T3.72.4

## Broadband Infrastructure



### 3.25.3 FINANCIAL PERFORMANCE: ICT SERVICES

Financial Performance: ICT Services					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	1835	2532	2453	2288	-7%
Repairs and Maintenance	–	–	–	–	0%
Other	6,137	6,145	6,175	7,793	26%
Total Operational Expenditure	7,972	8,676	8,627	10,081	17%
Net Operational Expenditure	7,972	8,676	8,627	10,081	17%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i>					T3.72.5

### 3.25.4 CAPITAL EXPENDITURE: ICT SERVICES

Capital Expenditure Year 2020/21: ICT Services				
				R' 000
Capital Projects	Year 2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	889	889	784	-12%
Computer Equipment (NEW)	889	889	784	-12%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>				T3.72.6

## 3.26 PROPERTY MANAGEMENT

### 3.26.1 PROPERTY MANAGEMENT: CHALLENGES/ ACHIEVEMENTS

#### 3.26.1.1 ACHIEVEMENTS

- Erven were sold to buyers within the income group R3501 – R22 000 in Caledon and Riviersonderend for the development of GAP housing. Properties were made available through a public tender process whereby members of the public could participate in the bidding process. Caledon and Riviersonderend is the only two towns within the Theewaterskloof area that has serviced GAP erven for this particular income group. There is identified GAP erven in other towns which has not been serviced yet.
- Council aided non-profit crèches by making land available at nominal prices to construct crèches on. Council's contribution in terms of the land is part of its constitutional mandate, namely childcare. Special town planning tariffs were also given to help crèches with the town planning processes.

- As the Venster property adjacent to the N2 is ideally located for the promotion of tourism related businesses, Council resolved to make the land available to possible developers. The lengthy planning processes to subdivide and rezone the properties was finalised. The land will be offered in the next financial year via a tender process to be leased on a long term basis in order to make it feasible for investors. This development will have a big impact on the region and make available much needed job opportunities. It is seen as project that will have a significant impact on the economy of Caledon.
- As the need arose in the Theewaterskloof area for a private hospital, not only for its inhabitants but also to make the development of much needed retirement villages feasible, Council resolved to make land available adjacent to the Provincial hospital. As the land is adjacent to the N2 it makes it an ideal location for such a facility. The planning processes were finalised. The land was subdivided and rezoned. However, a portion of land from the Provincial hospital was needed to provide a suitable access to the land. Council is still in the process of acquiring the small portion of land from the Provincial government. Interest was shown by several developing companies when it was advertised to test the market.
- The administration process consisting of the subdivision, rezoning and registration of 73 Industrial properties in Caledon was completed. Council wishes to attract businesses that will create job opportunities. This project is regarded as one of the biggest opportunities to make a change in the economy of Caledon.
- The Property Management Department also assists other departments within the Municipality with property related issues like the registration of servitudes, the survey of properties, the valuation, subdivision, rezoning and registration of properties, as well as the administration of lease agreements.

### 3.26.1.2 Challenges

- Covid had and still have a big impact on the administrative processes within the Department in the sense that targets could not be met.
- The national economy has the biggest influence on the property sales. There is less spent on the purchasing of properties in general.
- Less Developers are interest in investing in developments.
- Red tape discourages developers because of the lengthy processes involved.
- Although the interest rates for bonds has come down, the criteria set by banks for the allocation of loans is still very strict and prohibits buyers from obtaining property.
- 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.

### 3.26.2 EMPLOYEES PROPERTY MANAGEMENT AND VALUATIONS

Employees: Property Management					
Job Level	Year 2019/2020	Year 2020/2021			
	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%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0%</b>
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.73.4</b></p>					

### 3.26.3 FINANCIAL PERFORMANCE: PROPERTY MANAGEMENT

Financial Performance : Property Services					
					R'000
Details	Year 2019/20	Year 2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	(1 961)	(2 168)	(2 028)	(2 113)	4%
<b>Expenditure:</b>					
Employees	2,446	3,216	3,274	3,062	6%
Repairs and Maintenance	,961	1,485	1,706	,898	47%
Other	1,523	2,193	2,163	5,176	-139%
<b>Total Operational Expenditure</b>	<b>4,930</b>	<b>6,894</b>	<b>7,143</b>	<b>9,136</b>	<b>-28%</b>
<b>Net Operational Expenditure</b>	<b>2,970</b>	<b>4,726</b>	<b>5,115</b>	<b>7,023</b>	<b>-37%</b>
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .</i></p>					<b>T3.73.5</b>

# CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

As municipal employees, we ascribe to the values as underpinned by Batho Pele, a Sesotho word which means “People First”. This initiative was launched in 1997 to transform the Public Service at all levels. Batho Pele was launched because post 1994 South Africa inherited a public service that was not people-friendly and lacked the skills and attitudes to meet the developmental challenges facing the country. Batho Pele is based on the following eight principles:

- **Consultation:** citizens should be consulted about their needs
- **Standards:** all citizens should know what service to expect
- **Redress:** all citizens should be offered an apology and solution when standards are not met
- **Access:** all citizens should have equal access to services
- **Courtesy:** all citizens should be treated courteously
- **Information:** all citizens are entitled to full, accurate information
- **Openness and transparency:** all citizens should know how decisions are made and departments are run
- **Value for money:** all services provided should offer value for money

The municipality currently has a staff component of **628 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 2019/2020	Year 2020/2021			
	Employees	Approved Posts Budgeted	Employees	Vacancies Budgeted	Vacancies
	No.	No.	No.	No.	%
Water and Sewerage Networks	42	50	46	4	9%
Sanitation Services (Water and Sewerage Purification)	56	63	60	3	5%
Electricity	21	22	21	1	5%
Solid Waste Management Services	94	103	101	2	2%
Human Settlements (Including Informal Settlements)	10	12	7	5	42%
Roads Services (Streets and Storm water)	81	92	88	4	4%
Planning Services (Building Control)	13	15	14	1	7%
Sustainable Development	6	6	6	0	0%
Local Economic Development	2	5	5	0	0%
IDP	3	4	3	1	25%
Libraries	20	23	21	2	9%
Valuations	1	1	1	0	0%
Internal Audit	3	3	3	0	0%
Public Safety (Traffic)	64	66	52	14	22%
Parks (Including Botanical Gardens and Cemeteries)	37	44	41	3	7%
Administration	68	65	63	2	3%
Disaster Management	1	1	1	0	0%
Sport and Recreation	1	1	1	0	0%
The Executive (Top Management)	1	4	2	2	50%
ICT Services	3	5	4	1	20%
Financial Services	73	79	74	5	6%
Property Management	3	3	3	0	0%
Legal Services	1	1	1	0	0%
Fleet	2	2	2	0	0%
Human Resources	7	8	8	0	0%
<b>Totals</b>	<b>613</b>	<b>678</b>	<b>628</b>	<b>50</b>	<b>8%</b>
<i>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.</i>					0%

#### 4.1.2 VACANCY RATE: YEAR 2020/21

Vacancy Rate: Year 2020/21			
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	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	2	2	100%
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Traffic & Law Enforcement	40	10	25%
Senior management: Levels 13-17 (excluding Finance Posts)	51	2	4.00%
Senior management: Levels 13-17 (Finance posts)	9	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	93	18	19%
Highly skilled supervision: levels 9-12 (Finance posts)	19	1	5%
<b>Total</b>	<b>216</b>	<b>33</b>	<b>15.20%</b>
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>			

T4.1.2

#### 4.1.3 TURN-OVER RATE: YEAR 2020/21

Details	Total Appointments as of beginning of Financial Year (including promotions)	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2017/18	636	28	4.40%
2018/19	641	44	6.86%
2019/20	639	28	4.38%
2020/21	628	29	4.60%
* 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%		05-May-11
3	EAP Policy	100%		01-Jun-12
4	HIV/Aids Policy	100%		30-Mar-13
5	Leave Policy	100%		01-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%		07-Aug-12
9	Policy Use of Protective Equipment	100%		14-Jan-10
10	Sexual Harassment Policy	100%		01-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%		01-May-08
15	Scarce Skills Policy	100%		20-Mar-13
16	Vehicle Allowance Policy	100%		29-Mar-17
17	Appointment of Retired Proff	100%		01-Jul-17
18	Policy Transport Allowance for Councillors	100%		Policy was reviewed by Council on 29 March 2017
19	Cellular Allowance Policy	100%		01-Nov-16
20	Overtime Policy	100%		01-Nov-16
21	Acting Allowance	100%		31-Oct-19
22	Payment of professional Fees	100%		31-Oct-19
<b>Use name of local policies if different from above and at any other HR policies not listed.</b>				<b>T4.2.1</b>

#### 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

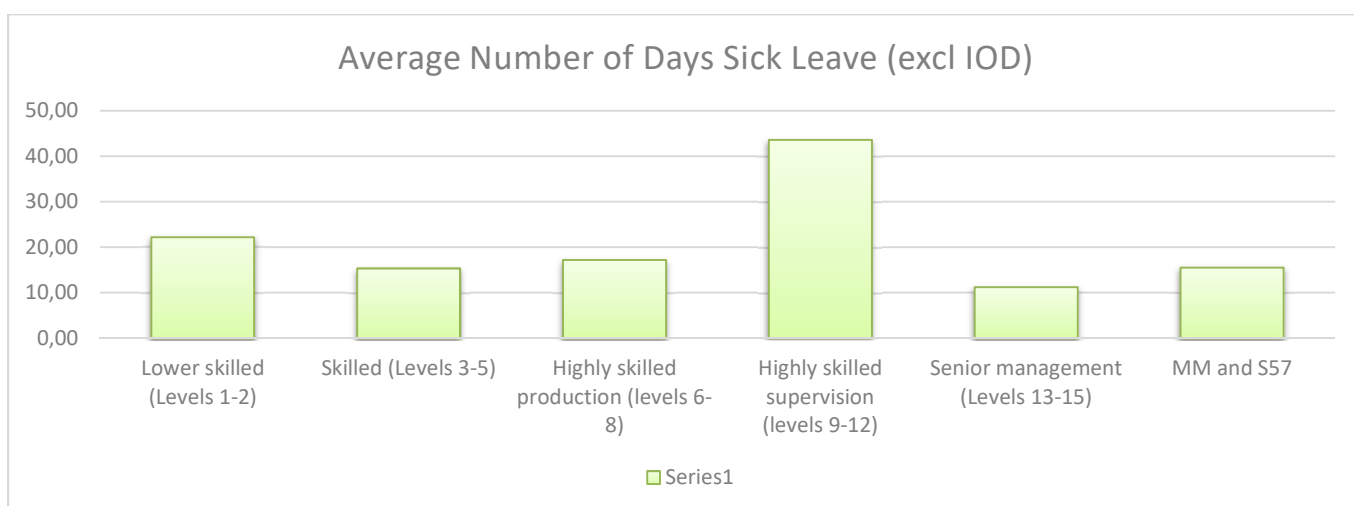
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	517	60	100.00%	8.62	R 491 687.68
Temporary total disablement	0	0	0.00%	0	R 0.00
Permanent disablement	0	0	0.00%	0	R 0.00
Fatal	0	0	0.00%	0	R 0.00
<b>Total</b>	<b>517</b>	<b>60</b>	<b>100.00%</b>	<b>8.62</b>	<b>R 491 687.68</b>
					T4.3.1

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

#### 4.3.2 NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURY ON DUTY)

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	660	41%	69	89	7.42	R 288,428.00
Skilled (Levels 3-5)	2350.5	5%	167	200	11.75	R 1,358,985.00
Highly skilled production (levels 6-8)	1454	40%	152	174	8.36	R 1,382,807.00
Highly skilled supervision (levels 9-12)	1287.5	35%	120	128	10.06	R 2,112,307.00
Senior management (Levels 13-15)	413	31%	45	52	7.94	R 1,413,157.00
MM and S57	2	100%	1	2	1	R 7,184.31
<b>Total</b>	<b>6167</b>	<b>25%</b>	<b>554</b>	<b>645</b>	<b>9.56</b>	<b>R 6,562,868.00</b>
<i>* - Number of employees in post at the beginning of the year</i>						T4.3.2
<i>*Average is calculated by taking sick leave in column 2 divided by total employees in column 5</i>						

#### 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
Deputy Director Corporate Services	Dishonesty	01-Nov-19	Disciplinary Hearing Finalised	19-Nov-20
Law Enforcement Officer	Illegal possession of goods	04-Mar-21	Disciplinary Hearing scheduled for 16 August 2021	Finalisation date can only be determined after the hearing.
General Assistant	Racist remarks and aggressive towards fellow colleagues	30-Jun-21	Allegations still under investigation	Waiting on outcome of investigation
Senior Administrator ICT	Unauthorised access to network	06-May-21	Allegations still under investigation	Waiting on outcome of investigation

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
Deputy Director Corporate Services	<i>Dishonesty - Loss to the Municipality will only be established at the conclusion of the current court case</i>	Yes	19-Nov-20

#### 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 2019/20	Proportion of beneficiaries within group
				R' 000	%
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male	1	1	97 369.21	100%
Total					100%

<b>Has the statutory municipal calculator been used as part of the evaluation process ?</b>	<b>Yes/No</b>
<i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>	T4.4.1

#### 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

### 4.5 SKILLS DEVELOPMENT AND TRAINING

Section 68(1) of the MSA states that the municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

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

#### 4.5.1 NUMBER OF SKILLED EMPLOYEES

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2021	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 2020	Actual: End of Year 2021	Target	Actual: End of Year 2020	Actual: End of Year 2021	Target	Actual: End of Year 2020	Actual: End of Year 2020	Target	Actual : End of Year 2020	Actual : End of Year 2020	Target
MM and s57	Female		0	0		0			0	0	0	0	0	0
	Male		0	0		0			0	0	0	0	0	
Councillors, senior officials and managers	Female		2	1	5	14		5	14	0	0	2	0	10
	Male		5	5	10	3	10	10	15	0	0	23	0	20
Technicians and associate professionals *	Female		18	16	20	15		20	10	0	0	43	0	40
	Male		2	25	20	2	10	20	10	0	0	14	0	40
Professionals	Female		16	9	20	15		20	10	0	0	41	0	40
	Male		4	1	20	2		20	2	0	0	8	0	40
Sub total	Female		36	26	45	37		45	34	0	0	86	0	90
	Male		11	31	50	7		50	27	0	0	45	0	100
Total			47	57	95	44	10	95	61	0	0	131	0	210
*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						
<b>Accounting officer</b>	1		1	1	1	1
<b>Chief financial officer</b>	1		1	1	1	1
<b>Senior managers</b>	0		0	0	0	0
<b>Any other financial officials</b>	2		2	1	0	0
Supply Chain Management Officials						
<b>Heads of supply chain management units</b>	0		0	0	0	0
<b>Supply chain management senior managers</b>	1		1	0	0	0
<b>TOTAL</b>						
<i>* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)</i>						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
Top Management MM and Section 56	Female	0	0	0	0	0	0	0	0	0
	Male	2	0	0	2293	0	0	0	2293	0
Senior Management T17 -22	Female	0	0	0	0	0	0	0	0	0
	Male	7	0	0	8025.5	0	0		8025.5	0
Professionally qualified and experienced specialists and mid-management T14 - 16	Female	14	0	0	16051	20000	0	0	16051	20000
	Male	20	0	0	22930	27150	65603.5	17000	88533.5	44150
Skilled Technical and academically qualified workers, junior management, supervisors, foremen , superintendents T9 - 13	Female	55	0	0	40000	98000	0	10000	40000	108000
	Male	72	0	0	40000	100000	0	0	40000	100000
Semi-skilled and discretionary decision making T4 - 8	Female	95	48917.5	0	60000	51750	0	0	108917.5	51750
	Male	167	71465.5	0	120000	17825	0	20000	191465.5	37825
Unskilled and defined decision making T1 - 3	Female	45	31592.5	0	20000	39620.26	0	0	51592.5	39620.26
	Male	151	100000	0	73121.5	11291.8	0	10000	173121.5	21291.8
Sub total	Female	209	80510	0	136051	209370.3	0	10000	216561	219370.3
	Male	419	171465.5	0	266370	156266.8	65603.5	47000	503439	203266.8
Total		628	251975.5	0	402421	365637.1	65603.5	57000	720000	422637.1
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									0.35%	720000
										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	2
Highly skilled production (Levels 6-8)	Female	
	Male	5
Highly skilled supervision (Levels 9-12)	Female	
	Male	
Senior management (Levels 13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		7
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	1	T14	T15	Position evaluated lower
Chief HR	1	T13	T14	Position evaluated lower
Meter Readers	7	T05	T06	Position evaluated lower
Coordinator Sports & Recreation	1	T11	T15	Position evaluated lower
				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	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	114,143	116,980	116,154	121,198	3.61%	4.34%
Service charges	239,094	250,328	239,770	253,477	1.26%	5.72%
Investment revenue	12,331	11,000	6,600	8,098	-26.39%	22.69%
Transfers recognised - operational	124,159	140,365	166,277	137,762	-1.85%	-17.15%
Other own revenue	58,798	74,321	37,190	43,493	-41.48%	16.95%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>548,525</b>	<b>592,994</b>	<b>565,990</b>	<b>564,027</b>	<b>-4.88%</b>	<b>-0.35%</b>
Employee costs	207,555	238,465	235,892	217,633	-8.74%	-7.74%
Remuneration of councillors	12,194	13,568	13,568	12,148	-10.47%	-10.47%
Depreciation & asset impairment	22,228	23,752	27,152	31,587	32.99%	16.33%
Finance charges	19,943	20,930	20,930	21,246	1.51%	1.51%
Materials and bulk purchases	86,616	139,634	122,815	107,668	-22.89%	-12.33%
Transfers and grants	4,270	,200	25,170	3,224	1511.89%	-87.19%
Other expenditure	166,214	177,188	150,586	156,196	-11.85%	3.73%
<b>Total Expenditure</b>	<b>519,020</b>	<b>613,736</b>	<b>596,113</b>	<b>549,701</b>	<b>-10.43%</b>	<b>-7.79%</b>
<b>Surplus/(Deficit)</b>	<b>29,505</b>	<b>(20 742)</b>	<b>(30 123)</b>	<b>14,326</b>	<b>-169.07%</b>	<b>-147.56%</b>
Transfers recognised - capital	44,749	64,413	55,029	35,844	-44.35%	-34.86%
Contributions recognised - capital & contributed assets	6,703	–	–	,15	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>80,958</b>	<b>43,670</b>	<b>24,906</b>	<b>50,185</b>	<b>14.92%</b>	<b>101.50%</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>80,958</b>	<b>43,670</b>	<b>24,906</b>	<b>50,185</b>	<b>14.92%</b>	<b>101.50%</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	<b>78,723</b>	<b>138,660</b>	<b>134,908</b>	<b>85,615</b>	<b>-38.26%</b>	<b>-36.54%</b>
Transfers recognised - capital	46,300	64,413	55,029	37,071	-42.45%	-32.63%
Public contributions & donations	–	–	–	–	–	–
Borrowing	22,028	53,622	56,863	35,278	-34.21%	-37.96%
Internally generated funds	10,395	20,626	23,016	13,266	-35.68%	-42.36%
<b>Total sources of capital funds</b>	<b>78,723</b>	<b>138,660</b>	<b>134,908</b>	<b>85,615</b>	<b>-38.26%</b>	<b>-36.54%</b>
<b>Financial position</b>						
Total current assets	207,485	177,947	195,010	236,167	32.72%	21.11%
Total non current assets	905,283	1114,230	1078,276	1043,013	-6.39%	-3.27%
Total current liabilities	83,830	116,949	135,314	125,796	7.56%	-7.03%
Total non current liabilities	228,737	313,443	265,099	899,132	186.86%	239.17%

Community wealth/Equity						
<b>Cash flows</b>						
Net cash from (used) operating	85,209	67,359	58,304	98,057	45.57%	68.18%
Net cash from (used) investing	(69 111)	(138,659)	(133,907)	(85 765)	-38.15%	-35.95%
Net cash from (used) financing	(7 850)	45,424	48,745	12,610	-72.24%	-74.13%
Cash/cash equivalents at the year end	8,248	87,940	112,330	164,090	86.59%	46.08%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	139,178	88,181	123,336	175,978	99.56%	42.68%
Application of cash and investments	131,763	36,988	67,315	158,313	328.01%	135.18%
Balance - surplus (shortfall)	7,416	51,193	56,021	17,665	-65.49%	-68.47%
<b>Asset management</b>						
Asset register summary (WDV)	924,065	1115,989	1065,767	6,931	-99.38%	-99.35%
Depreciation & asset impairment	20,811	23,752	27,152	31,587	32.99%	16.33%
Renewal of Existing Assets		62,295	61,792	47,357	-23.98%	-23.36%
Repairs and Maintenance	20,647	119,080	125,436	112,311	-5.68%	-10.46%
<b>Free services</b>						
Cost of Free Basic Services provided	28,393	36,325	46,638	60,938	67.76%	30.66%
Revenue cost of free services provided	9,724	6,374	7,200	6,828	7.12%	-5.17%
<b>Households below minimum service level</b>						
Water:	—	—	—	—	0.00%	0.00%
Sanitation/sewerage:	—	—	—	—	0.00%	0.00%
Energy:	—	—	—	—	0.00%	0.00%
Refuse:	,39	,42	,42	—	0.00%	0.00%
<b>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</b>						T5.1.1

Financial Performance of Operational Services						
						R '000
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Service</b>						
Water Distribution	(21 556)	(21 167)	(21 943)	(26 169)	24%	19.26%
Waste Water Management	(5 175)	(1 766)	(475)	(3 133)	77%	559.03%
Electricity Distribution	(18 786)	(21 524)	(21 092)	(20 157)	-6%	-4.44%
Solid Waste Management	(3 146)	6 722	3 853	7 177	7%	86.25%
Housing Services	(7 937)	(17 785)	(10 633)	3,426	-119%	-132.22%
Component A: sub-total	<b>(47 661)</b>	<b>(55 520)</b>	<b>(50 290)</b>	<b>(38 855)</b>	-30%	-22.74%
Roads Services	25,829	–	–	–	100%	-100%
Transport	–			–	–	–
Component B: sub-total	<b>24,810</b>	–	–	–	100%	100%
Planning	9,981	(19 127)	(13 473)	(628)	-97%	-95.34%
Local Economic Development	2,132	1,506	1,929	2,121	41%	9.96%
Component C: sub-total	<b>8,533</b>	<b>(17 620)</b>	<b>(11 544)</b>	<b>1,493</b>	-108%	-112.93%
Community & Social Services	–	–	–	–	-	-
Environmental Protection	0	–	–	–	-	-
Health	–	–	–	–	–	–
Public Safety	26,099	20,557	24,067	22,108	8%	-8.14%
Sport and Recreation	8,989	10,610	10,872	9,784	-8%	-10.01%
Corporate Policy Offices and Other	43,026	45,393	44,095	39,341	-13%	-10.78%
Component D: sub-total	<b>63,245</b>	<b>76,560</b>	<b>79,035</b>	<b>71,233</b>	-7%	-9.87%
Net Total Expenditure	<b>48,927</b>	<b>3,419</b>	<b>17,201</b>	<b>33,871</b>	891%	96.91%
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

### 5.3 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	12 446	15 435	1 460	2 126	1 965	5 122	4 762
Travel and subsistence	591	580	51	48	44	80	358
Domestic accommodation	292	239	0	6	17	31	185
Sponsorships	450	450	7	–	252	47	145
Events and catering	166	190	4	41	5	3	136
Communication	2 232	2 182	208	334	435	388	817
Other related expenditure items	2 669	4 307	10	508	293	2 479	1 017
<b>Total</b>	<b>18 847</b>	<b>23 383</b>	<b>1 740</b>	<b>3 064</b>	<b>3 011</b>	<b>8 148</b>	<b>7 420</b>

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.



## 5.4 GRANTS

The Municipality had a total amount of R173 605m for operational and capital expenditure available that was received in the form of grants from National and Provincial Governments during the 2020/21 financial year.

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

Grant Performance						
						R' 000
Description	2019/20	2020/21			2019/20 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>National Government:</b>	<b>126 298</b>	<b>158 887</b>	<b>160 441</b>	<b>154 220</b>		
Equitable share	95 587	118 783	118 783	118 783	0%	0%
Municipal Systems Improvement				–	0%	0%
Municipal Disaster Recovery	72	–		–	0%	0%
Local Government Financial Management Grant (FMG)	1 698	1 700	1 700	1 702	0%	0%
Municipal Infrastructure Grant (MIG)	26 256	25 813	26 275	23 113	-10%	-12%
National Electrification Programme	5 019	5 000	5 000	4 348	-13%	-13%
Expanded public works programme (EPWP)	1 781	1 855	1 931	1 924	4%	0%
Energy Efficiency & Demand Side Management Grant		2 600	3 600	3 078	18%	-14%
Water Service Infrastructure Grant (WSIG)		2 500	2 500	–	-100%	-100%
Municipal Disaster Relief Grant		(16)	–	619	-3970%	0%
Regional Bulk Infrastructure Grant	–	–	–	–	0%	0%
VAT on grants	–	652	652	652	0%	0%
Public Works	146			–	-	-
Neighbourhood Development Programme Grant	–	-	–	–	0%	0%
<b>Provincial Government:</b>	<b>61 967</b>	<b>18 024</b>	<b>71 541</b>	<b>16 931</b>		
Health subsidy	–	–	–	–	0%	0%
Housing	16 348	5 971	59 016	5 693	-5%	-90%
Municipal Infrastructure Support Grant	–	–	–	–	0%	0%
Sports and Recreation	–	–	–	–	0%	0%
Financial Management Support Grant	300	–	–	–	0%	0%
CDW Operational Support Grant	97	112	112	170	52%	52%
Maintenance of proclaimed main roads	81	130	130	130	0%	0%
Library Service conditional Grant	8 148	9 111	9 111	9 251	2%	2%
Violence Prevention through Urban Upgrading	–	–		–	0%	0%
Thusong Service Centres Grant	–	150	150	150	0%	0%
Municipal Capacity Building Grant	1 896	300	401	1 331	344%	232%

Local Government Support Grant	800	–	–	153	0%	0%
Municipal Disaster Recovery (Water Supply Grant)		-	–	–	0%	0%
Regional socio-economic projects (RSEP)		500	500	53	0%	-89%
Municipal Drought Relief (MDR)	112	1 750	2 121	–	0%	-100%
District Municipality:		-	-		-	-
Other grant providers:	1 013	342	–	–	1	0
DBSA GIS	–	-				0%
IDC		-			0%	0%
DBSA LEDI	566	-			0%	0%
HAN	–	–			0%	0%
SETA	370	–			0%	0%
Economic Development (Youth Development)	–	–			0%	0%
SANRAL		342 047	-	-	0%	0%
Total Operating Transfers and Grants	189 279	177 253	231 982	171 150		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						T5.2.1

#### 5.4.1 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 Programme (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.

**Municipal 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 monthly. 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.

31.15% of Theewaterskloof Total Revenue was derived from government grant and subsidies in 2020/2021, indicating the Municipality's reliance on Grants and Subsidies. During the 2020/2021 financial year the municipality received a total of R 204 778. Provincial transfers of R 56 295 national grants amounting to R 144 062m and R 4 421m from other grant funders make up the total amount of grant funding received during the 2020-2021 financial year. The largest transfer received was received in the form of equitable share (R118 783m) and municipal infrastructure grant (R 26,275m).

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2019/20	Actual Grant 2020/21	2020/21 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
<b>SETA</b>	370	342				Skills Development
<b>HAN</b>	804	495				Youth Development
<b>DBSA LED</b>	566	–				Local Economic Development
<b>SANRAL</b>	-	–				Infrastructure - Road transport
<b>ECONOMIC DEVELOPMENT</b>	-					Local Economic Development

#### 5.4.2 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.

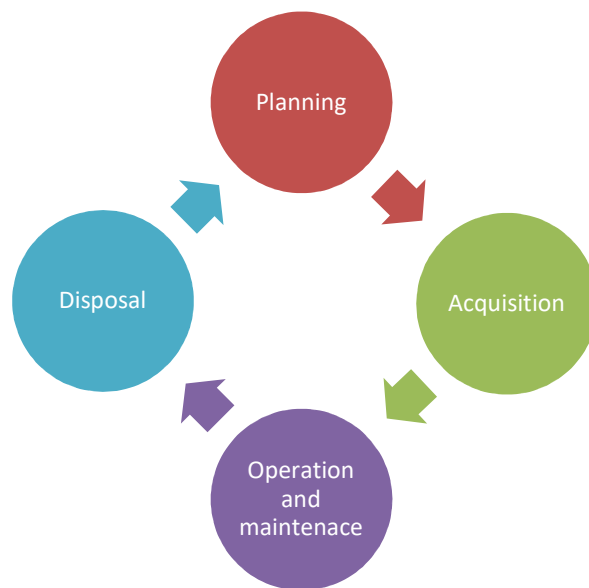
The municipality received a total of R0,837 m from Donors other than the division of revenue act. The HAN grant gives students from abroad the opportunity to engage with previously disadvantage communities and launch projects aimed at uplifting these communities. SETA is utilised from skills development and training within the organisation.

## 5.5 ASSET MANAGEMENT

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.

### 5.5.1 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:

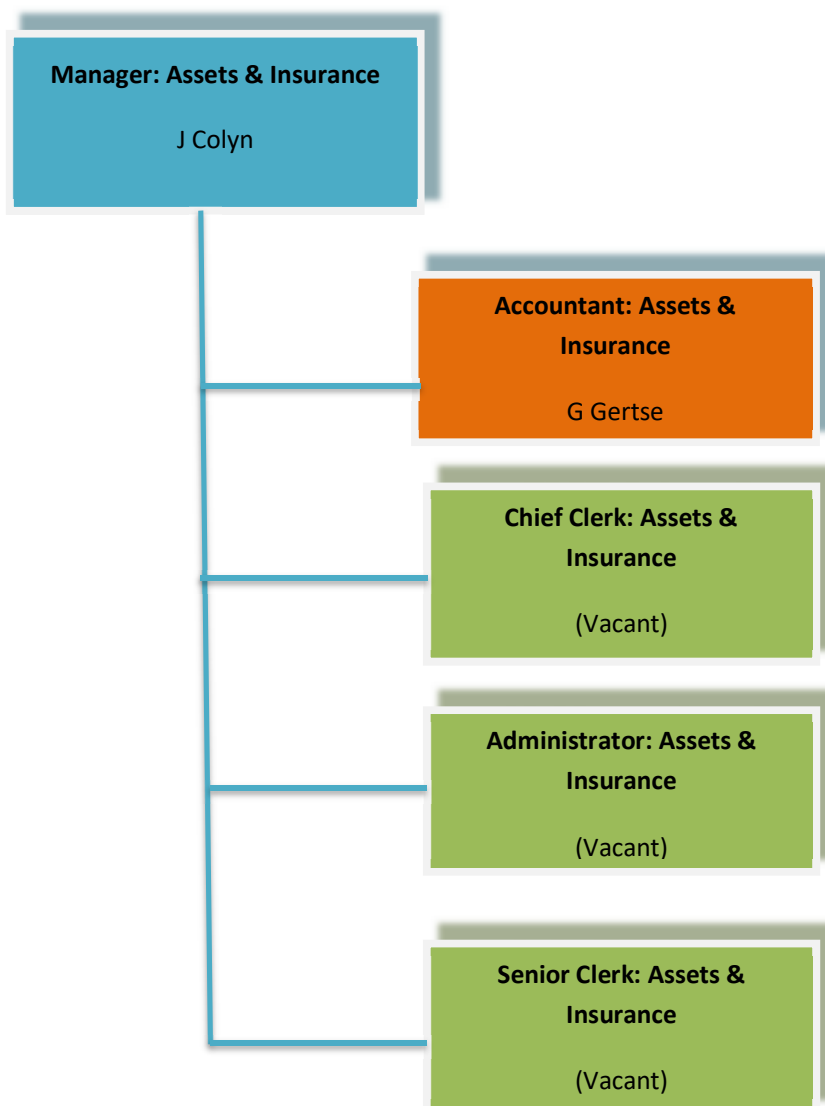
- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship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

## 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.



## 5.6 REPAIRS AND MAINTENANCE EXPENDITURE

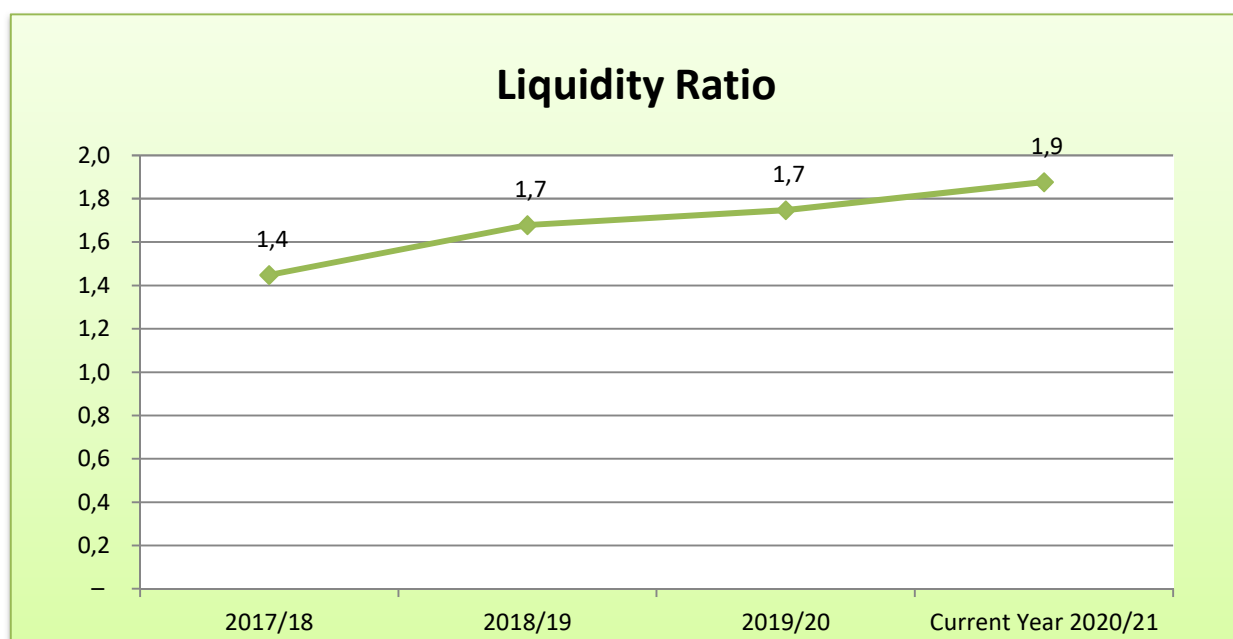
Repair and Maintenance Expenditure: 2020/21				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	119,080	125,436	112,311	10.46%
				T5.3.4

In 2020/21 Theewaterskloof municipality budgeted R119 080 m for repairs and maintenance. This was adjusted to R125 436m. The actual repairs and maintenance for the year 2020/21 amounted to R112 311m, meaning that 89% of the repairs and maintenance budget was spent.

## 5.7 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 2020/21:



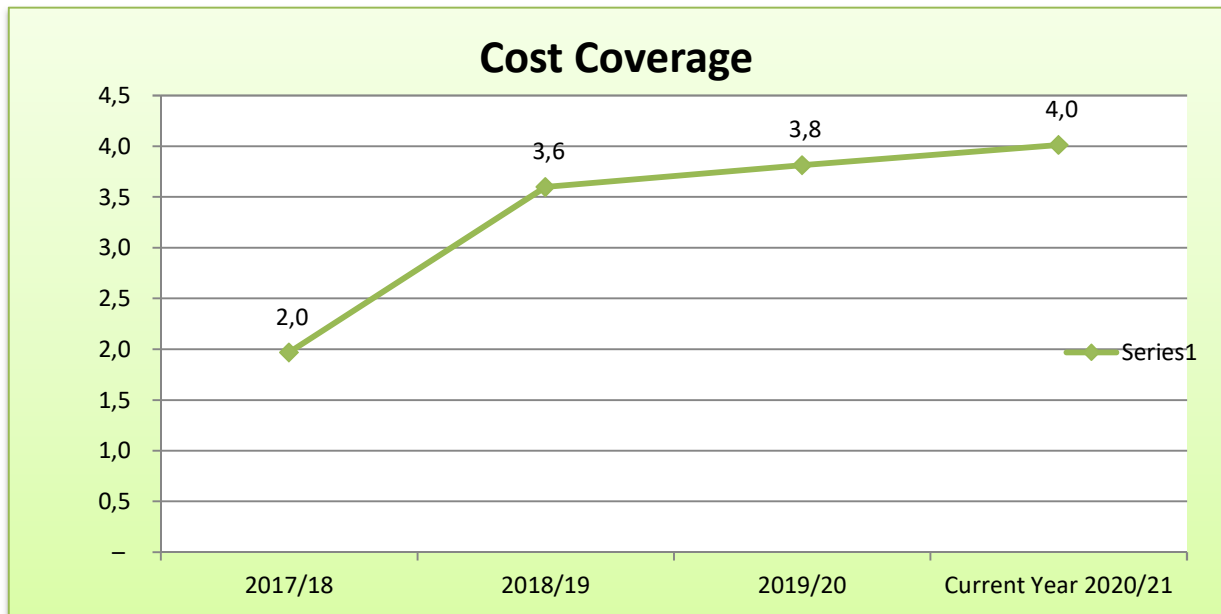
The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. It compares the municipality's current assets to its current liabilities, and is expressed as follows: The current ratio is an indication of a municipality's liquidity. The higher 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 1.7 to 1.9 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.

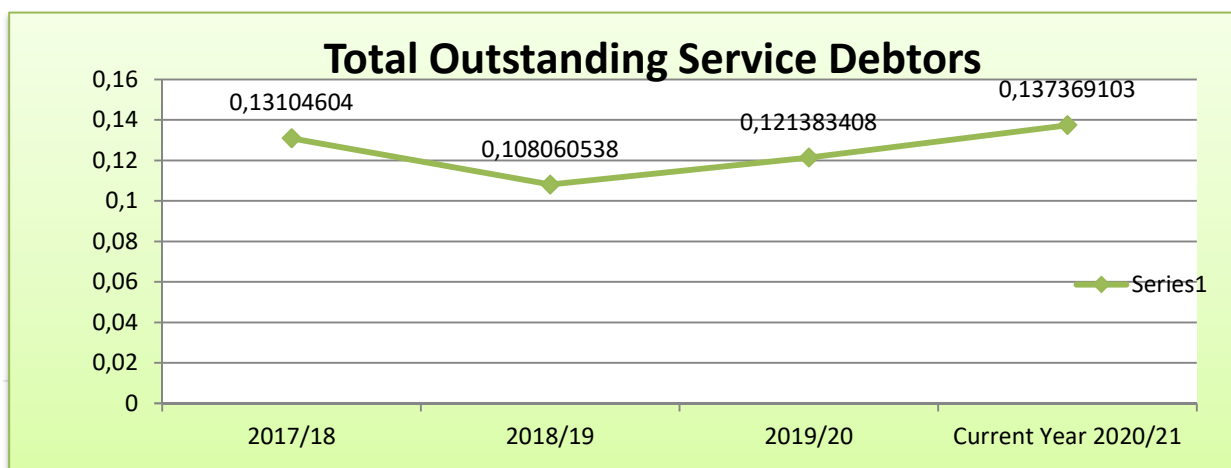
The following graph indicates the liquidity financial ratio for 2020/21:



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 4 months. The municipality is still safe and above 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.

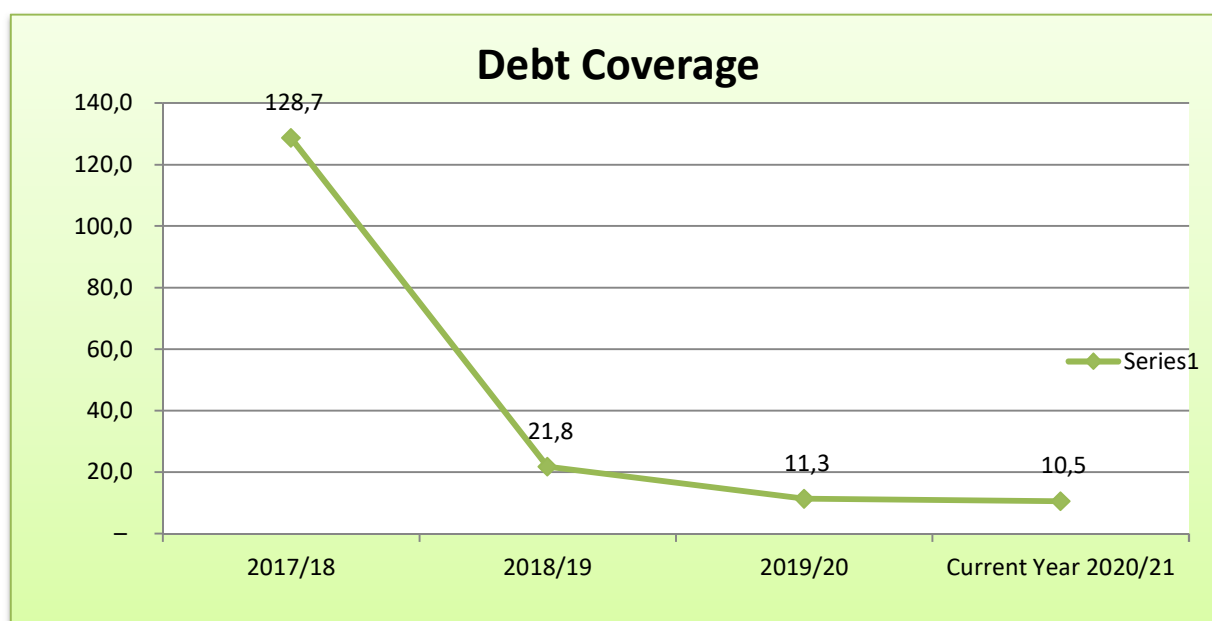
The following graph indicates the Total Outstanding Service Debtors financial ratio for 2020/21:



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.

**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.

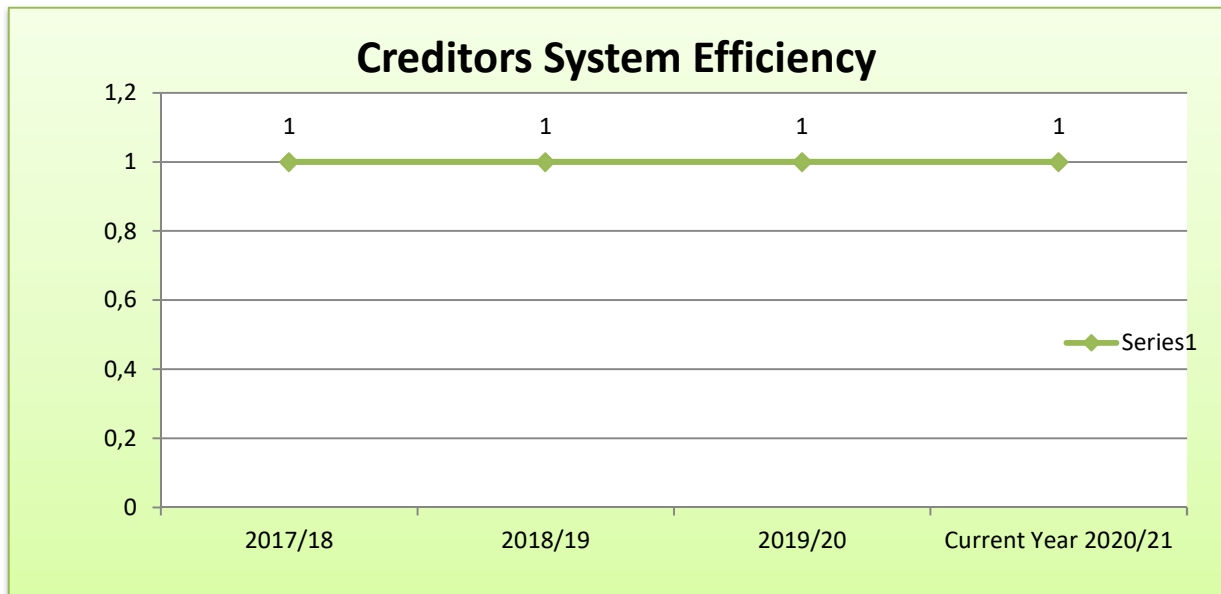
The following graph indicates the Debt Coverage financial ratio for 2020/21:



The debt coverage ratio decreased from 11.3 in 2019/20 to 10.5 in 2020/21. 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.

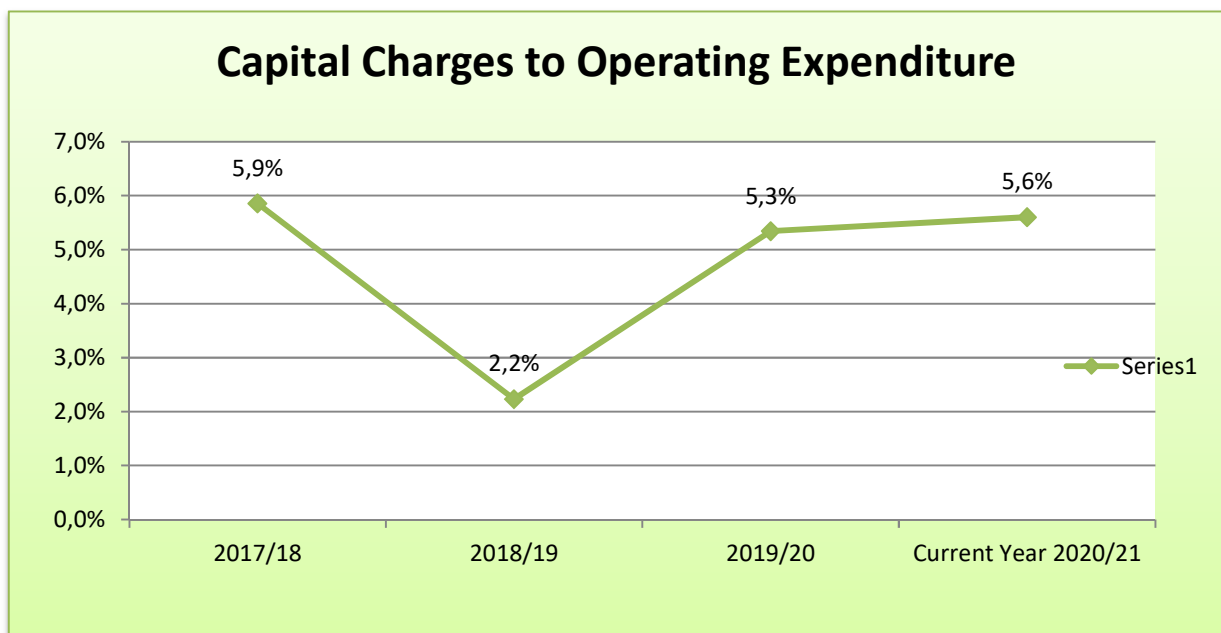
The following graph indicates the Creditors System Efficiency financial ratio for 2020/21:



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.

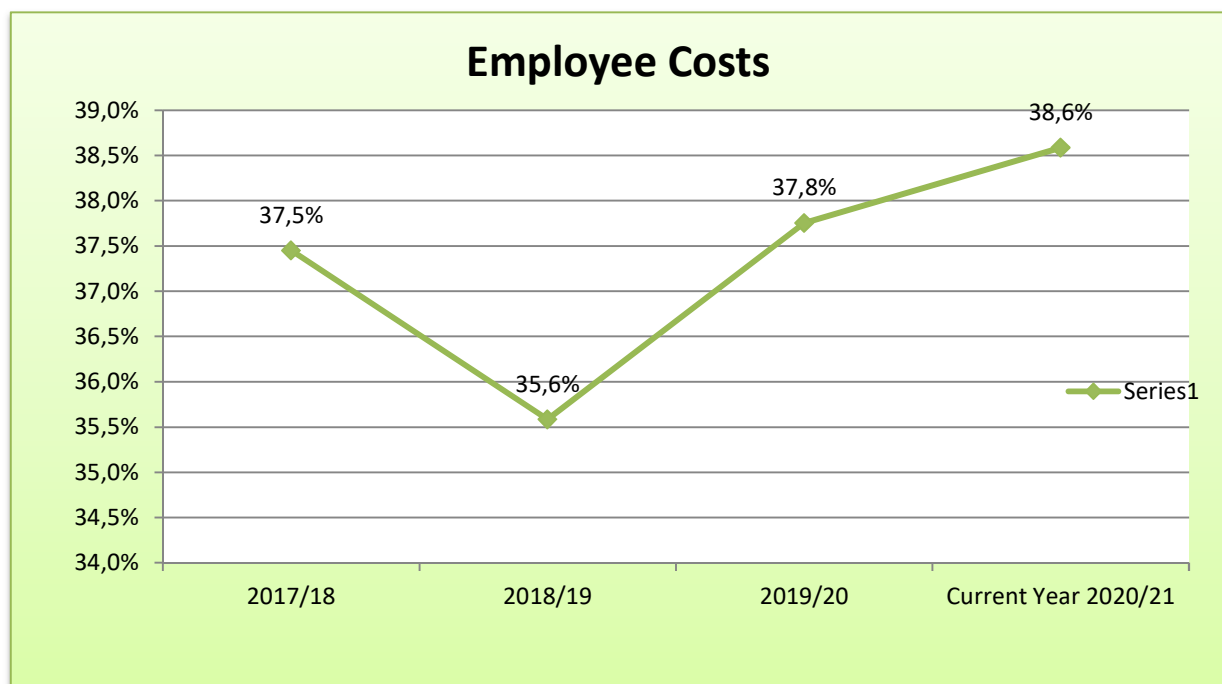
The following graph indicates the Capital Charges to Operating Expenditure financial ratio for 2020/21:



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.

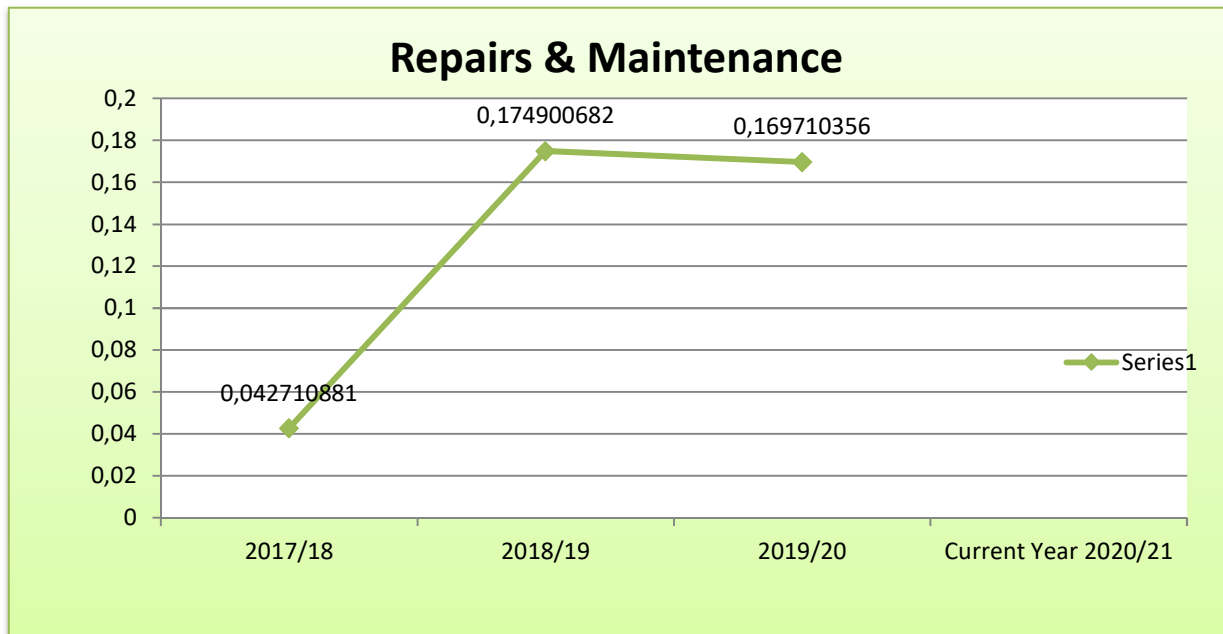
The following graph indicates the Employee Costs financial ratio for 2020/21:



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 2020/21:



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

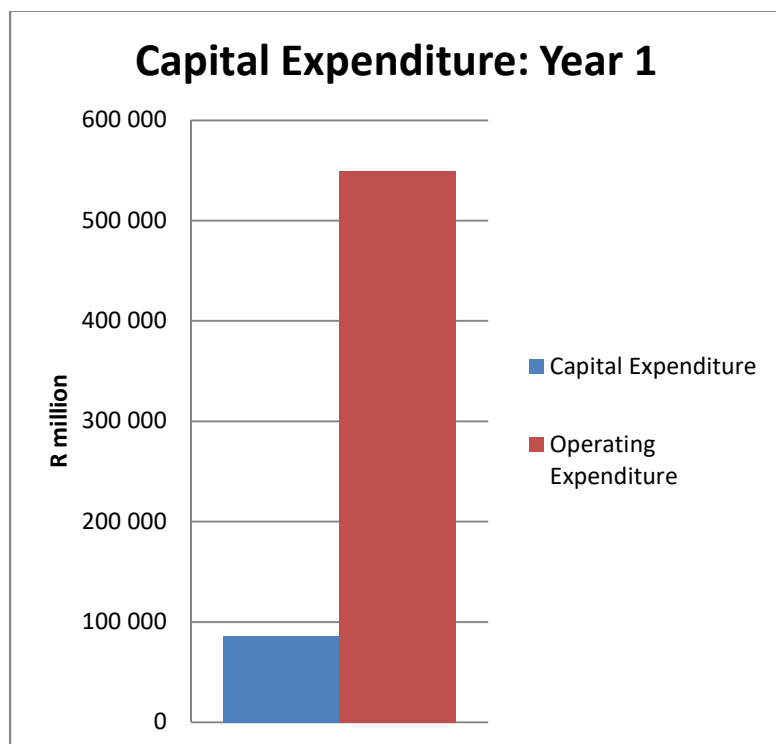
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.8 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 202-2021 Theewaterskloof municipality approved a capital budget of R 138 660m which was adjusted to R 134 908m. The Total Capital Expenditure for the year ended 30 June 2021 amounts to R 88 615 million against the adjustment budget of R 134 908 million and the percentage spend is 65% when compared to the adjustment budget.

#### 5.8.1 CAPITAL EXPENDITURE



The table below indicates the Capital Expenditure by funding source for the 2020/21 financial year:

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	138 660	134 908	85 615	38.3%	36.5%
	138 660	134 908	85 615	38.3%	36.5%
Operating Expenditure	613 736	596 113	549 701	10.4%	7.8%

	<b>613 736</b>	<b>596 113</b>	<b>549 701</b>	10.4%	7.8%
<b>Total expenditure</b>	<b>752 397</b>	<b>731 021</b>	<b>635 316</b>	15.6%	13.1%
<b>Water and sanitation</b>	53 304	53 506	0	100.0%	100.0%
<b>Electricity</b>	14 746	13 700	12 307	16.5%	10.2%
<b>Housing</b>	0	0	0		
<b>Roads, Pavements, Bridges and storm water</b>	0	0	0		
<b>Other</b>	70 610	67 702	73 308	-3.8%	-8.3%
	<b>138 660</b>	<b>134 908</b>	<b>85 615</b>	38.3%	36.5%
<b>External Loans</b>	53 622	56 863	36 505	31.9%	35.8%
<b>Internal contributions</b>	20 626	23 016	13 266	35.7%	42.4%
<b>Grants and subsidies</b>	64 413	55 029	35 844	44.4%	34.9%
<b>Other</b>	0	0	0		
	<b>138 660</b>	<b>134 908</b>	<b>85 615</b>	38.3%	36.5%
<b>External Loans</b>	53 622	56 863	36 505	31.9%	35.8%
<b>Grants and subsidies</b>	64 413	55 029	35 844	44.4%	34.9%
<b>Investments Redeemed</b>	0	0	0		
<b>Statutory Receipts (including VAT)</b>	0	0	0		
<b>Other Receipts</b>	20 626	23 016	13 266	35.7%	42.4%
	<b>138 660</b>	<b>134 908</b>	<b>85 615</b>	38.3%	36.5%
<b>Salaries, wages and allowances</b>					
<b>Cash and creditor payments</b>					
<b>Capital payments</b>	138 660	<b>134 908</b>	85 615	38.3%	36.5%
<b>Investments made</b>					
<b>External loans repaid</b>					
<b>Statutory Payments (including VAT)</b>					
<b>Other payments</b>					
	<b>138 660</b>	<b>134 908</b>	<b>85 615</b>	38.3%	36.5%
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Un-audited Full Year Total</b>	<b>Original Budget variance</b>	<b>Adjusted Budget Variance</b>
<b>Property rates</b>	116 980	116 154	121 198	-3.6%	-4.3%
<b>Service charges</b>	250 328	239 770	253 477	-1.3%	-5.7%
<b>Other own revenue</b>	85 321	43 790	51 591	39.5%	-17.8%
<b>Grants &amp; subsidies</b>	140 365	166 277	137 762	1.9%	17.1%
	<b>592 994</b>	<b>565 990</b>	<b>564 027</b>	4.9%	0.3%
<b>Employee related costs</b>	238 465	235 892	217 633	8.7%	7.7%
<b>Provision for working capital</b>	0	0	0	0.0%	0.0%
<b>Repairs and maintenance</b>	119 080	125 747	112 001	5.9%	10.9%
<b>Bulk purchases</b>	99 884	96 944	93 756	6.1%	3.3%
<b>Other expenditure</b>	156 307	137 529	126 311	19.2%	8.2%
	<b>613 736</b>	<b>596 113</b>	<b>549 701</b>	10.4%	7.8%
<b>Service charges: Electricity</b>	103 467	102 450	102 525	0.9%	-0.1%

Grants & subsidies: Electricity	2 915	2 915	3 224	-10.6%	-10.6%
Other revenue: Electricity					
	<b>106 382</b>	<b>105 365</b>	<b>105 749</b>	0.6%	-0.4%
Employee related costs: Electricity	0	0	0		
Provision for working capital: Electricity					
Repairs and maintenance: Electricity	12 302	13 262	11 129	9.5%	16.1%
Bulk purchases: Electricity	75 884	73 944	75 569	0.4%	-2.2%
Other expenditure: Electricity	9 144	8 021	8 518	6.9%	-6.2%
	<b>97 330</b>	<b>95 227</b>	<b>95 215</b>	2.2%	0.0%
Service charges: Water	74 461	72 106	77 056	-3.5%	-6.9%
Grants & subsidies: Water	7 896	10 138	8 388	-6.2%	17.3%
Other revenue: Water					
	<b>82 358</b>	<b>82 245</b>	<b>85 444</b>	-3.7%	-3.9%
Employee related costs: Water	0	0	0		
Provision for working capital: Water					
Repairs and maintenance: Water	16 922	18 028	16 734	1.1%	7.2%
Bulk purchases: Water	24 000	24 000	18 188	24.2%	24.2%
Other expenditure: Water	21 436	21 395	26 234	-22.4%	-22.6%
	<b>62 358</b>	<b>63 423</b>	<b>61 155</b>	1.9%	3.6%
					Txxx



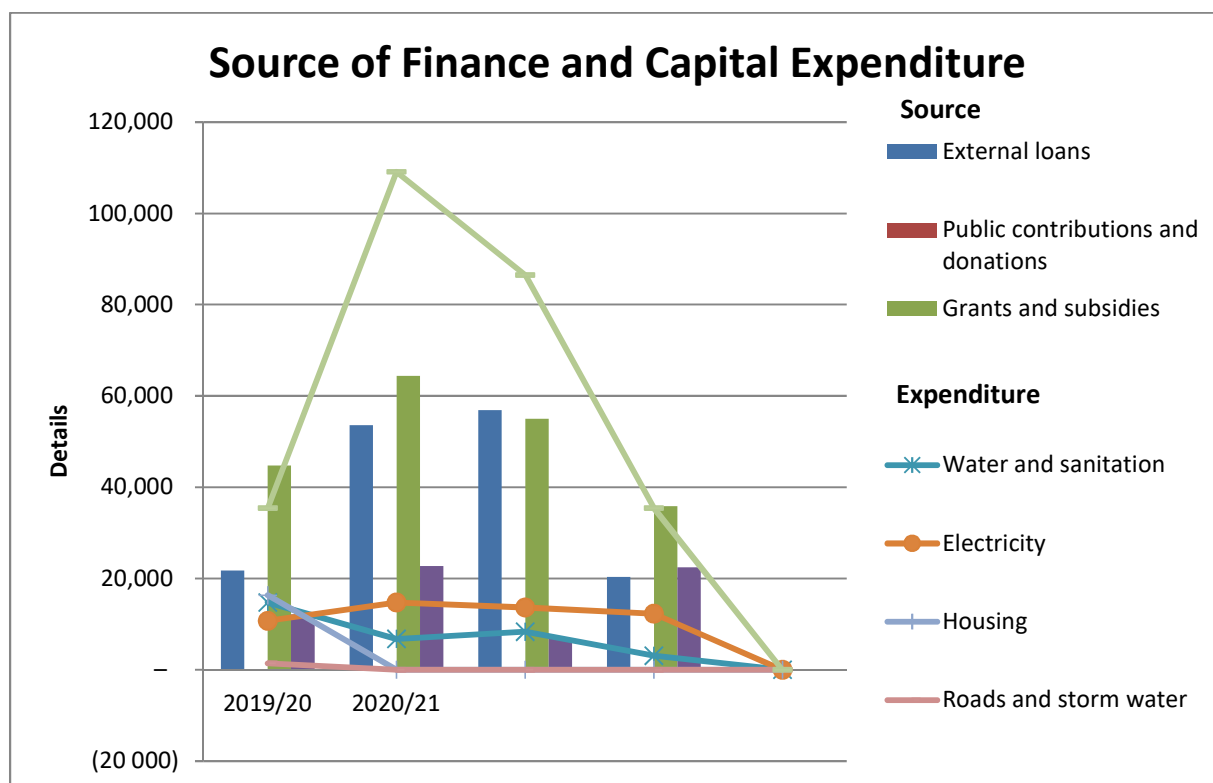
## 5.9 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 2020 to 2021							
R' 000							
Details		2019/20	2020/21				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	21,770	53,622	56,863	20,378	6.05%	-62.00%
	Public contributions and donations	0	0	0	0	0.00%	0.00%
	Grants and subsidies	44,812	64,413	55,029	35,844	-14.57%	-44.35%
	Other	12,141	22,727	6,887	22,501	-69.70%	-0.99%
<b>Total</b>		<b>78,723</b>	<b>140,761</b>	<b>118,779</b>	<b>78,723</b>	<b>-15.62%</b>	<b>107.34%</b>
<b>Percentage of finance</b>							
	External loans	27.7%	38.1%	47.9%	25.9%	-38.7%	57.8%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	56.9%	45.8%	46.3%	45.5%	93.3%	41.3%
	Other	15.4%	16.1%	5.8%	28.6%	446.3%	0.9%
<b>Capital expenditure</b>							
	Water and sanitation	14,764	6,750	8,349	3,083	23.69%	-54.32%
	Electricity	10,746	14,746	13,700	12,307	-7.09%	-16.54%
	Housing	16,348	–	–	–	0.00%	0.00%
	Roads and storm water	1,418	–	–	–	0.00%	0.00%
		35,447	109,097	86,517	35,447	-20.70%	-67.51%
<b>Total</b>		<b>78,723</b>	<b>130,593</b>	<b>108,566</b>	<b>50,837</b>	<b>-16.87%</b>	<b>-61.07%</b>
<b>Percentage of expenditure</b>							
	Water and sanitation	18.8%	5.2%	7.7%	6.1%	-578.1%	39.3%
	Electricity	13.7%	11.3%	12.6%	24.2%	173.1%	12.0%
	Housing	20.8%	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	45.0%	83.5%	79.7%	69.7%	505.0%	48.8%
							T56.1

### 5.9.1 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.



## 5.10 CAPITAL SPENDING ON 5 LARGEST PROJECTS

### Capital Expenditure of 5 largest projects\*

R' 000					
Name of Project	Current Year: 2020/21			Variance Current Year: 2020/21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Caledon - WWTW upgrade	13 561	16 622	14 482	-7%	13%
Greyton waste drop off	7 135	7 210	6 316	11%	12%
Upgrade of Fleet	4 500	6 204	6 041	-34%	3%
Riviersonderend - Waste Drop-off station	4 783	4 783	5 159	-8%	-8%
Destiny Infrastructure	6 737	5 000	4 739	30%	5%
<i>* Projects with the highest capital expenditure in Year 2020/21</i>					
Name of Project - A	Caledon - WWTW Upgrade				
Objective of Project	Providing low cost housing for communities				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Greyton waste drop off				
Objective of Project	Upgrading processing site for the temporary deposition of waste.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	Upgrade of Fleet				
Objective of Project	Upgrading of fleet for service delivery purposes.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D	Riviersonderend - Waste Drop-off station				
Objective of Project	Upgrading processing site for the deposition of waste.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E	Destiny Infrastructure				
Objective of Project	Upgrading of infrastructure.				
Delays					
Future Challenges					
Anticipated citizen benefits					
					T5.7.1

## 5.11 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### 5.11.1 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 2020/21 on Service backlogs						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Electricity	1 615	1 615	1 615	0%	0%	
Street Lighting	1 615	1 615	1 615	0%	0%	
Infrastructure - Water	6,475	1,946	1 949	-70%	0%	
Water purification	1 842	1,842	1,845	0%	0%	
Reticulation	4,632	,104	104	-98%	0%	
Infrastructure - Sanitation	8,701	13,230	10,959	26%	-17%	
Sewerage purification	8,701	13,230	10,959	21%	-21%	
Infrastructure - Other	5,504	5,504	5,040	-8%	-8%	
Waste Management	5,504	5,504	5,040	-9%	-9%	
<b>Total</b>	<b>22,295</b>	<b>22,295</b>	<b>19,563</b>	<b>-12%</b>	<b>-12%</b>	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.8.3

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

There has been an improvement in the overall cash position of the municipality as a result of a cash based budget and improved cash management, increased debt collection rate as well as more cost reflective tariffs. 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.

### 5.12 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2019/20	Current Year: 2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipts				
Ratepayers and other	174 602	332 219	318 261	358 838
Government - operating	88 998	140 365	163 121	136 872
Government - capital	44 749	64 413	53 141	39 729
Interest	12 331	29 011	20 347	8 098
Dividends		0	0 ,	0
Payments		0	0 ,	0
Suppliers and employees	(381 477)	(487 099)	(485 016)	(432 429)
Finance charges	(9 000)	(11 351)	(11 351)	(9 827)
Transfers and Grants	(4 270)	(200)	(200)	(3 224)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>-74 067</b>	<b>67 359</b>	<b>58 304</b>	<b>98 057</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts				
Proceeds on disposal of PPE	313	0	1 001	817
Decrease (Increase) in non-current debtors		0	0	0
Decrease (increase) other non-current receivables	0	-	0	-
Decrease (increase) in non-current investments	2 596	-	-	-982
Payments		0	-	0
Capital assets	(72 020)	(138 660)	(134 908)	(85 599)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(69 111)</b>	<b>(138 660)</b>	<b>(133 907)</b>	<b>(85 765)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Short term loans				
Borrowing long term/refinancing	-	53 622	56 863	22 094 345.00
Increase (decrease) in consumer deposits	14	302	381	67 941.83
Payments		0	0	0

Repayment of borrowing	(7 454)	(8 500)	(8 500)	(9 552)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7 440)	45 423 942 ,	48 744 549 ,	12 609 853 ,
NET INCREASE/ (DECREASE) IN CASH HELD	(150 618)	(25 877)	(26 859)	24 901 368 ,
Cash/cash equivalents at the year begin:	63 901	113 817	139 189	139 189
Cash/cash equivalents at the year end:	-86 717	87 939	112 330	164 090
Source: MBRR SA7				T5.9.1

### 5.12.1 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 2021. 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 of June 2021 is 87%. This is an area where we will focus our attention and energy to become financially sustainable to enable the municipality to provide services. The municipality will strive to improve its cash position in 2021/22.

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.

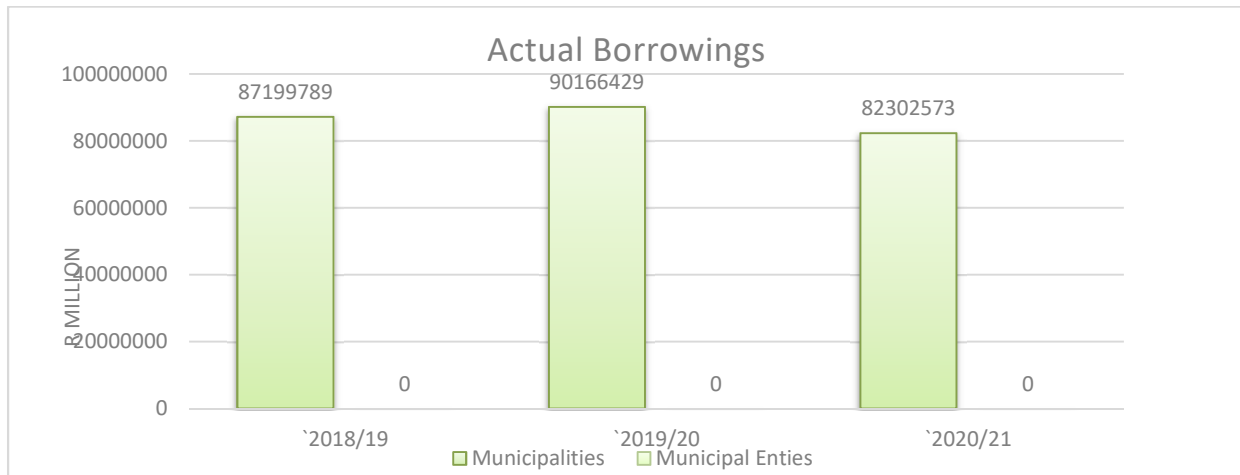
### 5.13 BORROWING AND INVESTMENTS

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 must strike a balance between community needs and affordability. It should always be remembered that the decision on loans today could pose major affordability risks for future generations.

Borrowings increased from R 82,303 m in 2019/20 to R 94,845 in 2020/21.

Actual Borrowings 2018 to 2021			
			R' 000
Instrument	2018/19	2019/20	2020/21
<b><u>Municipality</u></b>			
Long-Term Loans (annuity/reducing balance)	73 143	66 280	78 822
Long-Term Loans (Stock loans)	17 023	16 023	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			
<b>Municipality Total</b>	<b>90 166</b>	<b>82 302</b>	<b>94 844</b>
<b><u>Municipal Entities</u></b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (Stock loans)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>			
			T5.10.2



Municipal and Entity Investments			
	R' 000		
Investment* type	2018/19	2019/20	2020/21
	Actual	Actual	Actual
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	43,415	46,068	47,530
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			
<b>Municipality sub-total</b>	<b>55,983</b>	<b>46,068</b>	<b>47,530</b>
<b><u>Municipal Entities</u></b>			
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			
<b>Entities sub-total</b>	<b>–</b>	<b>–</b>	
<b>Consolidated total:</b>	<b>55,983</b>	<b>46,068</b>	<b>47,530</b>
			T5.10.4



## 5.14 PUBLIC PRIVATE PARTNERSHIPS

The municipality currently have no public private partnerships.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.15 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 8 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.

#### 5.15.1 BBBEE

##### Demand and Acquisition Management

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

For the 2019/2020 and 2020/21 financial years, a total number of 44 and 58 projects respectively were identified on the procurement plan for contracts above R 200 000. During the financial year an additional 15 projects were added to the procurement plan resulting in a total amount of 73 projects. SCM frequently reported to management on the progress of the projects listed on the procurement plan. The purpose of such reporting was to monitor and track performance against the approved procurement plan. These plans excluded the procurement of goods and services with a value of greater than R30 000 and less than R 200 000.

The tables below illustrate the results of the procurement plan for the 2019/20 and 2020/21 financial years with a brief comparison summary between the two financial years.

The table also includes procurement from National Treasury's Transversal Tenders for the Procurement of Vehicles and Traffic Officers Safety Clothes and all expansions.

**2019/2020 Tenders:**

<b>Month</b>	<b>Contracts Awarded</b>	<b>Contract Values Awarded "R"</b>	<b>Contract Value Awarded to B- BEE Entities "R"</b>	<b>Contracts Awarded to Local Suppliers</b>	<b>Contract Value Awarded to Local Suppliers "R"</b>
July	7	26 481 954.23	126 253 357.23	2	8 092 174.41
August	2	5 606 498.13	5 606 498.13	0	0.00
September	6	11 762 338.92	11 260 938.92	1	290 662.50
October	5	31 862 710.34	31 862 710.34	0	0.00
November	3	10 588 277.65	10 588 277.65	0	0.00
December	1	2 620 763.75	2 620 763.75	0	0.00
January	3	6 910 068.97	3 456 313.97	0	0.00
February	5	15 744 625.02	15 744 625.02	0	0.00
March	5	65 616 384.05	65 616 384.05	0	0.00
April	0	0.00	0.00	0	0.00
May	5	6 378 073.36	1 612 473.84	0	0.00
June	2	1 801 879.41	0.00	0	0.00
<b>TOTAL</b>	<b>44</b>	<b>185 373 573.83</b>	<b>174 622 342.90</b>	<b>3</b>	<b>8 382 836.91</b>
Cancelled	9				

## 2020/2021 Tenders:

Month	Contracts Awarded	Contract Values Awarded "R"	Contract Value Awarded to B-BBEE Entities "R"	Contracts Awarded to Local Suppliers	Contract Value Awarded to Local Suppliers "R"
July	2	5 316 730.72	5 316 730.72	0	0.00
August	3	6 861 798.16	6 861 798.16	2	5 479 728.16
September	2	3 398 999.76	3 398 999.76	0	0.00
October	8	14 694 638.50	11 979 752.21	0	0.00
November	7	9 509 888.12	6 181 026.34	0	0.00
December	2	18 385 747.49	18 311 475.89	0	0.00
January	8	17 946 437.66	14 002 982.88	0	0.00
February	8	101 426 353.44	101 426 353.44	0	0.00
March	6	24 148 237.16	23 992 389.16	0	0.00
April	2	8 826 409.98	8 826 409.98	0	0.00
May	7	30 948 132.33	26 888 453.19	0	0.00
June	12	33 898 909.70	29 245 598.94	0	0.00
TOTAL	67	275 362 283.02	256 431 970.30	2	5 479 728.16
Cancelled	7				

## Summary:

	2019/20	2020/21	%	Increase/Decrease
Contracts Awarded	44	67	52	increase
Cancelled Tenders	9	7	22	decrease
Contracts Awarded "R"	185 373 573.83	275 362 283.02	49	increase
B-BBEE Awards "R"	174 622 342.90	256 431 970.30	47	increase
Local Awards	3	2	33	decrease
Contracts Amount Local "R"	8 382 836.91	5 479 728.16	35	decrease

The table below illustrates the formal written price quotation results for the 2019/20 and 2020/21 financial years with a brief comparison summary between the two financial years.

**2019/2020 Quotations:**

Month	Contracts Awarded	Contract Values Awarded "R"	Contract Value Awarded to B-BBEE Entities "R"	Contracts Awarded to Local Suppliers	Contract Value Awarded to Local Suppliers "R"
July	5	285 637.18	285 637.18	2	72 906.48
August	8	1 021 178.09	1 021 178.09	2	289 340.00
September	17	1 805 247.92	1 373 051.86	7	622 485.44
October	4	396 283.61	187 616.11	0	0.00
November	6	674 321.40	674 321.40	3	287 083.90
December	13	1 499 476.06	1 069 740.81	5	415 110.37
January	6	512 549.15	316 542.00	1	194 925.00
February	19	2 231 156.34	1 928 987.57	6	1 306 794.77
March	29	3 867 517.05	2 737 611.90	12	1 445 294.13
April	0	0.00	0.00	0	0.00
May	2	318 107.25	163 432.25	1	154 675.00
June	7	2 362 229.07	343 474.66	0	0.00
TOTAL	116	14 973 703.12	10 101 593.83	39	4 788 615.09
Cancelled	44				

**2020/21 Quotations:**

Month	Contracts Awarded	Contract Values Awarded "R"	Contract Value Awarded to B-BBEE Entities "R"	Contracts Awarded to Local Suppliers	Contract Value Awarded to Local Suppliers "R"
July	5	357 316.68	357 316.68	3	174 166.68
August	8	677 274.71	258 813.63	5	437 381.31
September	17	1 894 815.61	1 767 368.11	3	134 193.70
October	22	1 901 087.82	1 447 328.97	4	383 525.13
November	18	1 777 741.41	1 255 550.50	0	0.00
December	16	1 517 010.90	1 517 010.90	3	234 900.00
January	1	83 206.82	83 206.82	0	0.00
February	16	1 818 851.70	1 576 498.00	5	793 236.70
March	13	1 172 365.60	978 665.60	0	0.00
April	13	1 143 774.79	944 249.79	3	263 224.07
May	10	1 368 748.88	1 160 087.80	2	290 350.00
June	12	1 197 686.22	1 042 853.22	7	727 949.94
TOTAL	151	14 909 881.14	12 388 950.02	35	3 438 927.53
Cancelled	31				

**Summary:**

	2019/20	2020/21	%	Increase/ Decrease
<b>Contracts Awarded</b>	116	151	30	increase
<b>Cancelled Tenders</b>	44	31	30	decrease
<b>Contracts Awarded "R"</b>	14 973 703.13	14 909 881.14	0.43	decrease
<b>B-BBEE Awards "R"</b>	10 101 593.83	12 388 950.02	23	increase
<b>Local Awards</b>	39	35	10	decrease
<b>Contracts Amount Local "R"</b>	4 788 615.09	3 438 927.53	28	decrease

**5.16 GRAP COMPLIANCE**

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# CHAPTER 6 AUDITOR GENERAL AUDIT FINDINGS

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

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 4 to 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.

#### Emphasis of matters

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

#### Restatement of corresponding figures

7. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 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.

### **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).

### **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.

### **Other matters**

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

### **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.

### **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.

### **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.

## 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.

## Report on the audit of the annual performance report

### 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

### **Other matter**

24. I draw attention to the matter below.

### **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.

## **Report on the audit of compliance with legislation**

### **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.

### **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.

### **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*

## **Report of the auditor-general to Western Cape Provincial Parliament and council on Theewaterskloof Municipality 2020/21 (Current Year)**

### **Report of the auditor-general to the Western Cape Provincial Parliament and council on the Theewaterskloof Municipality**

#### **Report on the audit of the financial statements**

#### **Opinion**

I have audited the financial statements of the Theewaterskloof Municipality set out on pages 4 to 104, which comprise statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with 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 4 of 2020 (Dora).

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

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.

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

#### **Emphasis of matters**

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

The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

## Restatement of corresponding figures

As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2020 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 2021.

## Material impairments

As disclosed in notes 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R202,7 million (2019-20: R178,4 million).

As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R49,2 million (2019-20: R55,8 million).

## Material losses

As disclosed in note 54 to the financial statements, material water losses of 1 929 687 kilolitre (2019-20: 1 627 839 kilolitres) were incurred, which represents 38,44% ( 2019-20: 34,48%) of the total water kilolitres purchased.

## Underspending of capital budget

As disclosed in note 53 to the financial statements, the municipality materially underspent the capital budget.

## Other matters

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

## Unaudited supplementary information

The supplementary information set out on pages 96 to 104 of the financial statements does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Unaudited disclosure notes

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 does not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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.

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

## **Report on the audit of the annual performance report**

### **Introduction and scope**

In accordance with the Public Audit Act 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 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.

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 included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.

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 2021:

Municipal key performance area	Pages in the annual performance report
Municipal key performance area -Basic service delivery	96,103 to 113,116 and 120 to 123

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.

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

Basic service delivery

### Other matter

I draw attention to the matter below.

### Achievement of planned targets

Refer to the annual performance report on pages 7,12 to 21, 24 and 27 to 30 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

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.

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.

### Other information

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 the selected municipal key performance area presented in the annual performance report that have been specifically reported in this auditor's report.

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.

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.

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.

I have nothing to report in this regard.

### Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

30 November 2021



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected municipal key performance area and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists 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

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## 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

<b>Accessibility indicators</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	• Service delivery & infrastructure
	• Economic development
	• Municipal transformation and institutional development
	• Financial viability and management
	• Good governance and community participation

<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. 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	Committees Allocated	Ward Represented/ Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
<b>D DU TOIT</b>	FT	None	Ward Represented	90%	10%
<b>C VOSLOO</b>	FT	Executive Mayoral Committee	Party Represented	100%	0%
<b>M NONGXAZA</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	95%	5%
<b>J ARENDSE</b>	FT	Corporate Services Committee	Ward Represented	100%	0%
<b>M BHANGAZANA</b>	PT	Corporate Services Committee	Ward Represented	90%	10%
<b>R BRINKHUYS</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Ward Represented	100%	0%
<b>S FREDERICKS</b>	PT	Financial Services Committee; Corporate Services Committee	Party Represented	100%	0%
<b>D JOOSTE</b>	PT	Community Development Committee	Ward Represented	100%	0%
<b>M KOEGELENBERG</b>	FT	Financial Services Committee	Ward Represented	100%	0%

<b>C LAMPRECHT</b>	PT	Financial Services Committee; Technical and Electrical Services Committee	Ward Represented	100%	0%
<b>M LE ROUX</b>	PT	Corporate Services Committee	Party Represented	95%	5%
<b>T MANGCAYI</b>	PT	Financial Services Committee; Corporate Services Committee	Party Represented	80%	20%
<b>A MENTILE</b>	PT	Community Development Committee	Ward Represented	85%	15%
<b>R MIENIES</b>	PT	Financial Services Committee	Party Represented	95%	5%
<b>T NDLEBE</b>	PT	Community Development Committee	Ward Represented	80%	20%
<b>C NOVEMBER</b>	PT	Financial Services Committee	Party Represented	95%	5%
<b>K PAPIER</b>	FT	Planning Committee	Party Represented	100%	0%
<b>N PIETERSE</b>	FT	Community Services Committee; Planning Committee	Ward Represented	100%	0%
<b>M PLATO-MENTOOR</b>	FT	Community Development Committee	Ward Represented	100%	0%
<b>S POTBERG</b>	PT	Planning Committee	Ward Represented	90%	10%
<b>N MGQWETO</b>	PT	Community Services Committee	Party Represented	85%	15%
<b>U SIPUNZI</b>	PT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	85%	15%

<b>P STANFLIET</b>	FT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	100%	0%
<b>I Mentoer from 29 April 2021)</b>	PT	Community Development Committee; Planning Committee	Party Represented	95%	5%
<b>M Mathews (until 25 April 2021)</b>	PT	Community Development Committee; Planning Committee	Party Represented	80%	20%
<b>B TSHABE</b>	PT	Corporate Services Committee; Community Development Committee	Party Represented	100%	0%
<b>T TSHUNGWANA (until 31 October 2020)</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	85%	15%
<b>M GANA (From 17 November 2020)</b>	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	90%	10%
<b>C WOOD</b>	PT	Community Services Committee	Party Represented	95%	5%
					T A

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<b>Performance and Audit Committee</b>	The Performance and Audit Committee is an assurance provider to Council that evaluates the effective, efficient and transparent systems of financial and risk management and internal control that are maintained by the Council, which contribute to the efficient and effective utilisation of resources, safeguarding of assets and the accomplishments of established goals for operations or programs.
<b>Oversight Committee</b>	Undertake a review and analysis of the annual report; invite, receive and consider inputs from Councillors and Portfolio committees on the Annual Report; Consider written comments received on the Annual Report from the public consultation process, Conduct public hearings to allow the local community or any organs of state to make representations on the Annual report; Receive and consider Councils' Performance and Audit Committee views and comments on the annual financial statements and the performance report; preparation of the draft Oversight report; taking into considerations the views and inputs of the public, representatives of the Auditor-General, Organ of State, Council's Performance and Audit Committee and Councillors .
<b>Risk Management Committee</b>	<p>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.</p> <p>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.</p>
<b>Combined Management, Speaker and Executive Mayoral Committee</b>	To share information, to obtain input from Politicians and determine policy direction.
<b>Management Committee</b>	To deal with and consider various managerial aspects and items.
<b>Portfolio Committees</b>	As per legislation.



<b>ICT Committee</b>	<p>The purpose of this is to establish an ICT Steering committee to govern and be accountable for the municipality's ICT environment and ensure that ICT conforms to legislation.</p> <p>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).</p> <p>Encouraging collaborative work environment and fosters trust via mutual credibility and responsiveness; ix) The revision of the draft ICT budget and budget processes; x) Mediating conflicts in priorities and/ or departmental perspectives that may not be in the best interest of the Municipality.</p>
<b>Ward Committees</b>	<p>The Ward Committee is the official liaison mechanism on all municipal matters within the community. The ward committees assist in the drafting of the Ward IDPs and Budget. They review the community input and participate in the Town Advisory Forum.</p> <p>The ward committee is also responsible for reviewing and approving the Service Level Agreements. They make recommendations to Council reports. They should report back to their constituencies on issues discussed at the ward committee meetings.</p>
<b>Town Advisory Committees</b>	<p>The Town Advisory Forum meets when the ward committee's input is needed for a town as a whole. The role and function of the TAF is to advise and make recommendations to Council on behalf of the community within their respective wards on matters pertaining the IDP, Budget, Service delivery and developmental projects within the town.</p> <p>The TAF is the official body which the Municipality will liaise with regarding the matters affecting the entire town</p>

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Mr Daniel Lubbe
Directorate Development & Community Services	Vacant
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)
<b><u>Constitution Schedule 4, Part B functions:</u></b>		
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	Yes	No
Electricity and gas reticulation	Yes	No
Firefighting services	No	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	No	No
Municipal public transport	Yes	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
<b><u>Constitution Schedule 5, Part B functions:</u></b>		
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No

<b>Municipal abattoirs</b>	Yes	No
<b>Municipal parks and recreation</b>	Yes	No
<b>Municipal roads</b>	Yes	No
<b>Noise pollution</b>	Yes	No
<b>Pounds</b>	Yes	No
<b>Public places</b>	Yes	No
<b>Refuse removal, refuse dumps and solid waste disposal</b>	Yes	No
<b>Street trading</b>	Yes	No
<b>Street lighting</b>	Yes	No
<b>Traffic and parking</b>	Yes	No
<b><i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i></b>		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	0	0
	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	0	2
	J Kroukamp				
	R Martin				
	R Rouillard				
	P Adams				
	V Jansen				
	C Barthus				
	W Beukman				
	G Juries				
	A White				
	G Emslie				
Three (3)	COUNCILLOR J ARENDSE	Yes	4	0	0
	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	0
	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	4	0	0
	E Jansen				
	T Vali				
	R Antonie				
	G Engelbrecht				
	H Blignaut				
	J Nicolls				
	J Mckenzie				
	V Hendricks				
	H Schoeman				
Seven (7)	ALDERMAN P STANFLIET	Yes	3	0	0
	M Goniwe				
	C Afrika				

	I Andries				
	H Pitcher				
	M Ngakana				
	H Hendricks				
	J Faroa				
	E Herman				
Eight (8)	COUNCILLOR A MENTILE	Yes	3	0	6
	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	3	0	0
	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	3	0	0
	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	3	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	3	0	0
	W Nomxhanya				
	C Absalom				
	P Speelman				
	L Madizeni				
	L de Bruyn-Davids				
	S Ninon				
	M Ritcher				
	T Zacharia				
Thirteen (13)	COUNCILLOR M BHANGANZANA	Yes	3	0	2
	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			0



## APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in 2020/21				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	Caledon - WWTW upgrade	20/07/2020	23/04/2021	14 482
2	Greyton waste drop off	01/04/2021	12/08/2021	6 316
3	Upgrade of Fleet	01/07/2020	30/06/2021	6 041
4	Riviersonderend - Waste Drop-off station	08/06/2020	13/05/2021	5 159
5	Destiny Infrastructure	01/06/2019	30/06/2021	4 739
6	Botrivier Bulk Sewer (Beaumont)	01/02/2021	30/06/2021	4 139
7	Caledon - Bulk outfall sewer	01/03/2021	Not completed in 2021	3 569
				<b>T F.1</b>

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee</b>	<b>Committee recommendations during 2020/2021</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
21-Sep-20	Performance and Audit Committee Resolutions Follow-up	Yes
21-Sep-20	Standard Operating Procedure: Internal Audit Request for Information	Yes
21-Sep-20	Compliance to Acts 4th Quarter 2019/2020 Audit	No, the item was referred back for additional Management Comments
21-Sep-20	Quarterly Budget Statement for the 4th Quarter ending 30 June 2020.	Yes
21-Sep-20	Draft Financial Statements for the Year ended 30 June 2020	Yes
21-Sep-20	Auditor General Report Follow-up	Yes
21-Sep-20	Audit Work Completed and Planned	No, the plan for 1 July - 30 September was approved. A new plan should be submitted to the Committee for October 2020 - June 2021
21-Sep-20	Minutes of the Fraud and Risk Management Committee Meetings	Yes
21-Sep-20	Progress report - Risk Management Implementation Plan	Yes
23-Oct-20	Internal Audit Follow-up Reports	Yes
23-Oct-20	Performance Management 4th Quarter 2019/2020 Audit	Yes
23-Oct-20	Revised Annual Risk Based Audit Plan	Yes
23-Oct-20	Quarterly ICT Report - July - September 2020	No, the item was referred back for additional comments and information
23-Oct-20	Auditor General Report Follow-up	Yes
23-Oct-20	Performance- and Audit Committee Meeting Schedule	Yes
23-Oct-20	Fourth quarter 2019/2020 Top Layer SDBIP	Yes
27-Nov-20	Performance and Audit Committee Resolutions Follow-up	Yes
27-Nov-20	Audit Work Completed and Planned	Yes
27-Nov-20	Performance Management 1st Quarter 2020/2021 Audit	Yes
27-Nov-20	Compliance to Acts 1st Quarter 2020/2021 Audit	Yes
27-Nov-20	Internal Audit Follow-up Reports	Yes
27-Nov-20	First quarter 2020/2021 Top Layer SDBIP	Yes
27-Nov-20	First Quarter 2020/2021 Internal Audit SDBIP	Yes

<b>27-Nov-20</b>	Minutes of the Fraud and Risk Management Committee Meetings	Yes
<b>27-Nov-20</b>	Progress report - Risk Management Implementation Plan	Yes
<b>27-Nov-20</b>	Presentation of Combined Assurance Model	Yes
<b>27-Nov-20</b>	Quarterly Budget Statement for the 1st Quarter ending 30 September 2020.	Yes
<b>27-Nov-20</b>	Status of ICT in TWK Municipality	Yes
<b>27-Nov-20</b>	Auditor General Report Follow-up	Yes
<b>27-Nov-20</b>	Feedback report on status of LED Function	Yes
<b>5-Mar-21</b>	Performance and Audit Committee Resolutions Follow-up	Yes
<b>5-Mar-21</b>	Audit Work Completed and Planned	Yes
<b>5-Mar-21</b>	Compliance to Acts 4th Quarter 2019/2020 Audit	Yes
<b>5-Mar-21</b>	Compliance to Acts 2nd Quarter 2020/2021 Audit	Yes
<b>5-Mar-21</b>	Performance Management 2nd Quarter 2020/2021 Audit	Yes
<b>5-Mar-21</b>	Supply Chain Management 4th Quarter Audit	Yes
<b>5-Mar-21</b>	Waste Water Treatment Audit	Yes
<b>5-Mar-21</b>	Solid Waste 2nd Quarter 2020/2021 Audit	Yes
<b>5-Mar-21</b>	Risk Management Audit	Yes
<b>5-Mar-21</b>	2019/2020 Year-End Stock Count Report	Yes
<b>5-Mar-21</b>	Internal Audit Follow-up Reports	Yes
<b>5-Mar-21</b>	Second quarter 2020/2021 Top Layer SDBIP	Yes
<b>5-Mar-21</b>	Internal Audit SDBIP report as on 31 January 2021	Yes
<b>5-Mar-21</b>	2019/2020 Draft Annual Report	Yes
<b>5-Mar-21</b>	Progress report - Risk Management Implementation Plan	Yes
<b>5-Mar-21</b>	Presentation of Combined Assurance Model	Yes
<b>5-Mar-21</b>	Financial Report for the Month ending 31 January 2021	Yes
<b>5-Mar-21</b>	Government Grants and Subsidies as at 31 January 2021	Yes
<b>5-Mar-21</b>	Procurement Plan	Yes
<b>5-Mar-21</b>	Covid 19 Expenditure Report	Yes
<b>5-Mar-21</b>	Status of ICT in TWK Municipality	Yes
<b>5-Mar-21</b>	Feedback regarding agreements on rentals and encroachments	Yes
<b>4-Jun-21</b>	Performance and Audit Committee Resolutions Follow-up	Yes
<b>4-Jun-21</b>	Third quarter 2020/2021 Top Layer SDBIP	Yes
<b>4-Jun-21</b>	Internal Audit SDBIP report as on 30 April 2021	Yes
<b>4-Jun-21</b>	Financial Report for the Month ending 30 April 2021	Yes

<b>4-Jun-21</b>	Auditor General Report Follow-up	Yes
<b>4-Jun-21</b>	Ad Hoc asset verifications	Yes
<b>4-Jun-21</b>	Maintenance on Proclaimed Roads	Yes
<b>4-Jun-21</b>	Compliance to Acts 3rd Quarter 2020/2021 Audit	Yes
<b>4-Jun-21</b>	Performance Management 3rd Quarter 2020/2021 Audit	Yes
<b>4-Jun-21</b>	Internal Audit Follow-up Reports	Yes
<b>4-Jun-21</b>	Internal Audit Evaluation	Yes
<b>4-Jun-21</b>	Performance and Audit Committee Evaluation	Yes
<b>4-Jun-21</b>	Audit work completed and planned	Yes
<b>4-Jun-21</b>	Revised Annual Risk Based Internal Audit Plan 2020/2021	Yes
<b>4-Jun-21</b>	Internal Audit Plan 2021/22	Yes
<b>4-Jun-21</b>	Revised Internal Audit Documents	Yes
<b>4-Jun-21</b>	Quality Assurance Review	Yes
<b>4-Jun-21</b>	Performance- and Audit Committee Meeting Schedule	Yes
<b>4-Jun-21</b>	Supply Chain Management Audit	Yes
<b>4-Jun-21</b>	Supply Chain Management Audit 1 July 2020 – 31 January 2021	Yes

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (13 Largest Contracts Entered into Year 2020/21)					
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
Inenzo Water (Pty) Ltd.	ENG 14/2020/21- Upgrade and Refurbishment of the Caledon Wastewater Treatment Works (Phase 4 - Mechanical & Electrical Works)	2021/07/26	2023/06/05	H. Marthinus	26 672 643.04
Element Consulting Engineers (Pty) Ltd.	TECH 01/2019/20- Appointment of a service provider for the pre-planning and planning the Grabouw, Greater Grabouw 7000 Housing project	2021/08/04	2023/06/30	G.Pickerling	12 899 745.60
Aqua Transport & Plant Hire (Pty) Ltd.	TCS 06/2020/21- Provision of Plant and Equipment for a Period from Date of Appointment to 30 June 2023	2020/12/03	2023/06/30	M. de Jongh	8 072 238.97
Zutari (Pty) Ltd.	TECH 01/2019/20- Appointment as engineering consultant for the upgrading and refurbishment of the Caledon Waste Water Treatment works Phase 3 and 4	2020/06/29	2022/06/30	H. Marthinus	5 650 049.96
CAB t/a CAB Holdings (Pty) Ltd.	TECH 01/2019/20Provision of Professional Engineering Services Related to the upgrading and expansionof Villiersdorp Water Treatment Works	2021/08/24	2024/06/30	H.Marthinus	5 368 710.04
Aqua Transport & Plant Hire (Pty) Ltd.	ENG 15/2019/20- Provision of Plant for the Operation of Caledon Landfill site for a Period from Date of Appointment to 30 June 2022	2020/11/10	2022/06/30	H. Marthinus	3 329 999.76
CAB t/a CAB Holdings (Pty) Ltd.	FIN 02/2020/21- Provision of Printintg, Sorting and Mailing of Municipal Accounts for the Period from 01 July 2020 until 30 June 2023	2020/07/01	2025/06/30	J. van Niekerk	3 156 029.36
Water and Wastewater Engineering (Pty) Ltd.	TECH 01/2019/20- Provision of Professional Services: Botrivier and Riviersonderend Waste Water Treatment Works	2021/01/28	2022/06/30	H. Marthinus	3 069 209.31
Standard Bank	FIN 01/2020/21- Provision of Banking Services for the Period from 01 July 2020 to 30 June 2025	2020/07/01	2025/06/30	P. Fortuin	2 621 421.60

<b>IX Engineers</b>	TECH 01/2019/20- Appointment of a professional consulting engineer for the integrated residential development programme at the Greyton (Erf 595) Low Cost Housing Development)	2021/05/28	2022/06/30	B.Petersen	2 457 851.28
<b>Verso Financial Services (Pty) Ltd.</b>	COR 02/2020/21- Group Life Insurance Scheme for the Period from 01 July 2020 to 30 June 2023	2020/07/01	2023/06/30	J. Amansure	2 160 701.36
<b>IX Engineers</b>	TECH 01/2019/20- Expansion: Greyton Waste Water Treatment	2021/06/30	2022/06/30	H. Marthinus	1 847 016.88
<b>Zutari (Pty) Ltd.</b>	TECH 01/2019/20- Provision of Professional Services: Engineering Consultant for Professional Services for Solid Waste Services	2020/02/17	2022/06/30	H. Marthinus	1 569 986.03
<b>A.L. Abbott &amp; Associates (Pty) Ltd.</b>	ENG 01/2020/21- Provision of Services: Taking of Water and Sewage Samples, Analysing and Monitoring it in Botrivier, Caledon, Tesselaarsdal, Genadendal, Grabouw, Greyton, Riviersonderend and Villiersdorp for the Period from 01 July 2020 to 30 June 2023	2020/07/01	2023/06/30	H. Marthinus	1 382 070.00

## APPENDIX i – municipal entity / service provider performance schedule

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1			Year 2	Year 4	
	(b) Service Targets	Target	Actual	Target	Actual		Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.</b>									T I

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 20/21 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
Speaker	DF du Toit	Danie du Toit Trust.Plot=R 2.9Million
Executive Mayor	CJM Vosloo	House/Plot=R 1.5 Million
Executive Deputy Mayor	KIJ Papier	House=R800 000; Shaws Pass Emerging Farmers Member
Councillor	JI Arendse	Carmen Trust.House in Uitsig=R 300 000; House in Vleiview with value unknown
Councillor	M Bhangazana	Nil
Councillor	R Brinkhuis	Partnership in Building Construction; Member of Ronald Builders
Councillor	S Fredericks	Down South Investments Pty Ltd; Junior Manager at Two-A-Day Pty Ltd
Councillor	D Jooste	Nil
Councillor	MM Koegelenberg	Director of Hospitality business; Member of Mohalia Trust
Councillor	CM Lamprechts	House=R 700 000
Councillor	M Le Roux	Nil
Councillor	T Mangcayi	Nil
Councillor	AN Mentile	Nil
Councillor	N Mqgweto	Director/ Partner in South African Society of Primary Health Care ; House at Rooidakke R50,000
Councillor	RL Mienies	Nil
Councillor	T Ndlebe	Thandeke Ndlebe Driving School owner
Councillor	MR Nongxaza	Nil
Alderman	C November	House=R 320 000
Councillor	N Pieterse	Nil
Councillor	M Plato-Mentoor	Farm=R30 000,Carpe diem-Coop R1000; Happiness Constutancy work; House in Botriver R750,000
Councillor	SJ Potberg	Nil
Councillor	UT Sipunzi	Sphudo Masenze Holding South-Africa ; Zmagebane Enterprise partner
Alderman	PU Stanfliet	House= R1,2 Million
Councillor	MB Tshabe	House=R650 000
Councillor	TF Tshungwana	Did not declare anything
Councillor	C wood	Nil
Councillor	M Mathews	Nil

*\* 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	2019/20	2020/21			2020/2021	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Directorate Finance	224 983	225 830	220 620	233 051	3%	6%
Vote 2 - Community and social services	8 811	–	–	–	0%	0%
Vote 3 - Corporate services	27 716	–	–	–	0%	0%
Vote 4 - Electricity	105 193	118 854	116 320	115 372	-3%	-1%
Vote 5 - Environmental protection	–	–	–	–	0%	0%
Vote 6 - Office of the Municipal Manager	901	1 486	1 662	499	-66%	-70%
Vote 7 - Housing	26 126	–	–	–	0%	0%
Vote 8 - Directorate Technical Services and Planning	2 367	71 708	73 984	31 830	-56%	-57%
Vote 9 - Public safety	23 015	–	–	–	0%	0%
Vote 10 - Road transport	5 826	–	–	–	0%	0%
Vote 11 - Sport and recreation	29	–	–	–	0%	0%
Vote 12 - Waste management	49 544	47 431	49 340	49 409	4%	0%
Vote 13 - Waste water management	43 784	46 780	47 351	49 290	5%	4%
Vote 14 - Water	81 684	83 525	84 366	87 324	5%	4%
Vote 15 - Directorate Development and Community Services	–	61 793	27 378	33 110	-46%	21%
Total Revenue by Vote	599 978	657 407	621 019	599 886	-8.75%	-3.40%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						T K.1



## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	2019/20	2020/21			2020/2021 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	114 143	116 980	116 154	121 198	3.61%	4.34%
Service charges - electricity revenue	96 122	103 467	102 450	102 525	-0.91%	0.07%
Service charges - water revenue	74 625	74 461	72 106	77 056	3.48%	6.86%
Service charges - sanitation revenue	33 644	36 099	32 615	37 625	4.23%	15.36%
Service charges - refuse revenue	34 704	36 301	32 599	36 271	-0.08%	11.27%
Service charges - other	–	–	–	–	–	–
Rental of facilities and equipment	1 935	2 150	2 010	2 060	-4.17%	2.51%
Interest earned - external investments	12 331	11 000	6 600	8 098	-26.39%	22.69%
Interest earned - outstanding debtors	11 609	21 200	16 200	12 318	-41.89%	-23.96%
Dividends received	–	–	–	–	–	–
Fines, penalties and forfeits	23 122	36 809	4 262	13 929	-62.16%	226.81%
Licences and permits	35	65	61	109	68.37%	79.50%
Agency services	5 745	7 902	8 319	7 284	-7.82%	-12.44%
Transfers and subsidies	124 159	140 365	166 277	137 762	-1.85%	-17.15%
Other revenue	16 351	6 193	5 337	7 793	25.83%	46.01%
Gains on disposal of PPE	–	1	1 001	–	-100.00%	-100.00%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>548 525</b>	<b>592 994</b>	<b>565 990</b>	<b>564 027</b>	<b>-5.14%</b>	<b>-0.35%</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						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	
<b>National Treasury</b>						
<i>1. Equitable Share (Indigent)</i>	103 419	118 783	118 783	15%	0%	
<i>2. Local Government Financial Management Grant (FMG)</i>	1 700	1 702	1 702	0%	0%	
<i>4. National Electrification Programme (NEP)</i>	6 737	5 000	5 000	-26%	0%	
<i>5. Expanded Public Works Programmes</i>	1 931	1 931	1 924	0%	0%	
<i>6. Public Works (Capital)</i>	0	0	0	0%	0%	
<i>7. MUNICIPAL DISASTER RELIEF FUND</i>	0	150	150	0%	0%	
<i>8. Energy Efficiency and Demand Side Management Grant</i>	4 000	3 600	3 547	-11%	-1%	
<i>9. Water Service Infrastructure Grant</i>	0	0	0	0%	0%	
<b>Total</b>	<b>117 787</b>	<b>131 166</b>	<b>131 107</b>	<b>11%</b>	<b>0%</b>	
<b>Provincial Treasury</b>						
<i>1. Integrated Housing and Human Settlement &amp; Dev. Grant</i>	44 141	47 319	5 693	-87%	-88%	
<i>Title Deeds</i>	0	5 886	0	0%	-100%	
<i>PHP (Rooidakke)</i>	0	66	0	0%	-100%	
<i>2. CDW Operational Support Grant</i>	112	275	170	52%	-38%	
<i>3. Maintenance Of Proclaimed Main Roads</i>	130	130	130	0%	0%	
<i>4. Library Service Conditional Grant</i>	9 111	10 567	9 251	2%	-12%	
<i>5. WC Fin. Management Support Grant (Strategic planning/Survey)</i>	0	400	0	0%	-100%	
<i>6. WC Fin. Management Support Grant (mSCOA)</i>	0	0	0	0%	0%	
<i>7. WC Fin. Management Support Grant (Revenue Enhancement)</i>	0	168	0	0%	-100%	
<i>8. WC Fin. Management Support Grant (Caseware)</i>	0	304	0	0%	-100%	
<i>9. Municipal Drought Relief (PT)</i>	1 750	2 121	1 875	7%	-12%	
<i>10. Municipal Capacity Building Grant (Bursaries)</i>	401	680	0	-100%	-100%	
<i>11. Municipal Capacity Building Grant (SDF Review)</i>	0	0	0	0%	0%	

<b>12. WC Fin. Management Support Grant</b>	0	0	153 399	0%	0%	
<b>13. Development of Sport and Recreation</b>	0	245	238	0%	-3%	
<b>14. Municipal Capacity Building Grant (Elec)</b>	0	893	1 331	0%	49%	
<b>15. Thusong Multi Purpose Centre</b>	150	150	150	0%	0%	
<b>16. RSEP</b>	500	500	53	-89%	-89%	
<b>17. LOCAL GOVERNMENT SUPPORT GRANT</b>	0	0	0	0%	0%	
<b>Total</b>	<b>56 295</b>	<b>69 705</b>	<b>19 044</b>	<b>-66%</b>	<b>-73%</b>	
<b>Other Specify</b>						
<b>1. SETA</b>	0	0	342	0%	0%	
<b>Economic Development (Youth Development)</b>	0	0	0	0%	0%	
<b>2. HAN students</b>	986	1 262	495	-50%	-61%	
<b>3. DBSA</b>	0	0	0	0%	0%	
<b>4. SANRAL</b>	4 421	0	0	-100%	0%	
<b>Total</b>	<b>5 407</b>	<b>1 262</b>	<b>837</b>	<b>-85%</b>	<b>-34%</b>	
<i>* 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.</i>						T L

## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Capital Expenditure - New Assets Programme*							
R '000							
Description	2019/2020	2020/2021			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>40 784</b>	<b>67 504</b>	<b>62 106</b>	<b>34 080</b>	<b>50 229</b>	<b>67 591</b>	<b>78 280</b>
Infrastructure: Road transport - Total	3 990	25 160	17 678	4 344	35 350	35 500	44 205
<i>Roads, Pavements &amp; Bridges</i>	3 209	22 785	16 728	4 344	29 400	29 750	36 705
<i>Storm water</i>	781	2 375	950		5 950	5 750	7 500
Infrastructure: Electricity - Total	7 198	12 005	10 908	10 312	1 229	3 583	783
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>	7 198	12 005	10 908	10 312	1 229	3 583	783
<i>Street Lighting</i>							
Infrastructure: Water - Total	6 194	4 125	3 490	2 267	7 000	22 758	25 381
<i>Dams &amp; Reservoirs</i>					800		
<i>Water purification</i>	152						
<i>Reticulation</i>	6 042	4 125	3 490	2 267	6 200	22 758	25 381
Infrastructure: Sanitation - Total	6 158	9 513	12 869	4 724	6 650	5 750	7 911
<i>Reticulation</i>	2 786	2 375	1 401	451	6 650	5 750	7 911
<i>Sewerage purification</i>	3 371	7 138	11 468	4 273			
Infrastructure: Other - Total	17 244	16 700	17 159	12 433	–	–	–
<i>Waste Management</i>	10 544	16 700	17 159	12 433			
<i>Transportation</i>	6 700						
<i>Gas</i>							
<b>Community - Total</b>	<b>3 684</b>	<b>4 708</b>	<b>2 187</b>	<b>950</b>	<b>800</b>	<b>–</b>	<b>10 000</b>
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls	3 645	1 000	898	898			
Libraries			800		800		
Recreational facilities							10 000
Fire, safety & emergency							
Security and policing							
Buses/Taxis			420				

Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other	39	3 708	69	53			
<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>	–	–	–	–	–	–	–
Buildings							
Other							
<b>Investment properties - Total</b>	–	–	–	–	–	–	–
Housing development							
<b>Other assets</b>	<b>1 948</b>	<b>4 154</b>	<b>8 824</b>	<b>3 228</b>	<b>9 017</b>	<b>6 900</b>	<b>2 100</b>
General vehicles					600		
Specialised vehicles							
Plant & equipment	419	1 299	6 470	1 782	2 752		
Computers - hardware/equipment	58	962	982	804	990		
Furniture and other office equipment	303	1 594	722	585	2 195		
Abattoirs							
Markets					40	2 000	
Civic Land and Buildings		300	150	57	2 100	2 100	2 100
Other Buildings	97						
Other Land	1 070		500		90		
Surplus Assets - (Investment or Inventory)							
Other					250	2 800	
<b>Agricultural assets</b>	–	–	–	–	–	–	–
<b>Biological assets</b>	–	–	–	–	–	–	–
<b>Intangibles</b>	–	–	–	–	–	–	–
Computers - software & programming							
<b>Total Capital Expenditure on new assets</b>	<b>46 416</b>	<b>76 366</b>	<b>73 116</b>	<b>38 258</b>	<b>60 046</b>	<b>74 491</b>	<b>90 380</b>
<b>Specialised vehicles</b>	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
<b>* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)</b>							<b>T M.1</b>

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

Capital Expenditure - Renewal Programmes*							
R '000							
Description	Year 2019/2020	Year 2020/2021			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	5 808	12 597	14 441	6 743	40 340	32 881	28 246
Infrastructure: Road transport -Total	–	–	497	2	4 421	–	–
Roads, Pavements & Bridges	–	–	497	2	4 421		
Storm water	–	–	–	–			
Infrastructure: Electricity - Total	3 376	2 690	2 690	1 913	13 631	10 542	9 811
Generation							
Transmission & Reticulation	3 376	2 690	2 690	1 913	13 631	10 542	9 811
Street Lighting							
Infrastructure: Water - Total	2 432	9 907	11 255	4 601	8 238	10 000	–
Dams & Reservoirs						10 000	
Water purification	–	1 842	1 842	1 845	3 238		
Reticulation	2 432	8 064	9 412	2 756	5 000		
Infrastructure: Sanitation - Total	–	–	–	–	–	–	–
Reticulation	–						
Sewerage purification	–						
Infrastructure: Other - Total	–	–	–	227	14 049	12 339	18 435
Waste Management	–			227	4 230	1 426	
Transportation	–						
Gas	–						
Other					9 820	10 913	18 435
<b>Community</b>	–	–	–	69	3 053	–	–
Parks & gardens							
Sportsfields & stadia	–						
Swimming pools							
Community halls							
Libraries							
Recreational facilities					1 025		
Fire, safety & emergency							

Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other				69	2 028		
<b>Heritage assets</b>	–	–	–	–	–	–	–
Buildings							
<b>Capital expenditure by Asset Class</b>							
<b>Investment properties</b>	–	–		–	–	–	–
Housing development							
<b>Other assets</b>	445	116	133	120	400	–	–
General vehicles							
Specialised vehicles							
Plant & equipment	154	63	77	68	312		
Computers - hardware/equipment	265						
Furniture and other office equipment	25	53	56	51	88		
Abattoirs							
Markets							
Civic Land and Buildings	–						
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
<b>Agricultural assets</b>	–	–		–	–	–	–
<b>Biological assets</b>	–	–		–	–	–	–
<b>Intangibles</b>	–	–		–	–	–	–
Computers - software & programming							
<b>Total Capital Expenditure on renewal of existing assets</b>	6 253	12 712	14 574	6 931	43 792	32 881	28 246
<b>Specialised vehicles</b>	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
<b>* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)</b>							T M.2

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

Capital Expenditure - Upgrading Programmes*							
R '000							
Description	Year 2019/2020	Year 2020/2021			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	19 674	44 982	40 237	33 844	62 686	56 093	36 441
Infrastructure: Road transport -Total	808	10 698	12 143	9 487	7 050	10 740	21 625
<i>Roads, Pavements &amp; Bridges</i>	808	10 698	12 143	8 019	4 030	5 750	9 335
<i>Storm water</i>		–	–	1 468	3 020	4 990	12 290
Infrastructure: Electricity - Total	–	–	–	–	–	–	–
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>	–	–	–	–			
<i>Street Lighting</i>							
Infrastructure: Water - Total	680	9 568	3 326	2 190	12 459	16 242	5 816
<i>Dams &amp; Reservoirs</i>		2 435			5 750	13 960	3 800
<i>Water purification</i>	247	6 845	604	536			
<i>Reticulation</i>	433	288	2 723	1 654	6 709	2 282	2 016
Infrastructure: Sanitation - Total	17 722	24 717	24 767	21 001	43 177	29 111	9 000
<i>Reticulation</i>	10 758	1 380	1 380	1 120	400		
<i>Sewerage purification</i>	6 964	23 337	23 387	19 881	42 777	29 111	9 000
Infrastructure: Other - Total	464	–	–	1 166	–	–	–
<i>Waste Management</i>	464			–			
<i>Transportation</i>				1 166			
<i>Gas</i>							
<i>Other</i>							
<b>Community</b>	367	100	100	100	7 083	–	–
Parks & gardens							
Sportsfields & stadia	367						
Swimming pools							
Community halls							
Libraries							
Recreational facilities		100	100	100	6 833		
Fire, safety & emergency							



Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other					250		
<u>Heritage assets</u>	–	–	–	–	–	–	–
Buildings							
Other							
<u>Capital expenditure by Asset Class</u>							
<u>Investment properties</u>	–	–		–	–	–	–
Housing development							
<u>Other assets</u>	6 013	4 500	6 881	6 481	7 528	–	–
General vehicles	5 526	4 500	6 881	6 481			
Specialised vehicles							
Plant & equipment	1			–	7 250		
Computers - hardware/equipment	450			–	258		
Furniture and other office equipment	36			–	20		
Abattoirs							
Markets							
Civic Land and Buildings				–			
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
<u>Agricultural assets</u>	–	–		–	–	–	–
<u>Biological assets</u>	–	–		–	–	–	–
<u>Intangibles</u>	–	–		–	–	–	–
Computers - software & programming							
Total Capital Expenditure on upgrading of existing assets	26 054	49 582	47 217	40 426	77 297	56 093	36 441
<u>Specialised vehicles</u>	–	–		–	–	–	–
Refuse							
Fire							
Ambulances							
<i>* Note: Information for this table may be sourced from MBRR (2009: Table SA34e)</i>							T M.2

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: 2021/22					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>	<b>21 224</b>	<b>17 121</b>	<b>9 057</b>	<b>-47%</b>	<b>-57%</b>
Capital-Smart Meters Replacement	5 000	5 809	817	-86%	-84%
Drought Relief Grant (Provincial)	1 750	1 750	1 616	-8%	-8%
Tesselaarsdal- bulk water upgrade phase 2	4 632	104	104	0%	-98%
Tesselaarsdal- bulk water upgrade phase 2	1 713	0	0	0%	-100%
Capital - Drought Relief: Ground water monitoring infrastructure	0	371	259	-30%	0%
Capital - Grabouw bulk water	0	398	392	-1%	0%
Capital - Grabouw bulk water	0	21	0	-100%	0%
Pipe Replacement - Caledon Basil Newmark	717	1 117	15	-99%	-98%
Pipe Replacement Caledon	908	908	708	-22%	-22%
Grabouw bulk water upgrade	500	500	432	-14%	-14%
Pipe Replacement Grabouw	780	719	708	-2%	-9%
Pipe Replacement	300	300	0	-100%	-100%
Pipe Replacement - Greyton/Bkloof	359	559	508	-9%	41%
Botrivier Water network upgrade	90	198	198	0%	120%
Botrivier Water network upgrade	198	2 525	1 456	-42%	636%
Villiersdorp - WTW upgrade	1 842	1 842	1 845	0%	0%
Botrivier - Bulk water upgrade (incl WTW)	2 435	0	0	0%	-100%
<b>Electricity</b>	<b>14 695</b>	<b>13 598</b>	<b>12 225</b>	<b>-10%</b>	<b>-17%</b>
Energy Efficiency and Demand Side Management	3 479	3 131	3 078	-2%	-12%
Replace Pole Mounted transformer Uisig.SS K2	750	750	616	-18%	-18%
Replace and upgrade MV and LV networks	690	690	404	-41%	-41%
Theewaterskloof highmast lighting (Grabouw)	1 615	1 615	1 615	0%	0%
Theewaterskloof highmast lighting (Grabouw)	174	174	0	-100%	-100%
Theewaterskloof highmast lighting (Grabouw)	0	73	0	-100%	0%
Theewaterskloof highmast lighting (Grabouw)	0	205	169	-17%	0%
Destiny Infrastructure	5 859	3 213	3 213	0%	-45%
Destiny Infrastructure	0	1 135	1 135	0%	0%
Destiny Infrastructure	878	652	391	-40%	-55%
Capital - Highmast lighting	0	21	21	0%	0%

Capital - Highmast lighting	0	689	689	0%	0%
Replace and upgrade MV and LV networks	750	750	570	-24%	-24%
Replace and upgrade MV and LV networks	500	500	323	-35%	-35%
<b><u>Sewerage/Sanitation</u></b>	<b>31 854</b>	<b>36 235</b>	<b>26 307</b>	<b>-27%</b>	<b>-17%</b>
Caledon - Bulk outfall sewer	8 906	5 896	3 569	-39%	-60%
Bulk Sewer Destiny Villiersdorp	1 950	1 950	0	-100%	-100%
Botrivier Bulk Sewer (Beaumont)	4 139	4 139	4 139	0%	0%
Capital - Bulk Sewer Destiny Villiersdorp	0	850	0	-100%	0%
Capital - WWTW upgrade	0	3 061	1 166	-62%	0%
Botrivier sewer network upgrading	1 380	1 380	1 120	-19%	-19%
Caledon - WWTW upgrade	3 260	8 701	8 701	0%	167%
Caledon - WWTW upgrade	8 701	3 260	3 260	0%	-63%
Greyton WWTW	0	4 529	2 258	-50%	0%
WWTW upgrade	1 600	1 600	1 355	-15%	-15%
Riviersonderend WWTW upgrade	435	435	303	-30%	-30%
Greyton WWTW	1 048	0	0	0%	-100%
Botrivier - WWTW upgrade	435	435	435	0%	0%
<b><u>Waste Management</u></b>	<b>16 700</b>	<b>17 159</b>	<b>12 660</b>	<b>-26%</b>	<b>-24%</b>
Caledon - Waste Transfer Station	4 783	4 783	958	-80%	-80%
Capital - Waste Transfer Station	0	234	227	-3%	0%
Capital - Waste drop off	0	150	0	-100%	0%
Riviersonderend - Waste Drop-off station	4 783	4 783	5 159	8%	8%
Greyton waste drop off	5 504	5 504	5 040	-8%	-8%
Greyton waste drop off	1 631	1 706	1 277	-25%	-22%
<b><u>Housing</u></b>	<b>26 489</b>	<b>20 596</b>	<b>5 693</b>	<b>-72%</b>	<b>-79%</b>
Caledon Riemvasmaak Planning	1 000	250	208	-17%	-79%
Caledon Riemvasmaak (Roads)	500	0	0	0%	-100%
Caledon Riemvasmaak (Sewerage)	500	0	0	0%	-100%
Caledon Riemvasmaak (Stormwater)	500	0	0	0%	-100%
Caledon Riemvasmaak (Water)	500	0	0	0%	-100%
Grabouw Hillside: Installation of Civil Engineering Services	1 625	1 000	0	-100%	-100%
Grabouw Hillside: Installation of Civil Engineering Services	250	0	0	0%	-100%
Siyanyanzela interim Services	2 500	505	505	0%	-80%
Grabouw Rooidakke Exten Iraq	3 000	2 784	2 072	-26%	-31%
Grabouw Hillside: Installation of Civil Engineering Services	1 625	0	0	0%	-100%

Grabouw Hillside: Installation of Civil Engineering Services	250	451	451	0%	81%
Grabouw Hillside: Installation of Civil Engineering Services	1 625	0	0	0%	-100%
Grabouw Hillside: Installation of Civil Engineering Services	250	0	0	0%	-100%
Grabouw Hillside: Installation of Civil Engineering Services	1 625	0	0	0%	-100%
Grabouw Hillside: Installation of Civil Engineering Services	250	0	0	0%	-100%
Villiersdorp Destiny Farm	4 000	6 868	0	-100%	-100%
Botrivier Hall	1 000	898	898	0%	-10%
Botrivier Beaumont Land (Planning)	1 000	755	581	-23%	-42%
Botrivier Beaumont (interim services)	4 489	2 794	978	-65%	-78%
Grabouw Rooidakke Ext Irak (456) - UISP	0	0	0	0%	0%
Villiersdorp Destiny Farm: Installation of Civil Engineering Services	0	0	0	0%	0%
Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Water)	0	950	0	-100%	0%
Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Sewer)	0	950	0	-100%	0%
Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Stormwater)	0	950	0	-100%	0%
Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Roads)	0	950	0	-100%	0%
Greyton 595: Planning	0	489	0	-100%	0%
<b><u>Sports Fields</u></b>	<b>100</b>	<b>100</b>	<b>100</b>	0%	0%
Upgrade of Botrivier Sports Field	100	100	100	0%	0%
<b><u>Fleet</u></b>	<b>4 500</b>	<b>10 881</b>	<b>6 481</b>	-40%	44%
Jetvac Machine	0	4 000	0	-100%	0%
Capital - Upgrade of Fleet	0	677	440	-35%	0%
Upgrade of Fleet	4 500	6 204	6 041	-3%	34%
<b><u>Roads, Pavements, Bridges &amp; Stormwater</u></b>	<b>15 119</b>	<b>12 972</b>	<b>9 622</b>	-26%	-36%
Grabouw Hop-On Drop-Off PT Facility	4 421	0	0	0%	-100%
Grabouw Upgrade of roads & stormwater at Rooidakke (Phase 1)	2 500	2 500	2 594	4%	4%
Upgrading of Streets Grabouw	480	480	145	-70%	-70%
Reinstatement of Bosstreet - Grabouw	1 066	1 066	611	-43%	-43%
Upgrading of Streets - Riviersonderend - Heideweg	1 156	956	856	-10%	-26%

Upgrading of Streets - Riviersonderend Bree	706	306	240	-21%	-66%
Capital - Rooidakke Storm water	0	332	133	-60%	0%
Capital - Beverly hills: reinstatement of Bos Street road surface	0	497	2	-100%	0%
Capital - Upgrade Disa Street	0	46	40	-13%	0%
Capital - Upgrading of Streets - Riviersonderend	0	1 999	1 776	-11%	0%
Upgrading of Streets Riviersonderend	350	350	256	-26.86%	-26.86%
Upgrading of Streets - Botriver-Garden Crescent	1 290	1 290	455	-65%	-65%
Upgrading of Streets - Botriver Heidelaan	1 453	1 453	1 228	-16%	-16%
Upgrading of Streets - Botriver Smith	1 194	1 194	882	-26%	-26%
Upgrading of Streets and Storm water Botrivier	502	502	406	-19%	-19%
<b><u>Land and Buildings</u></b>	<b>5 308</b>	<b>1 939</b>	<b>178</b>	<b>-91%</b>	<b>-97%</b>
Two-Way Radio Communication System	1 300	0	0	0%	-100%
Construction of Driving Licence Testing Centre (DLTC) - Grab	3 708	69	69	0%	-98%
Modular Library	0	800	0	-100%	0%
Ablutions Facilities Sewerage Plant	75	0	0	0%	-100%
Ablutions Facilities 4 Waterplants	150	150	57	-62%	-62%
Purchase of Land (Gypsy Queen)	0	500	0	-100%	0%
Clearview Fencing (Villiersdorp taxi rank)	0	420	53	-87%	0%
Ablutions Facilities Disposal Site	75	0	0	0%	-100%
<b><u>Office Equipment</u></b>	<b>2 669</b>	<b>4 307</b>	<b>3 290</b>	<b>-23.61%</b>	<b>23.26%</b>
Furniture and Office Equipment (New)	25	25	61	141%	141%
Computer Equipment (NEW)	0	20	20	0%	0%
Furniture and Office Equipment (Renewal)	50	50	47	-6%	-6%
Machinery and Equipment (Renewal)	50	50	46	-9%	-9%
Furniture and Office Equipment (New)	13	0	21	0%	59%
Machinery and Equipment (New)	23	28	17	-39%	-24%
Machinery and Equipment (NEW)	0	8	7	-11%	0%
Machinery and Equipment (New)	188	188	185	-1%	-1%
Machinery and Equipment (New)	169	264	281	6%	66%
Machinery and Equipment (New)	171	171	167	-2%	-2%
Furniture and Office Equipment (New)	0	12	12	-2%	0%
Machinery and Equipment (New)	156	156	27	-83%	-83%
Machinery and Equipment	0	0	0	0%	0%
Computer Equipment (New)	73	73	0	-100%	-100%
Furniture and Office Equipment (New)	59	51	16	-68%	-72%
Machinery and Equipment (New)	333	333	327	-2%	-2%

Machinery and Equipment (New)	56	56	0	-100%	-100%
Machinery and Equipment	0	10	0	-100%	0%
Computer Equipment (New)	889	889	784	-12%	-12%
Furniture and Office Equipment (New)	75	83	3	-96%	-96%
Machinery and Equipment (NEW)	0	283	10	-96%	0%
Machinery and Equipment (NEW)	0	77	77	0%	0%
Furniture and Office Equipment (NEW)	0	73	73	0%	0%
Furniture and Office Equipment (New)	30	85	72	-15%	141%
Furniture and Office Equipment (New)	30	30	26	-13%	-13%
Furniture and Office Equipment (New)	30	60	52	-13%	73%
Furniture and Office Equipment (NEW)	0	30	26	-13%	0%
Furniture and Office Equipment (New)	30	40	30	-25%	0%
Machinery and Equipment (New)	160	160	615	284%	284%
Machinery and Equipment (New)	0	660	0	-100%	0%
Furniture and Office Equipment (New)	0	230	202	-12%	0%
Furniture and Office Equipment (New)	1	1	1	-15%	-15%
Machinery and Equipment (New)	4	4	0	-100%	-100%
Machinery and Equipment (Renewal)	4	4	3	-31%	-31%
Furniture and Office Equipment (New)	0	2	1	-47%	0%
Furniture and Office Equipment (Renewal)	3	6	4	-27%	47%
Machinery and Equipment (New)	40	73	57	-22%	45%
Machinery and Equipment (Renewal)	9	23	20	-13%	136%
<b>Total Capital Programme by Project</b>	<b>138 660</b>	<b>134 908</b>	<b>85 615</b>	<b>-37%</b>	<b>-38%</b>
<b>T N</b>					

**APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0**

Capital Programme by Project by Ward: Year 2020/21		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
<b>Botrivier</b>		
Upgrading of Streets - Botriver-Garden Crescent	7	Yes
Upgrading of Streets - Botriver Heidelaan	7	Yes
Upgrading of Streets - Botriver Smith	7	Yes
Upgrading of Streets and Storm water Botrivier	7	Yes
Botrivier Water network upgrade	7	Yes
Botrivier - Bulk water upgrade (incl WTW)	7	Yes
Botrivier Bulk Sewer (Beaumont)	7	Yes
Botrivier sewer network upgrading	7	Yes
Botrivier - WWTW upgrade	7	No
Botrivier Hall	7	Yes
Botrivier Beaumont Land (Planning)	7	No
Botrivier Beaumont (interim services)	7	No
Upgrade of Botrivier Sports Field	7	Yes
<b>Caledon</b>		
Tesselaarsdal- bulk water upgrade phase 2	4	No
Tesselaarsdal- bulk water upgrade phase 2	4	No
Pipe Replacement - Caledon Basil Newmark	3.4	Yes
Pipe Replacement Caledon	3.4	Yes
Replace Pole Mounted transformer Uisig.SS K2	3	Yes
Replace and upgrade MV and LV networks	4	Yes
Caledon - Bulk outfall sewer	3.4	No
Capital - WWTW upgrade	3.4	No
Caledon - WWTW upgrade	3.4	No
WWTW upgrade	3.4	No
Caledon Riemvasmaak Planning	3	No
Caledon Riemvasmaak (Roads)	3	No
Caledon Riemvasmaak (Sewerage)	3	No
Caledon Riemvasmaak (Stormwater)	3	No
Caledon Riemvasmaak (Water)	3	No
Caledon - Waste Transfer Station	3.4	No
Capital - Waste Transfer Station	3.4	No
<b>Genadendal/Greyton</b>		
Ablutions Facilities Sewerage Plant	2	No
Ablutions Facilities 4 Waterplants	2	No

<b>Ablutions Facilities Disposal Site</b>	2	No
<b>Pipe Replacement</b>	2	Yes
<b>Pipe Replacement - Greyton/Bkloof</b>	2	Yes
<b>Greyton WWTW</b>	2	No
<b>Greyton WWTW</b>	2	No
<b>Greyton 595: Planning</b>	2	No
<b>Capital - Waste drop off</b>	2	Yes
<b>Greyton waste drop off</b>	2	Yes
<b>Grabouw</b>		
<b>Construction of Driving Licence Testing Centre (DLTC) - Grab</b>	14	No
<b>Modular Library</b>	14	No
<b>Purchase of Land (Gypsy Queen)</b>	12	No
<b>Grabouw Hop-On Drop-Off PT Facility</b>	8	Yes
<b>Grabouw Upgrade of roads &amp; stormwater at Rooidakke (Phase 1)</b>	11	No
<b>Upgrading of Streets Grabouw</b>	11	No
<b>Reinstatement of Bosstreet - Grabouw</b>	8	Yes
<b>Capital - Rooidakke Storm water</b>	11	No
<b>Capital - Beverly hills: reinstatement of Bos Street road surface</b>	8, 11, 12, 13	No
<b>Capital - Grabouw bulk water</b>	8, 11, 12, 13	No
<b>Grabouw bulk water upgrade</b>	13	Yes
<b>Pipe Replacement Grabouw</b>	10,11,12,13	Yes
<b>Theewaterskloof highmast lighting (Grabouw)</b>	10,11,12,13	Yes
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No
<b>Siyanyanzela interim Services</b>	12	Yes
<b>Grabouw Rooidakke Exten Iraq</b>	8	No
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No
<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No



<b>Grabouw Hillside: Installation of Civil Engineering Services</b>	12	No
<b>Grabouw Rooidakke Ext Irak (456) - UISP</b>	8	No
<b>Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Water)</b>	8	No
<b>Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Sewer)</b>	8	No
<b>Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Stormwater)</b>	8	No
<b>Capital - Grabouw Rooidakke 1169 Civil Engineering Services (Roads)</b>	8	No
<b>Riviersonderend</b>		
<b>Upgrading of Streets - Riviersonderend - Heideweg</b>	1	No
<b>Upgrading of Streets - Riviersonderend Bree</b>	1	No
<b>Capital - Upgrade Disa Street</b>	1	No
<b>Capital - Upgrading of Streets - Riviersonderend</b>	1	No
<b>Upgrading of Streets Riviersonderend</b>	1	No
<b>Replace and upgrade MV and LV networks</b>	1	Yes
<b>Riviersonderend WWTW upgrade</b>	1	No
<b>Riviersonderend - Waste Drop-off station</b>	1	No
<b>TWK</b>		
<b>Two-Way Radio Communication System</b>	TWK	Yes
<b>Smart Meters Replacement</b>	TWK	Yes
<b>Drought Relief Grant (Provincial)</b>	TWK	Yes
<b>Capital - Drought Relief: Ground water monitoring infrastruc</b>	TWK	Yes
<b>Energy Efficiency and Demand Side Management</b>	3,4	Yes
<b>Capital - Highmast lighting</b>	8;10;11;12;13;14	Yes
<b>Jetvac Machine</b>	TWK	Yes
<b>Capital - Upgrade of Fleet</b>	TWK	Yes
<b>Upgrade of Fleet</b>	TWK	Yes
<b>Villiersdorp</b>		
<b>Clearview Fencing (Villiersdorp taxi rank)</b>	6	No
<b>Villiersdorp - WTW upgrade</b>	6.7	No
<b>Destiny Infrastructure</b>	6	No
<b>Replace and upgrade MV and LV networks</b>	5,6	Yes
<b>Bulk Sewer Destiny Villiersdorp</b>	6	No
<b>Capital - Bulk Sewer Destiny Villiersdorp</b>	6	No
<b>Villiersdorp Destiny Farm</b>	6	No
<b>Villiersdorp Destiny Farm: Installation of Civil Engineering Services</b>	6	No
<b>T O</b>		

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>Schools (NAMES, LOCATIONS)</b>				
<b>Clinics (NAMES, LOCATIONS)</b>				
<i>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.</i>				T P

## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
<b>Clinics:</b>		
<b>Housing:</b>		
<b>Licencing and Testing Centre:</b>		
<b>Reservoirs</b>		
<b>Schools (Primary and High):</b>		
<b>Sports Fields:</b>		
		T Q

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
<b>* Loans/Grants - whether in cash or in kind</b>				<b>T R</b>

## 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

## AUDITED ANNUAL FINANCIAL STATEMENTS

**30 JUNE 2021**



AUDITOR-GENERAL  
SOUTH AFRICA

30 November 2021

*Auditing to build public confidence*

# 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 of the Republic of South Africa, 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	(Appointed from 30 Sep 2020 to 23 Dec 2020)
Proportional	Mr I Mentoor	(Appointed from 29 Apr 2021)
Proportional	Mrs M Mathews	(Appointed from 9 Jan 2020 to 30 Sep 2020. Reappointed from 23 Dec 2020 to 26 Apr 2021)
Proportional	Mrs R Mienies	
Proportional	Mr T Tshungwana	(Resigned 31 Oct 2020)
Proportional	Mr M Gana	(Appointed from 17 Nov 2020)
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 DP Lubbe (Appointed 8 April 2021)



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## GENERAL INFORMATION

### SPEAKER

Mr D Du Toit

### CHIEF FINANCIAL OFFICER

Mr D Louw

### 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  
Standard Bank of South Africa Limited

### ATTORNEYS

Bosman & Smit Pretorius	NJG Consult	Van der Spuy & Partners	Maserumule Corporate Employment Law
Fairbridges Attorneys	Finck Attorneys	Brasika Consulting (Pty) Ltd	Dirk Verdoes Attorneys Inc
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



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

### ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2021, which are set out on pages 1 to 95 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, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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 2022 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 DP Lubbe  
Municipal Manager

31 August 2021

Date



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Notes	2021 R (Actual)	2020 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>		<b>236 167 472</b>	<b>212 052 492</b>
Cash and Cash Equivalents	2	164 089 992	139 188 624
Receivables from Exchange Transactions	3	36 911 669	40 471 278
Receivables from Non-Exchange Transactions	4	16 029 637	17 767 035
Taxes	5	6 554 917	6 966 373
Operating Leases	6	522 793	457 759
Current Portion of Long-term Receivables	7	1 895 549	768 924
Inventory	8	10 162 915	6 432 500
<b>Non-Current Assets</b>		<b>1 043 012 545</b>	<b>967 554 140</b>
Long-term Receivables	7	3 297 617	1 602 787
Investment Property	9	69 981 587	73 092 451
Property, Plant and Equipment	10	957 066 427	881 045 242
Intangible Assets	11	778 745	907 985
Heritage Assets	12	-	-
Non-current Investments	13	11 888 169	10 905 675
<b>Total Assets</b>		<b>1 279 180 017</b>	<b>1 179 606 633</b>
<b>Current Liabilities</b>		<b>125 795 761</b>	<b>120 670 768</b>
Current Portion of Long-term Liabilities	14	10 989 587	7 265 054
Consumer Deposits	15	4 832 729	4 764 788
Payables from Exchange Transactions	16	72 031 727	75 611 077
Unspent Conditional Government Grants	17	10 794 063	6 850 833
Unspent Public Contributions	18	329 439	536 036
Current Employee Benefits	19	26 818 216	25 642 980
<b>Non-Current Liabilities</b>		<b>254 251 921</b>	<b>209 988 735</b>
Long-term Liabilities	14	83 854 896	75 037 519
Employee Benefits	20	51 225 000	43 382 984
Non-Current Provisions	21	119 172 026	91 568 233
<b>Total Liabilities</b>		<b>380 047 682</b>	<b>330 659 503</b>
<b>NET ASSETS</b>		<b>899 132 335</b>	<b>848 947 130</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus		861 912 767	824 680 244
Reserves	22	37 219 568	24 266 886
		<b>899 132 335</b>	<b>848 947 130</b>



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2021

	Notes	2021 R (Actual)	2020 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>309 730 540</b>	<b>316 575 181</b>
<b>Taxation Revenue</b>		<b>121 197 773</b>	<b>113 734 074</b>
Property Rates	23	121 197 773	113 734 074
<b>Transfer Revenue - Operating</b>		<b>138 256 711</b>	<b>115 330 920</b>
Government Grants and Subsidies - Operating	24	137 761 584	114 526 744
Public Contributions and Donations	25	495 127	804 176
<b>Transfer Revenue - Capital</b>		<b>35 858 964</b>	<b>51 402 789</b>
Government Grants and Subsidies - Capital	24	35 843 766	44 699 467
Contributed Assets	26	15 198	6 703 322
<b>Other Revenue</b>		<b>14 417 093</b>	<b>36 107 398</b>
Fines, Penalties and Forfeits	27	13 928 678	24 461 079
Actuarial Gains	28	76 027	8 017 428
Other Income (Non-Exchange)	29	412 387	3 628 891
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>288 600 016</b>	<b>274 502 179</b>
<b>Operating Activities</b>		<b>288 600 016</b>	<b>274 502 179</b>
Service Charges	30	253 477 071	239 094 323
Rental of Facilities and Equipment	31	2 060 385	1 935 283
Interest Earned - External Investments		8 097 552	12 236 157
Interest Earned - Outstanding Debtors		12 318 478	11 608 634
Agency Services	32	7 283 913	5 745 249
Licences and Permits	33	108 598	35 137
Other Income (Exchange)	34	5 254 020	3 847 395
<b>CONSTRUCTION CONTRACTS</b>	35	<b>1 555 677</b>	<b>9 631 947</b>
<b>TOTAL REVENUE</b>		<b>599 886 233</b>	<b>600 709 307</b>
<b>EXPENDITURE</b>			
Employee Related Costs	36	217 632 903	207 554 874
Remuneration of Councillors	37	12 147 720	12 193 676
Debt Impairment	38	62 817 073	69 047 350
Depreciation and Amortisation	39	22 407 813	22 476 557
Impairment	40	9 178 903	-
Actuarial Losses	41	3 681 140	-
Finance Charges	42	21 245 594	20 001 871
Bulk Purchases	43	93 756 366	86 615 521
Contracted Services	44	43 057 421	46 166 880
Transfers and Grants	45	3 223 774	4 270 387
Other Expenditure	46	59 555 390	51 045 093
Loss on disposal of Non-Monetary Assets	47	996 933	1 020 765
<b>TOTAL EXPENDITURE</b>		<b>549 701 029</b>	<b>520 392 973</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>50 185 204</b>	<b>80 316 334</b>



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2021

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2019 - Previously Reported</b>	<b>20 822 187</b>	<b>746 388 340</b>	<b>677 166 375</b>
Correction of error restatement - refer to note 48.6	-	1 420 225	1 420 225
<b>Balance on 30 June 2019 - Restated</b>	<b>20 822 187</b>	<b>747 808 565</b>	<b>768 630 752</b>
Net Surplus for the year	-	80 316 378	80 316 378
Transfer to Capital Replacement Reserve	3 444 698	(3 444 698)	-
<b>Balance on 30 June 2020 - Restated</b>	<b>24 266 886</b>	<b>824 680 244</b>	<b>848 947 130</b>
Net Surplus for the year	-	50 185 205	50 185 205
Transfer to Capital Replacement Reserve	12 952 683	(12 952 683)	-
<b>Balance on 30 June 2021</b>	<b>37 219 568</b>	<b>861 912 767</b>	<b>899 132 335</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2021

	Notes	2021 R (Actual)	2020 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates		117 331 473	103 740 498
Service Charges and Interest on outstanding Debtors		218 111 562	201 304 272
Other Revenue		23 394 638	28 928 190
Government Grants		176 601 317	133 747 301
Investment Income		8 097 552	12 236 157
<b>Payments</b>			
Suppliers and employees		(432 429 426)	(381 476 890)
Finance charges		(9 826 576)	(8 999 864)
Transfer and Grants		(3 223 774)	(4 270 387)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>50</b>	<b>98 056 768</b>	<b>85 209 278</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of Property, Plant and Equipment		816 669	313 052
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(85 599 427)	(72 019 535)
Decrease/(Increase) in Investments		(982 494)	2 595 567
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(85 765 253)</b>	<b>(69 110 916)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
New loans raised		22 094 345	-
Increase in Consumer Deposits		67 942	13 968
<b>Payments</b>			
Loans repaid		(9 552 434)	(7 863 855)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>12 609 853</b>	<b>(7 849 887)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>24 901 368</b>	<b>8 248 475</b>
Cash and Cash Equivalents at the beginning of the year		139 188 624	130 940 149
Cash and Cash Equivalents at the end of the year		164 089 992	139 188 624



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	32 940 278	24 490 418	57 430 696	116 560 185	59 129 489
Call investment deposits	55 000 000	-	55 000 000	47 529 807	(7 470 193)
Consumer debtors	63 001 511	(310 869)	62 690 642	47 943 196	(14 747 446)
Other Receivables	21 257 179	(8 569 961)	12 687 218	12 075 819	(611 400)
Current portion of long-term receivables	-	768 924	768 924	1 895 549	1 126 625
Inventory	5 747 847	684 653	6 432 500	10 162 915	3 730 416
<b>Total current assets</b>	<b>177 946 814</b>	<b>17 063 166</b>	<b>195 009 980</b>	<b>236 167 471</b>	<b>41 157 491</b>
<b>Non current assets</b>					
Long-term receivables	-	1 602 787	1 602 787	3 297 617	1 694 829
Investments	241 045	10 664 630	10 905 675	11 888 169	982 494
Investment property	63 105 085	9 987 365	73 092 450	69 981 587	(3 110 863)
Property, plant and equipment	1 050 116 936	(58 220 774)	991 896 162	957 066 427	(34 829 735)
Intangible Assets	767 199	11 487	778 685	778 745	60
<b>Total non current assets</b>	<b>1 114 230 265</b>	<b>(35 954 505)</b>	<b>1 078 275 760</b>	<b>1 043 012 545</b>	<b>(35 263 215)</b>
<b>TOTAL ASSETS</b>	<b>1 292 177 079</b>	<b>(18 891 339)</b>	<b>1 273 285 740</b>	<b>1 279 180 016</b>	<b>5 894 276</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	7 879 410	-	7 879 410	10 989 587	3 110 177
Consumer deposits	5 338 071	(192 100)	5 145 971	4 832 729	(313 242)
Trade and other payables	79 550 547	15 556 044	95 106 592	83 155 229	(11 951 363)
Provisions and Employee Benefits	24 180 969	3 000 590	27 181 559	26 818 216	(363 343)
<b>Total current liabilities</b>	<b>116 948 997</b>	<b>18 364 534</b>	<b>135 313 531</b>	<b>125 795 761</b>	<b>(9 517 770)</b>
<b>Non current liabilities</b>					
Borrowing	148 570 570	(25 784 041)	122 786 529	83 854 896	(38 931 633)
Provisions and Employee Benefits	164 872 182	(22 559 781)	142 312 401	170 397 025	28 084 625
<b>Total non current liabilities</b>	<b>313 442 752</b>	<b>(48 343 822)</b>	<b>265 098 930</b>	<b>254 251 921</b>	<b>(10 847 009)</b>
<b>TOTAL LIABILITIES</b>	<b>430 391 749</b>	<b>(29 979 288)</b>	<b>400 412 461</b>	<b>380 047 682</b>	<b>(20 364 779)</b>
<b>NET ASSETS</b>	<b>861 785 331</b>	<b>11 087 948</b>	<b>872 873 279</b>	<b>899 132 334</b>	<b>26 259 055</b>
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus	840 963 143	7 643 250	848 606 393	861 912 766	13 306 372
Reserves	20 822 188	3 444 698	24 266 886	37 219 568	12 952 683
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>861 785 331</b>	<b>11 087 948</b>	<b>872 873 279</b>	<b>899 132 334</b>	<b>26 259 055</b>

Refer to note 52.2 for explanations of material variances.

Material variances are considered to be any variances greater than R5.5 million.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>					
<b>REVENUE</b>					
Property Rates	116 980 258	(826 000)	116 154 258	121 197 773	5 043 515
Service Charges - Electricity Revenue	103 466 776	(1 017 225)	102 449 551	102 525 420	75 869
Service Charges - Water Revenue	74 461 145	(2 354 647)	72 106 498	77 055 929	4 949 431
Service Charges - Sanitation Revenue	36 099 006	(3 483 989)	32 615 017	37 624 503	5 009 486
Service Charges - Refuse Revenue	36 300 752	(3 702 145)	32 598 607	36 271 218	3 672 611
Rental of Facilities and Equipment	2 150 000	(140 000)	2 010 000	2 060 385	50 385
Interest Earned - External Investments	11 000 000	(4 400 000)	6 600 000	8 097 552	1 497 552
Interest Earned - Outstanding Debtors	21 200 000	(5 000 000)	16 200 000	12 318 478	(3 881 522)
Fines, Penalties and Forfeits	36 809 440	(32 547 440)	4 262 000	13 928 678	9 666 678
Licences and Permits	64 500	(4 000)	60 500	108 598	48 098
Agency Services	7 902 253	416 707	8 318 960	7 283 913	(1 035 047)
Transfers Recognised - Operational	140 365 217	25 911 307	166 276 524	137 761 584	(28 514 940)
Other Revenue	6 193 405	(856 080)	5 337 325	7 793 238	2 455 913
Gains on disposal of PPE	1 000	1 000 000	1 001 000	-	(1 001 000)
<b>Total Revenue (excluding capital transfers)</b>	<b>592 993 752</b>	<b>(27 003 512)</b>	<b>565 990 240</b>	<b>564 027 269</b>	<b>(1 962 971)</b>
<b>EXPENDITURE</b>					
Employee Related Costs	238 465 096	(2 572 827)	235 892 269	217 632 903	(18 259 366)
Remuneration of Councillors	13 568 002	-	13 568 002	12 147 720	(1 420 282)
Debt Impairment	79 577 394	(33 014 674)	46 562 720	62 817 073	16 254 353
Depreciation and Asset Impairment	23 751 702	3 400 000	27 151 702	31 586 715	4 435 013
Finance Charges	20 929 590	-	20 929 590	21 245 594	316 004
Bulk Purchases	99 883 639	(2 939 361)	96 944 278	93 756 366	(3 187 912)
Other material	39 750 320	(13 879 663)	25 870 657	-	(25 870 657)
Contracted Services	50 730 280	6 664 378	57 394 658	43 057 421	(14 337 237)
Transfers and Grants	200 000	24 970 192	25 170 192	3 223 774	(21 946 418)
Other Expenditure	46 880 210	(251 394)	46 628 816	63 236 530	16 607 714
Loss on Disposal of PPE	-	-	-	996 933	996 933
<b>Total Expenditure</b>	<b>613 736 233</b>	<b>(17 623 349)</b>	<b>596 112 884</b>	<b>549 701 029</b>	<b>(46 411 855)</b>
<b>Surplus/(Deficit)</b>	<b>(20 742 481)</b>	<b>(9 380 163)</b>	<b>(30 122 644)</b>	<b>14 326 240</b>	<b>44 448 884</b>
Transfers Recognised - Capital	64 412 974	(9 384 215)	55 028 759	35 843 766	(19 184 993)
Contributed Assets	-	-	-	15 198	15 198
<b>Surplus/(Deficit) for the year</b>	<b>43 670 493</b>	<b>(18 764 378)</b>	<b>24 906 115</b>	<b>50 185 204</b>	<b>25 279 089</b>

Refer to note 52.3 for explanations of material variances.

Material variances are considered to be any variances greater than R5.5 million.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>CASH FLOW STATEMENT</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	99 385 497	(818 155)	98 567 343	117 331 473	18 764 130
Service charges	212 676 406	(9 210 258)	203 466 149	218 111 562	14 645 413
Other revenue	20 157 290	(3 929 322)	16 227 969	23 394 638	7 166 670
Government Grants	204 778 191	11 483 340	216 261 531	176 601 317	(39 660 214)
Interest	29 011 351	(8 664 193)	20 347 158	8 097 552	(12 249 606)
<b>Payments</b>					
Suppliers and Employees	(487 098 820)	2 083 168	(485 015 652)	(432 429 426)	52 586 226
Finance Charges	(11 350 874)	-	(11 350 874)	(9 826 576)	1 524 298
Transfers and Grants	(200 000)	-	(200 000)	(3 223 774)	(3 023 774)
<b>Net Cash from/(used) Operating Activities</b>	<b>67 359 042</b>	<b>(9 055 419)</b>	<b>58 303 624</b>	<b>98 056 768</b>	<b>39 753 144</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	1 000	1 000 000	1 001 000	816 669	(184 331)
Decrease/(Increase) in Other Non-Current Receivables	140	(140)	-	(982 494)	(982 494)
<b>Payments</b>					
Capital Assets	(138 660 382)	3 752 282	(134 908 100)	(85 599 427)	49 308 673
<b>Net Cash from/(used) Investing Activities</b>	<b>(138 659 242)</b>	<b>4 752 142</b>	<b>(133 907 100)</b>	<b>(85 765 253)</b>	<b>48 141 847</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	53 621 787	3 241 579	56 863 366	22 094 345	(34 769 021)
Increase/(Decrease) in Consumer Deposits	302 155	79 028	381 183	67 942	(313 241)
<b>Payments</b>					
Repayment of Borrowing	(8 500 000)	-	(8 500 000)	(9 552 434)	(1 052 434)
<b>Net Cash from/(used) Financing Activities</b>	<b>45 423 942</b>	<b>3 320 607</b>	<b>48 744 549</b>	<b>12 609 853</b>	<b>(36 134 696)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(25 876 257)</b>	<b>(982 670)</b>	<b>(26 858 927)</b>	<b>24 901 368</b>	<b>51 760 295</b>
Cash and Cash Equivalents at the year begin	113 816 536	25 372 089	139 188 624	139 188 624	-
Cash and Cash Equivalents at the year end	87 940 278	24 389 419	112 329 697	164 089 992	51 760 295

Refer to note 52.4 for explanations of material variances.

Material variances are considered to be any variances greater than R5.5 million.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### **1 ACCOUNTING POLICIES**

#### **1.01 BASIS OF PREPARATION**

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

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines 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 terms 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.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

No significant amendments were made to the accounting policy in the current year.

### 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 actual 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 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



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

The Municipality also resolved to early adopt the following Interpretation of the Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
iGRAP 21	The Effect of Past Decisions on Materiality	1 April 2023

The effect of the above-mentioned Improvements and Interpretations to the Standards of GRAP which were early adopted is considered insignificant. The Improvements and Interpretations 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.

### 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. This Standard was revised to align it with IFRS 9 on Financial Instruments.

Preliminary investigations indicated that, other than additional disclosure, the impact of this Standard on the financial statements will not be significant.

#### 1.08.2.2 GRAP 25 (Revised 2021) - Employee Benefits

The objective of this Standard is to prescribe the accounting and disclosure for employee benefits. This Standard was revised to align it with IPSAS 39 on Employee Benefits.

Preliminary investigations indicated that, other than additional disclosure, the impact of this Standard on the financial statements will not be significant.

#### 1.08.2.3 iGRAP 7 (Revised 2021) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

This Interpretation addresses the following:

- (a) When refunds or reductions in future contributions should be regarded as available in accordance with the definition of the asset ceiling.
- (b) How a minimum funding requirement might affect the availability of reductions in future contributions.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

### 1.09 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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 a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Buildings	20 - 100





# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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 a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
<b>Land and Buildings</b>		<b>Community Assets</b>	
Land	N/A	Parks and Gardens	15 - 20
Buildings	20 - 100	Cemeteries	30
Work in progress	N/A	<b>Leased Assets</b>	
<b>Infrastructure</b>		Office Equipment	3 - 15
Roads and Storm water	5 - 150	<b>Other Assets</b>	
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.

## 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.

#### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.

#### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.

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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.

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.





# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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. All fines issued during the year less any cancellations or reductions are recognised as revenue.

##### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 1.28.1.5 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

### 1.28.1.6 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

### 1.28.1.7 Services in-kind

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

### 1.28.1.8 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

## 1.28.2 Revenue from Exchange Transactions

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

### 1.28.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

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.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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 measured with sufficient reliability.





# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 1.37 ACCOUNTING BY PRINCIPALS AND AGENTS

An agent 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 principal and for the benefit of the principal.

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 it 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 principal, 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 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation which comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, is not recognised as assets. The Standard only requires disclosure of the relevant resources.

The Municipality has assessed that it does not control any living resources, but is however responsible for non-living resources as set out in notes to the financial statements.





# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 1.39 SEGMENT REPORTING

A segment is an activity of the Municipality:

- (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same Municipality);
- (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- (c) for which separate financial information is available.

Management comprises of 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.

Financial information relating to the reporting segments are aligned to the financial information distributed to management on a regular basis (similar basis of preparation). This information is utilised to measure performance of the relevant services provided by the Municipality and also to ensure that resources are appropriately allocated to various departments/segments to provide high quality services to the community.

Adjustments and eliminations made in preparing the Municipality's financial statements, which includes the allocation basis of revenues and expenses, are prepared on a similar basis as the information distributed to management on a regular basis.

Financial information distributed to management does not include a segment/department analysis of assets and liabilities associated with each segment/department. In line with this principle utilised during the financial year, the segment reporting included in the financial statements are prepared on a similar basis which excludes such an analysis. Assets and liabilities are reported on for the Municipality as a whole.

Management reviews capital expenditure/performance on a regular basis and accordingly the relevant information is reported on per segment.

### 1.40 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:

#### 1.40.1 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.

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.

#### 1.40.2 Impairment of Receivables

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



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 1.40.3 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.

### 1.40.4 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.

### 1.40.5 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.

### 1.40.6 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.

### 1.40.7 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.

### 1.40.8 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.

### 1.40.9 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

In considering the revenue to which the Municipality is entitled, the Municipality considers other factors that may impact the inflow of future economic benefits or service potential on initial recognition of revenue. Such factors include fines issued which will be reduced or withdrawn after reporting date. The Municipality applies judgement based on past experience and current facts and circumstances in order to adjust the traffic fine revenue accordingly.

### 1.40.10 Recognition and Derecognition of Land

In order for land to 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.

### 1.40.11 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.



# THE WATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### CASH AND CASH EQUIVALENTS

Bank Accounts	116 550 486	93 110 932
Call Investment Deposits	47 529 807	46 067 542
Cash Floats	9 699	10 150

<b>Total</b>	<b>164 089 992</b>	<b>139 188 624</b>
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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	5 447 325	6 889 951
Unspent Conditional Grants	10 794 063	6 850 833
Unspent Public Contributions	329 439	536 036
Capital Replacement Reserve	37 219 568	24 266 886
Working Capital Requirements	110 299 596	100 644 918
<b>Total Cash and Cash Equivalents</b>	<b>164 089 992</b>	<b>139 188 624</b>

### 2.1 Bank Accounts

Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)	116 308 034	-
Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)	-	-
ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)	242 452	93 110 932
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	-
ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)	-	-
<b>Total</b>	<b>116 550 486</b>	<b>93 110 932</b>

#### Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	116 308 034	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	115 513 106	-

#### Standard Bank of South Africa Limited - Account Number 072-339-713 (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.

#### ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)

Cash book balance at beginning of year	93 110 932	87 515 246
Cash book balance at end of year	242 452	93 110 932
Bank statement balance at beginning of year	92 427 664	87 261 663
Bank statement balance at end of year	242 452	92 427 664

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.



# THE WATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### 2 CASH AND CASH EQUIVALENTS (CONTINUED)

#### 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.		

### 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	13 082 142	12 685 058
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5415	26 700 181	25 874 965
ABSA Bank Limited	- Notice deposit	- Account number 90-9522-5460	7 747 485	7 507 519
			<b>47 960 031</b>	<b>46 497 766</b>
Less: Provision for Impairment			(430 224)	(430 224)
<b>Total</b>			<b>47 529 807</b>	<b>46 067 542</b>

An amount of R 430 224 (2020: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

#### Service Receivables

Electricity	9 187 093	9 252 126
Water	49 798 271	59 233 225
Refuse	59 840 977	50 479 064
Sewerage	56 429 249	44 825 782
Interest	57 636 997	48 471 022
Other	3 320 098	2 718 980

#### Other Receivables

Prepayments	3 077 933	3 472 877
Accrued Interest	361 323	444 478

#### Total Gross Balance

Less: Allowance for Debt Impairment

#### Total Net Receivable

<b>236 212 685</b>	<b>214 980 199</b>
<b>3 439 256</b>	<b>3 917 356</b>
<b>239 651 941</b>	<b>218 897 555</b>
(202 740 272)	(178 426 276)
<b>36 911 669</b>	<b>40 471 278</b>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.



# THE WATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	178 426 276	144 881 353
Movement in the contribution to the provision	46 425 221	42 030 519
Electricity	(109 647)	469 830
Water	12 248 735	10 557 928
Refuse	12 048 049	11 481 578
Sewerage	11 684 520	9 938 416
Interest	9 889 964	9 328 607
Other	663 601	254 160
Bad Debts Written off	(22 111 225)	(8 485 596)
Electricity	(67 690)	(4 024)
Water	(17 826 983)	(3 468 636)
Refuse	(1 759 710)	(1 952 794)
Sewerage	(1 426 662)	(1 583 073)
Interest	(912 370)	(1 379 538)
Other	(117 810)	(97 531)
Balance at the end of the year	<b>202 740 272</b>	<b>178 426 276</b>

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
<b>30 June 2021</b>			
<b>Service Receivables</b>			
Electricity	9 187 093	(1 197 066)	7 990 027
Water	49 798 271	(36 575 539)	13 222 732
Refuse	59 840 977	(56 170 386)	3 670 591
Sewerage	56 429 249	(49 112 958)	7 316 291
Interest	57 636 997	(56 776 486)	860 511
Other	3 320 098	(2 907 837)	412 261
<b>Other Receivables</b>			
Prepayments	3 077 933	-	3 077 933
Accrued Interest	361 323	-	361 323
<b>Total</b>	<b>239 651 941</b>	<b>(202 740 272)</b>	<b>36 911 669</b>
<b>30 June 2020</b>			
<b>Service Receivables</b>			
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
<b>Other Receivables</b>			
Prepayments	3 472 877	-	3 472 877
Accrued Interest	444 478	-	444 478
<b>Total</b>	<b>218 897 555</b>	<b>(178 426 276)</b>	<b>40 471 278</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

#### Ageing of Receivables from Exchange Transactions

##### Electricity

0 - 30 Days (Current)	7 007 632	5 921 866
1 to 3 months	1 230 641	2 342 455
4 months to 1 year	302 166	428 944
Over 1 year	646 654	558 861
<b>Total</b>	<b>9 187 093</b>	<b>9 252 126</b>

##### Water

0 - 30 Days (Current)	12 850 087	15 083 597
1 to 3 months	5 111 399	6 096 194
4 months to 1 year	9 133 653	7 775 638
Over 1 year	22 703 132	30 277 796
<b>Total</b>	<b>49 798 271</b>	<b>59 233 225</b>

##### Refuse

0 - 30 Days (Current)	3 602 142	3 149 560
1 to 3 months	4 594 112	5 469 996
4 months to 1 year	9 310 589	8 776 987
Over 1 year	42 334 134	33 082 520
<b>Total</b>	<b>59 840 977</b>	<b>50 479 064</b>

##### Sewerage

0 - 30 Days (Current)	7 502 170	5 132 887
1 to 3 months	3 880 874	4 288 920
4 months to 1 year	9 419 283	8 185 732
Over 1 year	35 626 923	27 218 244
<b>Total</b>	<b>56 429 249</b>	<b>44 825 782</b>

##### Interest

0 - 30 Days (Current)	1 337 989	89
1 to 3 months	4 192 801	986
4 months to 1 year	6 345 795	11 036 868
Over 1 year	45 760 412	37 433 078
<b>Total</b>	<b>57 636 997</b>	<b>48 471 022</b>

##### Other

0 - 30 Days (Current)	278 939	219 506
1 to 3 months	473 816	197 059
4 months to 1 year	615 981	446 534
Over 1 year	1 951 363	1 855 881
<b>Total</b>	<b>3 320 098</b>	<b>2 718 980</b>

#### Summary Ageing of all Receivables from Exchange Transactions

0 - 30 Days (Current)	32 578 959	29 507 506
1 to 3 months	19 483 642	18 395 611
4 months to 1 year	35 127 467	36 650 702
Over 1 year	149 022 617	130 426 380
<b>Total</b>	<b>236 212 685</b>	<b>214 980 199</b>





# THE WATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

#### Service Receivables

Property Rates

43 056 217

39 194 564

#### Other Receivables

22 222 176

34 398 712

Unpaid Traffic Fines

20 721 500

33 292 690

Suspense Debtors

553 414

1 106 023

Unpaid Grants

947 263

-

#### Total Gross Balance

65 278 393

73 593 276

Less: Allowance for Debt Impairment

(49 248 757)

(55 826 242)

#### Total Net Receivable

16 029 637

17 767 035

As previously reported

17 818 339

Correction of error restatement - note

(51 304)

Restated balance

17 767 035

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 Liabilities.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year

55 826 242

66 810 965

Movement in the contribution to the provision

16 935 751

28 226 527

Property Rates

4 575 594

4 950 620

Unpaid Traffic Fines

12 360 158

23 275 907

Bad Debts Written off

(23 513 236)

(39 211 250)

Property Rates

(4 646)

(1 366 985)

Unpaid Traffic Fines

(23 508 590)

(37 844 265)

Balance at the end of the year

49 248 757

55 826 242

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
<b>30 June 2021</b>			
<b>Service Receivables</b>			
Property Rates	43 056 217	(28 946 757)	14 109 460
<b>Other Receivables</b>			
Unpaid Traffic Fines	20 721 500	(20 302 000)	419 500
Suspense Debtors	553 414	-	553 414
Unpaid Grants	947 263	-	947 263
<b>Total</b>	<b>65 278 393</b>	<b>(49 248 757)</b>	<b>16 029 637</b>



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2020</b>			
<b>Service Receivables</b>			
Property Rates	39 194 564	(24 375 809)	14 818 755
<b>Other Receivables</b>			
Unpaid Traffic Fines	33 292 690	(31 450 432)	1 842 257
Suspense Debtors	1 106 023	-	1 106 023
<b>Total</b>	<b>73 593 276</b>	<b>(55 826 241)</b>	<b>17 767 035</b>

#### Ageing of Receivables from Non-Exchange Transactions

##### Property Rates

0 - 30 Days (Current)	9 525 046	10 505 378
1 to 3 months	5 530 366	5 190 165
4 months to 1 year	8 680 161	7 467 900
Over 1 year	19 320 644	16 031 121
<b>Total</b>	<b>43 056 217</b>	<b>39 194 564</b>

### 5 TAXES

VAT Claimable/(Payable)	2 437 411	4 243 870
VAT in Suspense	(14 313 221)	(13 645 504)
VAT on Allowance for Debt Impairment	18 430 727	16 368 007
<b>Total</b>	<b>6 554 917</b>	<b>6 966 373</b>
As previously reported		5 613 765
Correction of error restatement - note 48.2		1 352 609
Restated balance		6 966 373

#### Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	16 368 007	13 308 413
Debt Impairment for current year	2 062 720	3 059 594
Balance at the end of the year	<b>18 430 727</b>	<b>16 368 007</b>

### 6 OPERATING LEASES

#### 6.1 OPERATING LEASE ASSET

Operating Lease Asset	522 793	457 759
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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	457 759	439 966
Movement during the year	65 034	17 793
Balance at the end of the year	<b>522 793</b>	<b>457 759</b>



# THE WATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### 6 OPERATING LEASES (CONTINUED)

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	1 101 411	627 563
Between 1 and 5 Years	1 319 034	1 473 896
After 5 Years	1 119 608	1 378 108
Total operating lease payments	<b>3 540 053</b>	<b>3 479 566</b>

The prior year's total lease payments indicated an amount of R2 703 225. This amount has been restated to R3 479 566 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.

### 7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	8 561 885	4 221 379
Individual Housing Loans	-	230
<b>Total Gross Balance</b>	<b>8 561 885</b>	<b>4 221 609</b>
Less: Allowance for Debt Impairment	(3 368 719)	(1 849 898)
<b>Total Net Receivable</b>	<b>5 193 166</b>	<b>2 371 711</b>
Less: Current portion of Long-term Receivables	(1 895 549)	(768 924)
Receivables with repayment arrangements	(1 895 549)	(768 694)
Individual Housing Loans	-	(230)
<b>Total</b>	<b>3 297 617</b>	<b>1 602 787</b>

#### Receivables with repayment arrangements

At year-end debtors amounting to R8 561 885 (2020 - R4 221 379) arranged to settle their accounts over an re-negotiated period. Total payments to the value of R5 725 877 (2020 - 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 2021.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	1 849 898	-
Movement in the contribution to the provision	1 518 821	1 849 898
Balance at the end of the year	<b>3 368 719</b>	<b>1 849 898</b>

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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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	2021	2020
<b>8 INVENTORY</b>		
Maintenance Materials	9 433 552	5 672 256
Water	729 363	760 244
<b>Total</b>	<b>10 162 915</b>	<b>6 432 500</b>

Inventory are disclosed at the lower of cost or net realisable value.

The Municipality recognised only purification costs in respect of non-purchased purified water inventory.

No inventory were pledged as security for liabilities.

Inventory written down due to losses identified during the annual stores counts	372 612	57 345
Inventory recognised as an expense during the year	11 058 021	7 143 860

## 9 INVESTMENT PROPERTY

Investment Property - Carrying Value	<b>69 981 587</b>	<b>73 092 451</b>
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The carrying value of Investment Property is reconciled as follows:

<b>Opening Carrying Value</b>	<b>73 092 451</b>	<b>68 105 086</b>
Cost	76 245 140	71 186 654
Accumulated Depreciation	(823 105)	(751 984)
Accumulated Impairment	(2 329 584)	(2 329 584)
Additions	-	-
Contributed Assets	-	5 150 000
Impairment	(2 868 308)	-
Disposals	(129 333)	(91 514)
Cost	(129 333)	(91 514)
Accumulated Depreciation	-	-
Accumulated Impairment	-	-
Depreciation	(113 222)	(71 121)
<b>Closing Carrying Value</b>	<b>69 981 587</b>	<b>73 092 451</b>
Cost	76 115 807	76 245 140
Accumulated Depreciation	(936 328)	(823 105)
Accumulated Impairment	(5 197 892)	(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	1 789 517	1 565 876
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No significant operating expenditure was incurred on investment property during the 2020/21 and 2019/20 financial year.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### 10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
<b>30 June 2021</b>				
Land and Buildings	130 214 888	(6 833 242)	(2 660 710)	120 720 936
Infrastructure	946 099 310	(176 104 829)	-	769 994 481
Community Assets	763 623	(474 816)	-	288 807
Other Assets	75 448 176	(24 855 125)	-	50 593 051
Capitalised Restoration Cost	71 211 934	(39 288 491)	(16 454 291)	15 469 152
<b>Total</b>	<b>1 223 737 931</b>	<b>(247 556 502)</b>	<b>(19 115 001)</b>	<b>957 066 427</b>
<b>30 June 2020</b>				
Land and Buildings	129 397 604	(6 048 929)	(2 660 710)	120 687 965
Infrastructure	872 150 776	(158 864 195)	-	713 286 582
Community Assets	763 623	(452 425)	-	311 198
Other Assets	66 632 196	(21 489 996)	-	45 142 200
Capitalised Restoration Cost	50 645 161	(38 884 166)	(10 143 696)	1 617 298
<b>Total</b>	<b>1 119 589 360</b>	<b>(225 739 712)</b>	<b>(12 804 406)</b>	<b>881 045 242</b>
As previously reported				880 610 462
Correction of error restatement - note 48.3				434 780
Correction of error restatement - note 48.5				-
Restated balance				<b>881 045 242</b>

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.

#### 10.1 Repairs and Maintenance were incurred on the following asset classes:

Land and Buildings	8 966 170	7 534 907
Infrastructure	11 664 665	7 915 618
Community Assets	-	373 938
Other Assets	5 943 361	4 231 803
<b>Total</b>	<b>26 574 196</b>	<b>20 056 266</b>

The comparative figures for Repairs and Maintenance has been restated.

#### 10.2 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.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 10.3 Reconciliation of Carrying Value

30 June 2021	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
<b>Land and Buildings</b>	<b>129 397 604</b>	<b>1 203 190</b>	<b>(385 906)</b>	-	-	<b>130 214 888</b>	<b>8 709 639</b>	<b>784 313</b>	-	-	<b>9 493 952</b>	<b>120 720 936</b>
Land	44 485 543	-	-	-	37 470	44 523 013	2 660 710	-	-	-	2 660 710	41 862 303
Buildings	77 235 951	-	-	-	4 570 526	81 806 477	6 048 929	784 313	-	-	6 833 242	74 973 235
Work in progress	7 676 110	1 203 190	(385 906)	-	(4 607 996)	3 885 399	-	-	-	-	-	3 885 399
<b>Infrastructure</b>	<b>872 150 776</b>	<b>74 724 333</b>	<b>(775 800)</b>	-	-	<b>946 099 310</b>	<b>158 864 195</b>	<b>17 252 746</b>	-	<b>(12 112)</b>	<b>176 104 829</b>	<b>769 994 481</b>
Roads and Storm water	224 004 031	-	-	-	3 660 833	227 664 864	60 958 287	4 019 180	-	-	64 977 468	162 687 396
Electricity Network	103 344 507	-	(12 177)	-	19 964 474	123 296 804	19 775 968	2 638 417	-	(12 112)	22 402 273	100 894 530
Sewerage Network	213 070 807	-	-	-	2 526 108	215 596 915	35 838 646	5 181 505	-	-	41 020 151	174 576 764
Water Network	181 478 978	-	-	-	948 859	182 427 837	41 459 057	5 122 908	-	-	46 581 965	135 845 872
Refuse Removal	11 953 837	-	-	-	-	11 953 837	832 236	290 735	-	-	1 122 972	10 830 865
Work in progress	138 298 616	74 724 333	(763 622)	-	(27 100 273)	185 159 054	-	-	-	-	-	185 159 054
<b>Community Assets</b>	<b>763 623</b>	-	-	-	-	<b>763 623</b>	<b>452 425</b>	<b>22 391</b>	-	-	<b>474 816</b>	<b>288 807</b>
Parks and Gardens	561 924	-	-	-	-	561 924	250 726	22 391	-	-	273 117	288 807
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	201 699	-
<b>Other Assets</b>	<b>66 632 196</b>	<b>9 671 904</b>	<b>(871 123)</b>	<b>15 198</b>	-	<b>75 448 176</b>	<b>21 489 996</b>	<b>3 701 576</b>	-	<b>(336 448)</b>	<b>24 855 125</b>	<b>50 593 051</b>
Computer Equipment	8 137 033	804 069	(186 441)	13 799	-	8 768 460	2 884 741	620 760	-	(77 402)	3 428 099	5 340 361
Furniture and Office Equipment	8 100 013	678 346	(295 718)	1 399	-	8 484 040	3 611 317	474 236	-	(72 692)	4 012 862	4 471 178
Machinery and Equipment	9 088 989	1 708 143	(283 914)	-	-	10 513 219	3 846 672	562 072	-	(122 092)	4 286 652	6 226 567
Transport Assets	41 306 161	6 481 346	(105 049)	-	-	47 682 457	11 147 265	2 044 508	-	(64 262)	13 127 512	34 554 945
<b>Capitalised Restoration Cost</b>	<b>50 645 161</b>	<b>20 566 774</b>	-	-	-	<b>71 211 934</b>	<b>49 027 863</b>	<b>404 325</b>	<b>6 310 595</b>	-	<b>55 742 782</b>	<b>15 469 152</b>
Landfill Site Rehabilitation	50 645 161	20 566 774	-	-	-	71 211 934	49 027 863	404 325	6 310 595	-	55 742 782	15 469 152
	<b>1 119 589 360</b>	<b>106 166 201</b>	<b>(2 032 828)</b>	<b>15 198</b>	-	<b>1 223 737 931</b>	<b>238 544 118</b>	<b>22 165 350</b>	<b>6 310 595</b>	<b>(348 559)</b>	<b>266 671 504</b>	<b>957 066 427</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 10.3 Reconciliation of Carrying Value

30 June 2020	Cost						Accumulated Depreciation and Impairment					Carrying Value (Restated)
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
<b>Land and Buildings</b>	<b>124 417 279</b>	<b>5 261 611</b>	<b>(281 286)</b>	-	-	<b>129 397 604</b>	<b>7 985 524</b>	<b>724 116</b>	-	-	<b>8 709 639</b>	<b>120 687 965</b>
Land	40 377 175	-	-	-	4 108 368	44 485 543	2 660 710	-	-	-	2 660 710	41 824 833
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
<b>Infrastructure</b>	<b>812 796 822</b>	<b>59 604 289</b>	<b>(250 335)</b>	-	-	<b>872 150 776</b>	<b>143 311 329</b>	<b>15 552 866</b>	-	-	<b>158 864 195</b>	<b>713 286 582</b>
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
<b>Community Assets</b>	<b>763 623</b>	-	-	-	-	<b>763 623</b>	<b>429 967</b>	<b>22 458</b>	-	-	<b>452 425</b>	<b>311 198</b>
Parks and Gardens	561 924	-	-	-	-	561 924	228 268	22 458	-	-	250 726	311 198
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	201 699	-
<b>Other Assets</b>	<b>59 805 746</b>	<b>7 153 635</b>	<b>(1 880 507)</b>	<b>1 553 322</b>	-	<b>66 632 196</b>	<b>19 285 682</b>	<b>3 374 139</b>	-	<b>(1 169 825)</b>	<b>21 489 996</b>	<b>45 142 200</b>
Computer Equipment	8 545 701	465 035	(392 203)	-	(481 500)	8 137 033	2 486 754	609 302	-	(211 315)	2 884 741	5 252 292
Furniture and Office Equipment	8 201 998	252 733	(357 922)	3 204	-	8 100 013	3 396 734	482 702	-	(268 119)	3 611 317	4 488 696
Machinery and Equipment	8 648 534	909 843	(469 388)	-	-	9 088 989	3 644 814	542 146	-	(340 288)	3 846 672	5 242 317
Transport Assets	34 409 513	5 526 024	(660 995)	1 550 118	481 500	41 306 161	9 757 380	1 739 989	-	(350 103)	11 147 265	30 158 895
<b>Capitalised Restoration Cost</b>	<b>53 749 407</b>	-	<b>(3 104 246)</b>	-	-	<b>50 645 161</b>	<b>46 425 649</b>	<b>2 602 214</b>	-	-	<b>49 027 863</b>	<b>1 617 298</b>
Landfill Site Rehabilitation	53 749 407	-	(3 104 246)	-	-	50 645 161	46 425 649	2 602 214	-	-	49 027 863	1 617 298
	<b>1 051 532 877</b>	<b>72 019 535</b>	<b>(5 516 374)</b>	<b>1 553 322</b>	-	<b>1 119 589 360</b>	<b>217 438 151</b>	<b>22 275 792</b>	-	<b>(1 169 825)</b>	<b>238 544 118</b>	<b>881 045 242</b>

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### 11 INTANGIBLE ASSETS

Intangible Assets - Carrying Value

778 745

907 985

The carrying value of intangible Assets is reconciled as follows:

#### Opening Carrying Value

907 985

1 037 629

Cost

1 453 516

1 721 516

Accumulated Amortisation

(545 530)

(683 886)

Accumulated Impairment

-

-

Additions

-

-

Amortisation

(129 240)

(129 644)

Disposal

-

-

Cost

-

(268 000)

Accumulated Amortisation

-

268 000

#### Closing Carrying Value

778 745

907 985

Cost

1 453 516

1 453 516

Accumulated Amortisation

(674 770)

(545 530)

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

778 745

907 985

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

524 445

699 266

Erven 12 and 14 - Villiersdorp - leased to Tourism Buro

116 096

117 446

Bridge at Meul Street, Caledon

-

4

Bridge at Farm 39, Genadendal

109

122

Total carrying value included under Property, Plant and Equipment

640 650

816 838

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.

### 13 NON-CURRENT INVESTMENTS

Listed shares

189 265

181 771

Fixed Deposits

11 698 904

10 725 904

Total

11 888 169

10 905 675



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### 13 NON-CURRENT INVESTMENTS (CONTINUED)

#### 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	189 265	181 771
----------------------------	---------	---------

#### 13.2 Fixed Deposits

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 9.75% per annum.

Fixed deposits consist out of the following:

Nedbank - Account number 03 7881715316 0000 44 - 5 year investment	11 698 904	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	78 821 514	66 279 604
Stock Loans	16 022 969	16 022 969

<b>Sub-Total</b>	<b>94 844 483</b>	<b>82 302 573</b>
------------------	-------------------	-------------------

Less: Current portion of Long-term Liabilities	10 989 587	7 265 054
--	------------	-----------

Annuity Loans	9 436 418	7 265 054
Stock Loans	1 553 169	-

<b>Total</b>	<b>83 854 896</b>	<b>75 037 519</b>
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Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up	94 844 483	82 302 573
Used to finance Property, Plant and Equipment at cost	(94 844 483)	(82 302 573)

<b>Unspent Borrowings</b>	<b>-</b>	<b>-</b>
---------------------------	----------	----------

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

#### 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	5 071 581	5 563 870
DBSA BANK - 10 & 20 year (Loan No. 103108/1)	11.44%	30/09/2028	6 173 049	6 673 382
DBSA BANK - 20 year (103313.1)	9.85%	31/03/2029	14 127 092	15 246 096
DBSA BANK - 15 year (103313.2)	9.97%	31/03/2024	2 143 045	2 729 319
STANDARD BANK - 10 year (72479981)	11.72%	31/07/2020	-	245 118
DBSA BANK - 20 year (103817/3)	11.06%	31/12/2030	8 176 551	8 645 747
STANDARD BANK- 15 year (272400572)	12.22%	30/06/2026	4 421 359	5 032 389
ABSA BANK - 15 year (40-7908-8994)	10.79%	27/06/2027	6 941 292	7 738 505
ABSA BANK - 7 year (387230962)	10.09%	21/06/2021	-	564 929
ABSA BANK - 10 year (387230963)	10.63%	27/06/2024	3 427 429	4 352 892
ABSA - 5 year (3050777771)	8.95%	30/06/2024	1 295 408	1 655 742
ABSA - 7 year (3050777789)	9.19%	30/06/2026	1 925 994	2 216 295
ABSA - 10 year (3050777763)	9.62%	30/06/2029	2 833 785	3 058 580
NEDBANK - 15 year (05/78310356050)	10.45%	30/06/2034	2 469 963	2 556 740
STANDARD BANK - 4 year (000600694)	6.63%	31/12/2024	5 903 939	-
STANDARD BANK - 10 year (000600703)	8.26%	28/06/2030	4 868 511	-
STANDARD BANK - 15 year (000600712)	9.76%	29/06/2035	6 363 656	-
ABSA - 7 year (3052887574)	9.19%	30/06/2027	2 678 860	-
<b>Total</b>			<b>78 821 514</b>	<b>66 279 604</b>



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### 14 LONG-TERM LIABILITIES (CONTINUED)

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	17 063 524	14 014 706
Payable within two to five years	60 830 492	49 876 956
Payable after five years	36 836 096	35 683 954
<b>Total amount payable</b>	<b>114 730 112</b>	<b>99 575 616</b>
Less: Outstanding Future Finance Charges	(35 908 598)	(33 296 012)
<b>Present value of annuity loans</b>	<b>78 821 514</b>	<b>66 279 604</b>

#### 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
<b>Total</b>			<b>16 022 969</b>	<b>16 022 969</b>

The following serve as security for stock loans:

- Fixed Deposit as per note 13.2	11 698 904	10 723 904
- Cession on outstanding consumer debtors	6 000 000	6 000 000
<b>Total</b>	<b>17 698 904</b>	<b>16 723 904</b>

Stock loans are payable as follows:

Payable within one year	3 053 418	1 500 249
Payable within two to five years	10 572 928	12 839 586
Payable after five years	9 256 560	10 043 320
<b>Total amount payable</b>	<b>22 882 906</b>	<b>24 383 155</b>
Less: Outstanding Future Finance Charges	(6 859 937)	(8 360 186)
<b>Present value of stock loans</b>	<b>16 022 969</b>	<b>16 022 969</b>

### 15 CONSUMER DEPOSITS

Water and Electricity Deposits

**4 832 729** **4 764 788**

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

### 16 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	37 406 091	45 949 057
Retentions	10 721 031	9 087 754
Payments Received in Advance	7 606 577	7 177 154
Department of Human Settlements	5 447 325	6 889 951
Unused Pre-paid Electricity	1 122 746	1 023 380
Sundry Deposits	8 313 579	4 540 743
Accrued Interest	819 732	876 047
Land Sales Deposits	594 644	66 991
<b>Total</b>	<b>72 031 727</b>	<b>75 611 077</b>

Payables are being recognised net of any discounts received.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 16 PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

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
Advances received in terms of principal-agent arrangements - note 60	5 447 327	6 007 730
<b>Total</b>	<b>5 447 327</b>	<b>6 889 952</b>

### 17 UNSPENT CONDITIONAL GOVERNMENT GRANTS

National Government	5 382 265	419 506
Provincial Government	4 946 476	5 966 005
Other Grant Providers	465 322	465 322
<b>Total</b>	<b>10 794 063</b>	<b>6 850 833</b>
As previously reported		6 800 833
Prior year error restatement - note 48.4		50 000
<b>Restated balance</b>		<b>6 850 833</b>

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.

### 18 UNSPENT PUBLIC CONTRIBUTIONS

Hogeschool van Arnhem en Nijmegen (HAN)	329 439	536 036
<b>Total</b>	<b>329 439</b>	<b>536 036</b>

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	5 637 851	5 271 519
Staff Leave	17 420 525	16 827 198
Performance Bonuses	211 495	398 505
Pension	10 768	10 768
Group Insurance	189 266	181 771
Overtime	675 311	615 218
Current portion of Non-Current Employee Benefits - note 20	2 673 000	2 338 000
Post Retirement Medical Benefits	1 630 000	1 468 000
Long Service Awards	1 043 000	870 000
<b>Total</b>	<b>26 818 216</b>	<b>25 642 980</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 19 CURRENT EMPLOYEE BENEFITS (CONTINUED)

The movement in current employee benefits are reconciled as follows:

#### 19.1 Bonuses

Opening Balance	5 271 519	4 688 468
Contribution during the year	11 236 970	10 582 774
Payments made	(10 870 639)	(9 999 722)
Balance at the end of the year	<b>5 637 851</b>	<b>5 271 519</b>

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	16 827 198	13 215 605
Contribution during the year	1 712 737	4 372 110
Payments made	(1 119 410)	(760 517)
Balance at the end of the year	<b>17 420 525</b>	<b>16 827 198</b>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

#### 19.3 Performance Bonuses

Opening Balance	398 505	466 224
Contribution during the year	(21 978)	478 687
Payments made	(165 032)	(546 406)
Balance at the end of the year	<b>211 495</b>	<b>398 505</b>

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.

#### 19.4 Pension

Opening Balance	10 768	21 237
Payments made	-	(10 469)
Balance at the end of the year	<b>10 768</b>	<b>10 768</b>

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

#### 19.5 Group Insurance

Opening Balance	181 771	241 046
Fair Value adjustment during the year	7 495	(59 275)
Balance at the end of the year	<b>189 266</b>	<b>181 771</b>

Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.

#### 19.6 Overtime

Balance at beginning of year	615 218	712 072
Contribution during the year	675 311	615 218
Payments made	(615 218)	(712 072)
Balance at end of year	<b>675 311</b>	<b>615 218</b>

Overtime for staff worked in current financial year, but paid in next financial year.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### EMPLOYEE BENEFITS

	2021	2020
Post Retirement Medical Benefits	42 659 000	35 291 984
Long Service Awards	11 239 000	10 429 000
<b>Sub-Total</b>	<b>53 898 000</b>	<b>45 720 984</b>
Less: Current portion of Employee Benefits	<b>2 673 000</b>	<b>2 338 000</b>
Post Retirement Medical Benefits	1 630 000	1 468 000
Long Service Awards	1 043 000	870 000
<b>Total</b>	<b>51 225 000</b>	<b>43 382 984</b>

#### 20.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	35 291 984	38 922 418
Contribution during the year	5 397 000	5 717 090
Current Service Cost	1 791 000	2 119 570
Interest Cost	3 606 000	3 597 520
Payments made	(1 711 124)	(1 566 767)
Actuarial Loss/(Gain)	3 681 140	(7 780 757)
Total balance at year-end	42 659 000	35 291 984
Less: Current portion	(1 630 000)	(1 468 000)
<b>Total</b>	<b>41 029 000</b>	<b>33 823 984</b>

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	230	224
In-service non-members	408	412
Continuation members	35	34
<b>Total</b>	<b>673</b>	<b>670</b>

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 2021	19 319 000	4 820 000	18 520 000	<b>42 659 000</b>
30 June 2020	15 652 984	3 878 000	15 761 000	<b>35 291 984</b>
30 June 2019	17 142 566	4 366 349	17 413 503	<b>38 922 418</b>
30 June 2018	24 701 954	5 513 647	14 600 172	<b>44 815 773</b>
30 June 2017	21 131 224	5 113 005	16 814 590	<b>43 058 819</b>

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 2021	(80 000)	-
30 June 2020	(350 000)	-
30 June 2019	974 000	-
30 June 2018	(781 000)	-
30 June 2017	(1 098 000)	-



# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 20 EMPLOYEE BENEFITS (CONTINUED)

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	10.03%	10.43%
Health Care Cost Inflation Rate	6.80%	6.50%
Net Effective Discount Rate (Health Care Cost Inflation)	3.02%	3.69%
Maximum Subsidy Inflation Rate	4.73%	4.50%
Net Discount Rate for Capped Subsidies (Maximum Subsidy Inflation)	5.07%	5.67%

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 10.03% per annum has been used. The corresponding index-linked yield at this term is 4.02%. 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 2021.

#### 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 19 July 2021.

#### v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

#### Sensitivity Analysis - Liability at year-end

Assumption	Eligible Employees (R)	Continuation members (R)	Total liability (R)	% change
Liability	24 139 000	18 520 000	42 659 000	
Health care inflation rate ( + 1% )	26 267 000	19 151 000	45 418 000	6%
Health care inflation rate ( - 1% )	21 284 000	17 713 000	38 997 000	-9%
Discount rate ( + 1% )	20 169 000	17 096 000	37 265 000	-13%
Discount rate ( - 1% )	29 248 000	20 170 000	49 418 000	16%
Post-employment mortality ( + 1 year )	23 572 000	17 932 000	41 504 000	-3%
Post-employment mortality ( - 1 year )	24 693 000	19 104 000	43 797 000	3%
Average retirement age ( - 1 year )	26 637 000	18 520 000	45 157 000	6%
Continuation of membership at retirement ( - 10% )	18 562 000	18 520 000	37 082 000	-13%



# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 20 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis - Future Service and Interest Cost

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2021/22	2 196 000	4 199 000	6 395 000	
Health care inflation ( + 1% )	2 395 000	4 475 000	6 870 000	7%
Health care inflation ( - 1% )	1 917 000	3 832 000	5 749 000	-10%
Discount rate ( + 1% )	1 820 000	4 023 000	5 843 000	-9%
Discount rate ( - 1% )	2 681 000	4 390 000	7 071 000	11%
Post-employment mortality ( + 1 year )	2 143 000	4 083 000	6 226 000	-3%
Post-employment mortality ( - 1 year )	2 244 000	4 313 000	6 557 000	3%
Average retirement age ( - 1 year )	2 351 000	4 449 000	6 800 000	6%
Continuation of membership at retirement ( - 10% )	1 677 000	3 640 000	5 317 000	-17%

### 20.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	10 429 000	9 684 129
Contribution during the year	1 757 000	1 748 687
Current Service Cost	981 000	973 072
Interest Cost	776 000	775 615
Payments made	(870 973)	(767 145)
Actuarial Loss/(Gain)	(76 027)	(236 671)
Total balance at year-end	<b>11 239 000</b>	<b>10 429 000</b>
Less: Current portion	(1 043 000)	(870 000)
<b>Total</b>	<b>10 196 000</b>	<b>9 559 000</b>

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards	638	634
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#### The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	Unfunded Liability R
30 June 2021	11 239 000
30 June 2020	10 429 000
30 June 2019	9 684 129
30 June 2018	7 194 517
30 June 2017	6 696 850

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 2021	110 973	-
30 June 2020	405 329	-
30 June 2019	142 031	-
30 June 2018	482 659	-
30 June 2017	218 446	-



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### 20 EMPLOYEE BENEFITS (CONTINUED)

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

Discount rate	9.62%	7.76%
General earnings inflation rate (long-term)	5.91%	4.24%
Net discount rate	3.50%	3.38%

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 9.62% 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 4.01%. 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 2021.

#### ii) Last Valuation

The last valuation was performed on 19 July 2021.

#### 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%)	11 239 000	12 038 000	7%
General earnings inflation rate ( - 1%)	11 239 000	10 520 000	-6%
Discount rate ( + 1%)	11 239 000	10 506 000	-7%
Discount rate ( - 1%)	11 239 000	12 068 000	7%
Average retirement age ( + 2 years )	11 239 000	12 700 000	13%
Average retirement age ( - 2 years )	11 239 000	9 979 000	-11%
Withdrawal rates ( x 2 )	11 239 000	8 776 000	-22%
Withdrawal rates ( x 0.5 )	11 239 000	12 981 000	15%

#### 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 2021/22	1 044 000	1 032 000	2 076 000	
General earnings inflation rate ( + 1%)	1 137 000	1 109 000	2 246 000	8%
General earnings inflation rate ( - 1%)	962 000	963 000	1 925 000	-7%
Discount rate ( + 1%)	970 000	1 062 000	2 032 000	-2%
Discount rate ( - 1%)	1 129 000	996 000	2 125 000	2%
Average retirement age ( + 2 years )	1 161 000	1 173 000	2 334 000	12%
Average retirement age ( - 2 years )	945 000	911 000	1 856 000	-11%
Withdrawal rates ( x 2 )	739 000	795 000	1 534 000	-26%
Withdrawal rates ( x 0.5 )	1 278 000	1 200 000	2 478 000	19%





# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 20 EMPLOYEE BENEFITS (CONTINUED)

#### 20.3 Other Pension Benefits

##### Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	110 037	101 136
---	---------	---------

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2020 revealed that the fund is in a sound financial position with a funding level of 100.0% (30 June 2019 - 100.7%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	21 146 679	19 623 845
--	------------	------------

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2020 revealed that the fund is in a sound financial position with a funding level of 100.5% (30 June 2019 - 100.3%).

<b>Total</b>	<b>21 256 716</b>	<b>19 724 980</b>
--------------	-------------------	-------------------

Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

##### Defined Contribution Plans

Council contributes to the following defined contribution plans:

Municipal Councillors Pension Fund	44 669	43 201
SALA Pension Fund	134 629	121 942
SAMWU National Provident Fund	2 410 239	2 322 136
IMATU Provident Fund	217 811	177 510

<b>Total</b>	<b>2 807 348</b>	<b>2 664 789</b>
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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.





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### 21 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	119 172 026	91 568 233
As previously reported		90 873 997
Correction of error restatement - note 48.5		694 235
Restated balance		91 568 233
The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:		
Opening Balance	91 568 233	91 357 118
Contribution during the year	27 603 793	211 115
Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset	20 566 775	(3 104 246)
Increase/(Decrease) in estimate allocated to Statement of Financial Performance	-	(3 313 512)
Interest Cost	7 037 019	6 628 872
<b>Total</b>	<b>119 172 026</b>	<b>91 568 233</b>

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life.

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate of 7.471% (2020 - 7.685%) which is based on the South African 5 year Government Bond yield.

The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions (m <sup>2</sup> )	Rehabilitation cost per m <sup>2</sup> (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Caledon	59 661	745	42 262 585	31 821 837
Genadendal	20 490	819	15 648 782	12 073 450
Greyton	16 978	838	13 011 487	10 097 539
Riversonderend	10 720	1 105	11 049 444	8 890 695
Villiersdorp	21 110	829	17 399 161	13 889 211
Botrivier	17 537	1 175	19 800 566	14 795 501
<b>Total</b>			<b>119 172 026</b>	<b>91 568 233</b>

The estimate cost, based on an average inflation rate of 5.36% (2020 - 5.51%), and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Caledon	2024	51 975 131	42 317 455
Genadendal	2025	20 137 245	16 234 998
Greyton	2026	17 994 415	14 621 489
Riversonderend	2025	14 218 702	11 955 192
Villiersdorp	2023	18 919 290	15 708 801
Botrivier	2023	22 869 684	17 156 949
<b>Total</b>		<b>146 114 467</b>	<b>117 994 885</b>

### 22 RESERVES

Capital Replacement Reserve	37 219 568	24 266 886
-----------------------------	------------	------------

The Capital Replacement Reserve is used to finance future capital expenditure from own funds.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### PROPERTY RATES

Rateable Land and Buildings	121 197 773	113 734 074
<b>Total</b>	<b>121 197 773</b>	<b>113 734 074</b>
As previously reported		114 143 250
Correction of error restatement - note 48.1		(409 176)
Restated balance		<b>113 734 074</b>

#### Property rate levied are based on the following rateable valuations:

Residential (including Residential Vacant)	6 486 581 369	6 544 443 969
Business and Commercial (Including vacant)	1 981 155 366	1 844 367 400
Industrial (Including vacant)	298 247 500	301 280 000
Mining	3 174 000	3 174 000
Public benefit Organizations	96 354 819	107 626 000
Public Service Infrastructure	51 552 500	51 543 500
Public Service Purposes (formerly included in State-owned)	567 046 000	547 618 500
Agricultural	15 829 001 391	15 913 078 218
<b>Total Valuation</b>	<b>25 313 112 945</b>	<b>25 313 131 587</b>

#### Rate that is applicable to the valuations above:

Residential (including Residential Vacant)	0.8970 c/R	0.8399 c/R
Business and Commercial (Including vacant)	1.7940 c/R	1.6798 c/R
Industrial (Including vacant)	1.7940 c/R	1.6798 c/R
Mining	1.7940 c/R	1.6798 c/R
Public benefit Organizations	0.2243 c/R	0.2100 c/R
Public Service Infrastructure	0.2243 c/R	0.2100 c/R
Public Service Purposes (formerly included in State-owned)	1.7940 c/R	1.6798 c/R
Agricultural	0.1796 c/R	0.1682 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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# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### GOVERNMENT GRANTS AND SUBSIDIES

#### Unconditional Grants - National Government

Equitable Share

118 783 000

95 587 000

118 783 000

95 587 000

#### Conditional Grants - National Government

35 436 502

34 970 884

Finance Management Grant (FMG)

1 702 037

1 697 963

Municipal Infrastructure Grant (MIG)

23 112 927

26 255 570

Expanded Public Works Programme (EPWP)

1 924 047

1 780 998

Integrated National Electrification Programme (INEP)

5 000 000

5 019 000

Public Works

-

145 581

Water and Sanitation

-

-

Municipal Disaster Relief Grant

150 229

71 772

Energy Efficiency & Demand Side Management Grant

3 547 263

-

Water Service Infrastructure Grant (WSIG)

-

-

#### Conditional Grants - Provincial Government

19 043 801

27 732 180

Housing

5 693 273

16 348 157

CDW Contribution

170 000

96 844

Thusong Multi Purpose Centre

150 000

-

Main Roads Subsidy

130 000

80 500

Financial Support Grant

153 399

300 435

Library Subsidy

9 250 757

8 148 459

Municipal Capacity Building Grant

1 330 919

1 845 785

Local Government Graduate Internship Allocation

-

-

Municipal Disaster Recovery (Water Supply Grant)

-

-

Sport and Recreation

238 066

-

Municipal Drought Relief (MDR)

1 874 786

112 000

Local Government Support Grant

-

800 000

Regional socio-economic projects (RSEP)

52 600

-

#### Conditional Grants - Other Grant Providers

342 047

936 147

DBSA Local Economic Development

-

565 893

SETA

342 047

370 254

SANRAL

-

-

Economic Development

-

-

#### Total

173 605 350

159 226 211

As previously reported

159 276 211

Change in accounting policy restatement - note 48.4

(50 000)

Restated balance

159 226 211

Disclosed as:

Government Grants and Subsidies - Operating

137 761 584

114 526 744

Government Grants and Subsidies - Capital

35 843 766

44 699 467

#### Total

173 605 350

159 226 211



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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### 24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

Grants per Vote (MFMA Sec 123 (c)):

Equitable share	118 783 000	95 587 000
Vote 1 - Budget and treasury office	-	7 322 147
Vote 1 - Directorate Finance	6 061 211	-
Vote 2 - Community and social services	-	8 148 459
Vote 3 - Corporate services	-	25 680 569
Vote 4 - Electricity	8 752 894	5 704 953
Vote 5 - Environmental protection	-	-
Vote 6 - Executive and council	-	96 844
Vote 6 - Office of the Municipal Manager	4 149	-
Vote 7 - Housing	-	16 493 738
Vote 8 - Planning and development	-	-
Vote 8 - Directorate Technical Services and Planning	27 925 838	-
Vote 9 - Public safety	-	-
Vote 10 - Road transport	-	80 500
Vote 11 - Sport and recreation	-	-
Vote 12 - Waste management	-	-
Vote 13 - Waste water management	-	-
Vote 14 - Water	1 874 786	112 000
Vote 15 - Directorate Development and Community Services	10 203 472	-

**Total**

**173 605 350**

**159 226 211**

The movements per grant can be summarised as follows:

#### 24.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received	118 783 000	95 587 000
Transferred to Revenue - Operating	(118 783 000)	(95 587 000)
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	2 037	-
Grants Received	1 700 000	1 700 000
Transferred to Revenue - Operating	(1 682 037)	(1 697 963)
Transferred to Revenue - Capital	(20 000)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	<b>2 037</b>

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	175 239	34 809
Grants Received	25 813 000	26 396 000
Transferred to Revenue - Operating	(3 550 205)	(3 892 144)
Transferred to Revenue - Capital	(19 562 722)	(22 363 426)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<b>2 875 312</b>	<b>175 239</b>

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

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### 24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 24.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	76 002	-
Grants Received	1 854 998	1 857 000
Transferred to Revenue - Operating	(1 924 047)	(1 780 998)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	6 953	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.

#### 24.05 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	-	-
Grants Received	5 000 000	5 019 000
Transferred to Revenue - Operating	(652 000)	(654 000)
Transferred to Revenue - Capital	(4 348 000)	(4 365 000)
Transfer to / (from) Receivables	-	-
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
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(145 581)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

This grant will be utilised for security in Grabouw.

#### 24.07 Water and Sanitation

Opening Unspent Balance	-	28 919 000
Grants Received	-	(28 919 000)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

This grant will be utilised for the development of water resources.

#### 24.08 Municipal Disaster Relief Grant

Opening Unspent Balance	166 228	-
Grants Received	(15 999)	238 000
Transferred to Revenue - Operating	-	(71 772)
Transferred to Revenue - Capital	(150 229)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	166 228

This grant was utilised to provide for the immediate release of funds for disaster purpose.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 24.09 Energy Efficiency & Demand Side Management Grant

Opening Unspent Balance	-	-
Grants Received	2 600 000	-
Transferred to Revenue - Operating	(469 000)	-
Transferred to Revenue - Capital	(3 078 263)	-
Transfer to / (from) Receivables	947 263	-
Closing Unspent Balance	-	-
Grant was utilised for the purchase and installation of street lights.		

#### 24.10 Water Service Infrastructure Grant (WSIG)

Opening Unspent Balance	-	-
Grants Received	2 500 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	2 500 000	-
Grant will be utilised for the replacement of water pipes.		

#### 24.11 Housing

Opening Unspent Balance	-	-
Grants Received	5 971 271	16 348 157
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(5 693 273)	(16 348 157)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	277 998	-
Housing grants was utilised for the development of erven and infrastructure.		

#### 24.12 CDW Contribution

Opening Unspent Balance	163 156	-
Grants received	112 000	260 000
Transferred to Revenue - Operating	(170 000)	(96 844)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	105 156	163 156
The CDW Contribution was used to finance the activities of Community Development Workers.		

#### 24.13 Thusong Multi Purpose Centre

Opening Unspent Balance	70 593	70 593
Grants received	150 000	-
Transferred to Revenue - Operating	(150 000)	-
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.		



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### 24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 24.14 Main Roads Subsidy

Opening Unspent Balance	88 611	55 111
Grants received	130 000	114 000
Transferred to Revenue - Operating	(130 000)	(80 500)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	88 611	88 611

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

#### 24.15 Financial Support Grant

Opening Unspent Balance	872 478	468 813
Grants received	-	704 100
Transferred to Revenue - Operating	(153 399)	(300 435)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	719 079	872 478

The grant is intended to be utilised for the improvement of financial governance.

#### 24.16 Library Subsidy

Opening Unspent Balance	1 648 224	462 683
Grants received	9 111 000	9 334 000
Transferred to Revenue - Operating	(9 044 496)	(8 123 109)
Transferred to Revenue - Capital	(206 261)	(25 350)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	1 508 467	1 648 224

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

#### 24.17 Municipal Capacity Building Grant

Opening Unspent Balance	1 892 367	1 170 139
Grants Received	300 000	2 568 013
Transferred to Revenue - Operating	(473 287)	(505 832)
Transferred to Revenue - Capital	(857 632)	(1 339 953)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	861 448	1 892 367

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.

#### 24.18 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.



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### 24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 24.19 Municipal 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.

#### 24.20 Sport and Recreation

Opening Unspent Balance	244 702	24 702
Grants Received	-	220 000
Transferred to Revenue - Operating	(238 066)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	6 636	244 702

This grant will be utilised for boreholes.

#### 24.21 Municipal Drought Relief (MDR)

Opening Unspent Balance	396 449	8 449
Grants Received	1 750 000	500 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(1 874 786)	(112 000)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	271 663	396 449

The grant will be utilised for boreholes.

#### 24.22 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.

#### 24.23 Regional socio-economic projects (RSEP)

Opening Unspent Balance	-	-
Grants Received	500 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(52 600)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	447 400	-

This grant is earmarked for the erection of fencing, security gates and installation of shutter doors at the trading market.





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### 24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 24.24 DBSA Local Economic Development

Opening Unspent Balance	226 477	141 593
Grants Received	-	650 777
Transferred to Revenue - Operating	-	(565 893)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	226 477	226 477

This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.

#### 24.25 SETA

Opening Unspent Balance	-	-
Grants Received	342 047	370 254
Transferred to Revenue - Operating	(342 047)	(370 254)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

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

#### 24.26 SANRAL

Opening Unspent Balance	173 950	173 950
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
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.

#### 24.27 Economic Development

Opening Unspent Balance	64 895	64 895
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	64 895	64 895

This grant will be utilised for local economic development.

#### 24.28 Total Grants

Opening Unspent Balance	6 850 833	32 329 743
Grants Received	176 601 317	133 747 301
Transferred to Revenue - Operating	(137 761 584)	(114 526 744)
Transferred to Revenue - Capital	(35 843 766)	(44 699 467)
Transfer to / (from) Receivables	947 263	-
Closing Unspent Balance	10 794 064	6 850 833



# THEEWATERSKLOOF LOCAL MUNICIPALITY

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<b>25 PUBLIC CONTRIBUTIONS AND DONATIONS</b>		
Hogeschool van Arnhem en Nijmegen (HAN)	495 127	804 176
<b>Total</b>	<b>495 127</b>	<b>804 176</b>
The movements per grant can be summarised as follows:		
<b>25.01 Hogeschool van Arnhem en Nijmegen (HAN)</b>		
Opening Unspent Balance	335 034	58 790
Grants Received	1 080 420	1 080 420
Transferred to Revenue - Operating	(495 127)	(804 176)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<b>920 327</b>	<b>335 034</b>
The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.		
<b>26 CONTRIBUTED ASSETS</b>		
Investment Property	-	5 150 000
Property, Plant and Equipment	15 198	1 553 322
<b>Total</b>	<b>15 198</b>	<b>6 703 322</b>
Contributed Assets consists out of the following:		
- 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
- Computer and Office Equipment	15 198	-
<b>Total</b>	<b>15 198</b>	<b>6 703 322</b>
The contributed assets were donated from the following parties:		
- Area-based community development organisations	-	6 103 206
- Suppliers	-	426 814
- Saldanha Bay Municipality	-	173 302
- Insurance company replaced the assets rather than paying a refund	15 198	-
<b>Total</b>	<b>15 198</b>	<b>6 703 322</b>
<b>27 FINES, PENALTIES AND FORFEITS</b>		
Traffic	12 302 900	24 012 050
Pound Fees	130 316	271 862
Unclaimed Money	1 488 385	168 272
Overdue Books	7 077	8 895
<b>Total</b>	<b>13 928 678</b>	<b>24 461 079</b>
In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.		



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	2021	2020
<b>28 ACTUARIAL GAINS</b>		
Post Retirement Medical Benefits	-	7 780 757
Long Service Awards	76 027	236 671
<b>Total</b>	<b>76 027</b>	<b>8 017 428</b>
The actuarial gains mainly originated as a result of a increase in the net discount rate being used by the actuaries to calculate the employee benefits.		
<b>29 OTHER INCOME (NON-EXCHANGE)</b>		
Landfill Sites - iGRAP 2 adjustments	-	3 313 512
Insurance Refund	412 387	315 380
<b>Total</b>	<b>412 387</b>	<b>3 628 891</b>
As previously reported		-
Correction of error restatement - note 49.4		(53 441)
Reclassification - note 49.1		3 366 953
Reclassification - note 49.2		315 380
Restated balance		<b>3 628 891</b>
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.		
<b>30 SERVICE CHARGES</b>		
Electricity	106 618 315	99 437 750
Water	85 443 545	81 552 656
Refuse Removal	49 409 061	46 176 866
Sewerage and Sanitation	49 290 204	43 783 096
<b>Total Revenue</b>	<b>290 761 125</b>	<b>270 950 368</b>
Less: Rebates	(37 284 055)	(31 856 044)
Electricity	(4 092 895)	(3 315 993)
Water	(8 387 616)	(6 927 439)
Refuse Removal	(13 137 842)	(11 473 274)
Sewerage and Sanitation	(11 665 701)	(10 139 338)
<b>Total</b>	<b>253 477 071</b>	<b>239 094 323</b>
Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.		
<b>31 RENTAL OF FACILITIES AND EQUIPMENT</b>		
Buildings and Commonage	2 013 447	1 784 163
Halls and Sportfields	46 938	151 120
<b>Total</b>	<b>2 060 385</b>	<b>1 935 283</b>



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	2021	2020
<b>32 AGENCY SERVICES</b>		
Drivers Licences	1 348 913	1 060 196
Duplicate Registration	102 729	69 432
Instructor Certificate	165	-
Learners	170 823	131 329
Roadworthy Applications	245 074	241 885
Roadworthy Certificates	48 325	46 659
Special Permits	26 256	26 544
Temporary Permits	39 072	30 492
Vehicle Licences	3 738 115	2 991 789
Vehicle Registration	1 564 442	1 146 924
<b>Total</b>	<b>7 283 913</b>	<b>5 745 249</b>
<p>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.</p> <p>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.</p>		
<b>33 LICENCES AND PERMITS</b>		
Trading	108 598	35 137
<b>Total</b>	<b>108 598</b>	<b>35 137</b>
<b>34 OTHER INCOME (EXCHANGE)</b>		
Building Plan Approval	1 217 993	1 492 309
Building Plans Clause Levy	106 063	117 811
Cemetery and Burial	779 536	603 808
Clearance Certificates	279 985	190 007
Collection Charges	1 028 849	209 892
Development Charges	826 505	444 361
Escort Fees	2 562	34 675
Photocopies and Faxes	43 061	58 280
Sub-division and Consolidation Fees	269 726	405 137
Sundry Income	342 344	168 507
Tender Documents	357 394	122 608
<b>Total</b>	<b>5 254 020</b>	<b>3 847 395</b>
As previously reported		7 214 348
Reclassification - note 49.1		(3 366 953)
Restated balance		<b>3 847 395</b>
<b>35 CONSTRUCTION CONTRACTS</b>		
Construction of Housing Top Structures	1 555 677	9 631 947
<b>Total</b>	<b>1 555 677</b>	<b>9 631 947</b>
<p>The Municipality has assessed that it acts as the Developer for the Department of Human Settlements for the construction of top structures.</p>		



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# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 35 CONSTRUCTION CONTRACTS (CONTINUED)

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	882 222	2 968 546
Payments / Advances received	673 455	7 545 623
Expenditure incurred / Revenue Recognised	(1 555 677)	(9 631 947)
Gross amount due to Department of Human Settlements	-	882 222

### 36 EMPLOYEE RELATED COSTS

Basic Salaries and Wages	139 939 992	130 388 537
Pension and UIF Contributions	25 107 649	23 720 321
Medical Aid Contributions	8 338 064	7 634 259
Overtime	8 087 326	8 275 778
Motor Vehicle Allowances	8 782 696	8 710 109
Cell Phone Allowances	724 961	606 576
Housing Allowances	1 833 628	1 646 825
Other benefits and allowances	8 090 811	7 135 454
Acting Allowances	1 308 457	1 096 492
Bargaining Council	80 240	74 951
Entertainment Allowances	-	1 000
Group Life Insurance	1 485 603	1 440 878
Standby Allowances	5 216 511	4 522 133
Contributions to Employee Benefits	15 699 730	18 526 213
Bonuses	11 214 993	11 061 461
Staff Leave	1 712 737	4 372 110
Long Service Awards	981 000	973 072
Post Retirement Medical Benefits	1 791 000	2 119 570
Workmen's Compensation	1 028 046	910 804
<b>Total</b>	<b>217 632 903</b>	<b>207 554 874</b>

#### Remuneration of Management Personnel

The previous Municipal Manager resigned on 31 March 2020, and the new Municipal Manager was appointed on 8 April 2021. The Municipal Manager's contract expires one year after the next Local Government Elections, 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.

#### Municipal Manager - DP Lubbe (Appointed 8 April 2021)

Annual Remuneration	248 417	-
Travelling Allowance	82 806	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
<b>Total</b>	<b>331 223</b>	<b>-</b>



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### 36 EMPLOYEE RELATED COSTS (CONTINUED)

#### Municipal Manager - GF Matthyse (resigned March 2020)

Annual Remuneration	-	1 422 852
Travelling Allowance	-	54 000
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	196 395
<b>Total</b>	-	<b>1 673 247</b>

#### Director: Financial Services - D Louw

Annual Remuneration	862 047	867 399
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical and Pension Funds	208 755	203 402
Performance Bonus	165 032	160 537
<b>Total</b>	<b>1 343 834</b>	<b>1 339 338</b>

#### Director: Operational Services - J Barnard (contract expired August 2019)

Annual Remuneration	-	349 635
Travelling Allowance	-	10 405
Contributions to UIF, Medical and Pension Funds	-	36 735
Performance Bonus	-	189 474
<b>Total</b>	-	<b>586 249</b>

#### Employees acting in management positions

The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are the acting allowances and additional benefits received for the period in which they acted in the respective positions.

Employee	Acting Position	Duration		
J Amansure	Municipal Manager	14 days	13 453	-
D Louw	Municipal Manager	194 days (2020 - 80 days)	205 142	84 220
A Riddles	Director: Finance Services	181 days (2020 - 63 days)	24 161	8 003
<b>Total</b>			<b>242 756</b>	<b>92 223</b>

### 37 REMUNERATION OF COUNCILLORS

Executive Mayor	931 874	932 268
Deputy Executive Mayor	754 326	757 812
Speaker	754 319	754 668
Mayoral Committee Members	3 526 814	3 567 568
Other Councillors	6 180 387	6 181 360
<b>Total</b>	<b>12 147 720</b>	<b>12 193 676</b>

#### 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.



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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	2021	2020
<b>38 DEBT IMPAIRMENT</b>		
Receivables from Exchange Transactions	46 425 221	42 030 519
Receivables from Non-Exchange Transactions	16 935 751	28 226 527
Long-term Receivables	1 518 821	1 849 898
<b>Total Debt Impairment</b>	<b>64 879 793</b>	<b>72 106 944</b>
Movement in VAT included in debt impairment	(2 062 720)	(3 059 594)
<b>Total</b>	<b>62 817 073</b>	<b>69 047 350</b>
As previously reported		69 438 813
Correction error restatement - note 48.1		(391 463)
Restated balance		<b>69 047 350</b>
<b>39 DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	22 165 350	22 275 792
Investment Property	113 222	71 121
Intangible Assets	129 240	129 644
<b>Total</b>	<b>22 407 813</b>	<b>22 476 557</b>
As previously reported		22 227 972
Correction of error restatement - note 48.3		22 621
Correction of error restatement - note 48.5		225 964
Restated balance		<b>22 476 557</b>
<b>40 IMPAIRMENT</b>		
Investment Property	2 868 308	-
Capitalised Restoration Cost	6 310 595	-
<b>Total</b>	<b>9 178 903</b>	<b>-</b>
Impairment on Investment Property relates to buildings which were vandalised.		
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.		
<b>41 ACTUARIAL LOSSES</b>		
Post Retirement Medical Benefits	3 681 140	-
<b>Total</b>	<b>3 681 140</b>	<b>-</b>
The actuarial loss mainly originated as a result of a decrease in the net discount rate being used by the actuaries to calculate the Post Retirements Medical Benefits.		



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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	2021	2020
<b>42 FINANCE CHARGES</b>		
<b>Cash</b>	9 826 576	8 999 864
Long-term Liabilities	9 826 576	8 999 864
<b>Non-cash</b>	11 419 019	11 002 007
Post Retirement Medical Benefits	3 606 000	3 597 520
Long Service Awards	776 000	775 615
Rehabilitation of Landfill Sites	7 037 019	6 628 872
<b>Total</b>	<b>21 245 594</b>	<b>20 001 871</b>
As previously reported		19 943 234
Correction of error restatement - note 48.5		58 637
Restated balance		<b>20 001 871</b>
<b>43 BULK PURCHASES</b>		
Electricity	75 568 546	69 359 356
Water	18 187 819	17 256 166
<b>Total</b>	<b>93 756 366</b>	<b>86 615 521</b>
Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including Department of Water and Sanitation, Overberg Water and a number of private suppliers.		
<b>44 CONTRACTED SERVICES</b>		
Alien Vegetation Control	582 933	195 347
Business and Financial Management	5 478 116	4 009 979
Clearing and Grass Cutting Services	260 378	147 513
Construction of Housing Top Structures	1 555 677	9 631 947
Copier Costs	192 608	292 634
Drivers Licence Cards	321 480	366 921
Electrical Contractors	1 258 609	1 271 890
Engineering - Civil	253 994	1 324 584
Fire Services	2 121 296	2 323 695
Legal Advice	1 881 608	698 812
Maintenance Services	16 577 299	12 871 937
Management of Informal Settlements	862 500	999 700
Refuse Haulage	2 333 858	3 020 881
Research and Advisory	572 986	278 661
Personnel and Labour	5 339 447	3 981 526
Security Services	489 585	675 045
Traffic Fines Management	162 908	1 075 326
Translators, Scribes and Editors	58 651	172 068
Valuation Services	49 906	282 579
Water Tests	465 805	731 287
Other Contracted Services	2 237 779	1 814 551
<b>Total</b>	<b>43 057 421</b>	<b>46 166 880</b>
As previously reported		35 846 342
Reclassification - note 49.3		10 320 538
Restated balance		<b>46 166 880</b>
Other Contracted Services consist out of a variety of services, including but not limited to animal care, catering services, human resources and audit committee.		



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	2021	2020
<b>45 TRANSFERS AND GRANTS</b>		
Indigent Subsidies - Electricity	3 223 774	3 276 387
Sport Councils	-	49 000
Mayoral Charity Fund	-	920 000
Local Economic Development	-	25 000
<b>Total</b>	<b>3 223 774</b>	<b>4 270 387</b>
<b>46 OTHER EXPENDITURE</b>		
Advertising, Publicity and Marketing	441 848	509 659
Audit Fees	3 990 968	4 172 072
Bank Charges	733 551	502 652
Commission Paid (Electricity)	1 984 651	1 766 243
Electricity - Eskom	10 053 115	8 290 931
Computer Services and Licences	7 196 237	5 863 342
Dumping fees (Karwyderskraal)	1 834 816	1 981 048
Fuel Cost	5 065 420	4 530 735
Full Time Union Representative	186 716	211 467
Hire Charges	2 505 583	2 143 263
Insurance	2 632 202	1 690 666
Maintenance Materials	8 284 140	6 482 362
Material and protective clothing	1 806 776	1 274 304
Membership fees	2 326 299	2 171 163
Postage	168 711	199 704
Printing and stationery	738 988	624 038
Refuse bags	591 648	592 255
Skills development levy	1 522 136	1 399 729
Telephone	747 234	788 926
Training	383 082	400 049
Travel and subsistence	276 055	402 075
Ward Committees	60 950	102 050
Water Purification	1 896 804	1 910 397
Sundries and Other Consumables	4 127 459	3 035 964
<b>Total</b>	<b>59 555 390</b>	<b>51 045 093</b>
As previously reported		61 365 631
Reclassification - note 49.3		(10 320 538)
Restated balance		51 045 093
<b>47 LOSS ON DISPOSAL OF NON-MONETARY ASSETS</b>		
Proceeds	816 669	313 052
Less: Carrying value of Investment Property disposed	(129 333)	(91 514)
Less: Carrying value of Property, Plant and Equipment disposed	(1 684 269)	(1 242 303)
<b>Total</b>	<b>(996 933)</b>	<b>(1 020 765)</b>

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### 48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

#### 48.1 Receivables from Non-Exchange Transactions

It was noted that property rates were incorrectly levied on properties in the Genadendal area amounting to R4 341 203. An allowance for doubtful debts was also raised in the prior years amounting to R4 289 899 on the said debtors, resulting in a net effect of R51 304 of which property rate debtors were overstated.

The net effect of the above-mentioned errors were as follow:

- Receivables from Non-Exchange Transactions - note 3	Overstated	(51 304)
- Property Rates - note 23	Overstated	(409 176)
- Debt Impairment - note 38	Overstated	(391 463)
- Accumulated Surplus - note 48.6	Overstated	(33 592)

#### 48.2 Taxes

During the current year the Municipality undertook a VAT recovery exercise. The said exercised revealed that Input VAT amounting to R1 352 608 was not claimed for on valid VAT invoices for financial periods ranging from 2016/17 to 2018/19.

The net effect of the above-mentioned errors were as follow:

- Taxes - note 5	Understated	1 352 609
- Accumulated Surplus - note 48.6	Understated	1 352 609

#### 48.3 Property, Plant and Equipment

It was noted during the physical verifications of assets that movable assets with a carrying value amounting to R434 780 were not recorded on the asset register.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 10	Understated	434 780
- Depreciation and Amortisation - note 39	Understated	22 621
- Accumulated Surplus - note 48.6	Understated	457 401

#### 48.4 Unspent Conditional Government Grants

The prior year grant income pertaining to the Capacity Building grant was overstated, due to a reversal of a grant expenditure, of which the grant income was never reversed.

The net effect of the above-mentioned errors were as follow:

- Unspent Conditional Government Grants - note 17	Understated	50 000
- Government Grants and Subsidies - Capital - note 24	Overstated	(50 000)



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### 48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

#### 48.5 Non-Current Provisions

The provision for rehabilitation of landfill-sites did not include post closure monitoring cost. Both the Caledon and Villiersdorp landfill sites are subject to post close water monitoring cost, of which the provision was calculated at R694 235.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 10	Understated	-
- Non-Current Provisions - note 21	Understated	694 235
- Other Income (Non-Exchange) - note 29	Overstated	(53 441)
- Depreciation and Amortisation - note 39	Understated	225 964
- Finance Charges - note 42	Understated	58 637
- Accumulated Surplus - note 48.6	Overstated	(356 193)

#### 48.6 Accumulated Surplus

The net effect of the above-mentioned errors were as follow on Accumulated Surplus:

- Receivables from Non-Exchange Transactions - note 48.1	(33 592)
- Taxes - note 48.2	1 352 609
- Property, Plant and Equipment - note 48.3	457 401
- Non-Current Provisions - note 48.5	(356 193)
Total	<u>1 420 225</u>

### 49 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS

#### 49.1 Landfill Sites - iGRAP 2 adjustments

This items was previously disclosed under Other Income (Exchange). However, this item is considered to be of a non-exchange nature and accordingly it was considered more appropriate to disclose this item as a non-exchange transaction.

The above mentioned reclassification effected the following line items:

- Other Income (Non-Exchange)	3 366 953
- Other Income (Exchange)	(3 366 953)

#### 49.2 Insurance Refund

This items was previously disclosed as a separate line item in the Statement of Financial Performance. As this item is not material in nature, it was considered more appropriate to disclose this item as part of Other Income (Non-Exchange).

The above mentioned reclassification effected the following line items:

- Other Income (Non-Exchange)	315 380
- Insurance Refunds (Removed from the face of the Statement of Financial Performance)	(315 380)

#### 49.3 Construction of Housing Top Structures and Management Fees

Construction of Housing Top Structures and Management Fees was previously disclosed as Other Expenditure. After an evaluation of the nature of the expenses associated with the item, it was considered more appropriate to disclose this items as part of Contracted Services.

The above mentioned reclassification effected the following line items:

- Contracted Services
- Other Expenditure

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### NET CASH FROM OPERATING ACTIVITIES

	2021	2020
Net Surplus for the year	50 185 204	80 316 334
Adjusted for:		
Non-cash revenue included in Net Surplus	(156 259)	(18 052 055)
Actuarial Gains	(76 027)	(8 017 428)
Contributed Assets	(15 198)	(6 703 322)
Rental of Facilities and Equipment - decrease in operating lease asset	(65 034)	(17 793)
Change in Provisions for Restoration of Landfill Site	-	(3 313 512)
Non-cash expenditure included in Net Surplus	126 883 416	122 628 835
Employee Related Costs - Contributions towards	16 382 536	19 082 156
Post Retirement Medical Benefits	1 791 000	2 119 570
Long Service Awards	981 000	973 072
Bonuses	11 236 970	10 582 774
Staff Leave	1 712 737	4 372 110
Performance Bonuses	(21 978)	478 687
Group Insurance	7 495	(59 275)
Overtime	675 311	615 218
Debt Impairment	62 817 073	69 047 350
Depreciation and Amortisation	22 407 813	22 476 557
Impairment	9 178 903	-
Actuarial Losses	3 681 140	-
Finance Charges	11 419 019	11 002 007
Post Retirement Medical Benefits	3 606 000	3 597 520
Long Service Awards	776 000	775 615
Provision for Rehabilitation of Landfill-sites	7 037 019	6 628 872
Loss on disposal of Non-Monetary Assets	996 933	1 020 765
Cash expenditure not included in Net Surplus	(15 352 396)	(14 363 098)
Post Retirement Medical Benefits	(1 711 124)	(1 566 767)
Long Service Awards	(870 973)	(767 145)
Bonuses	(10 870 639)	(9 999 722)
Staff Leave	(1 119 410)	(760 517)
Performance Bonuses	(165 032)	(546 406)
Pension	-	(10 469)
Overtime	(615 218)	(712 072)
Operating Surplus before changes in working capital	161 559 965	170 530 016
Movement in working capital	(63 503 197)	(85 320 739)
Long-term Receivables	(4 340 275)	(4 220 108)
Receivables from Exchange Transactions	(42 865 612)	(45 169 805)
Receivables from Non-Exchange Transactions	(15 198 353)	(29 411 581)
Taxes	2 474 176	1 303 326
Inventory	(3 730 416)	(684 653)
Payables from exchange transactions	(3 579 350)	18 064 748
Unspent Conditional Government Grants	3 943 230	(25 478 910)
Unspent Public Contributions	(206 597)	276 244
<b>Cash Flow from Operating Activities</b>	<b>98 056 768</b>	<b>85 209 278</b>



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### 51 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	116 550 486	93 110 932
Call and Notice Deposits	47 529 807	46 067 542
Cash Floats	9 699	10 150
<b>Total</b>	<b>164 089 992</b>	<b>139 188 624</b>

Refer to note 2 for more details relating to cash and cash equivalents.

### 52 BUDGET COMPARISONS

#### 52.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats. The following items are affected by these classification differences:

##### Statement of Financial Position

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

##### Statement of Financial Performance

The statement of financial performance is comparable on a line by line basis except for the following items:

The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement.

Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance.

The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement.

Other Materials is required to be separately budgeted. However this line item is not GRAP compliant as it does not disclose the nature of the expenditure. Accordingly Other Materials should be read in conjunction with Other Expenditure.

##### Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis.

#### 52.2 Statement of Financial Position

##### Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2019/20.

Accumulated Surplus was adjusted to take into account budget adjustments made to the Statement of Financial Performance.

##### Actual Amounts vs Final Budget

Cash and Call Investment Deposits	Actuals were more than budget due to underspending of operating and capital budget.
Consumer debtors	Actuals were less than budget due to higher collection rate of debtors than anticipated



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### BUDGET COMPARISONS (CONTINUED)

Property, plant and equipment	Actuals were less than budget due to underspending of capital budget.
Trade and other payables	Actuals were less than budget due to underspending of capital and operating budget resulting in less outstanding creditors at year-end.
Borrowing	Actuals were less than budget as not all loans were taken up at year-end.
Provisions and Employee Benefits	Actuals were more than budget due to significant increase in provision for the rehabilitation of landfill sites which could not be budgeted for.
Accumulated Surplus	Accumulated Surplus was more than budget as a result of variances as noted under the budget comparison of the Statement of Financial Performance.

### 52.3 Statement of Financial Performance

#### Adjustments to Original Budget

Interest Earned - Outstanding Debtors	Decreased due to Council which took a decision not to levy any interest for a portion of the year due to the national state of disaster.
Fines, Penalties and Forfeits	Decreased as contract with current service provider ended, resulting that no speeding fines were issued by the service provider for the year under review.
Transfers Recognised - Operational	Increased due to an increase in the Equitable Share (R15 million) which is to be utilised for the loss of income as a result of the implementation of national lockdown levels. Additional increase due to reallocation of Housing grants from capital to operating (R9 million).
Debt Impairment	Decreased as a result in the decrease traffic fine revenue as indicated above.
Other material	Housing topstructure expenditure was reallocated from Other Materials to Transfers and Grants.
Contracted Services	Increased due to additional allocations to project as a result of additional Equitable Share funding received.
Transfers and Grants	Increased due to increased Housing grant and reallocation of expenditure from Other Material as indicated above.

#### Actual Amounts vs Final Budget

Transfers Recognised - Operational	Actual is less than budget due to the treatment of the funding from the Department of Human Settlements for the PHP project. For budget purposes, revenue is budgeted as part of "Transfers recognised - Operational", but for GRAP purposes it is treated as an agent function and accordingly no revenue or expenditure is reflected in the Statement of Financial Performance.
Employee Related Costs	Actuals less than budget as municipal manager's post only filled for three months during the year, and two directors posts not filled at all during the year.
Debt Impairment	Actuals were more than budget, due to more traffic fines issued than anticipated, and therefore more impairment was calculated on the unpaid traffic fines.



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### BUDGET COMPARISONS (CONTINUED)

Depreciation and Asset Impairment	Impairment amounting to R9 million was not budgeted for. The largest component of the impairment relate to the landfill sites.
Other Material and Other Expenditure	Actuals less than budget due to the COVID-19 pandemic and the implementation of national lockdown levels, not all projects were concluded at year-end.
Contracted Services	Actuals less than budget due to the COVID-19 pandemic and the implementation of national lockdown levels, not all projects were concluded at year-end.
Transfers and Grants	Actuals less than budget due to treatment of expenditure pertaining to the PHP project as indicated above under "Transfers Recognised - Operational".
Transfers Recognised - Capital	Actuals less than budget due to underspending of capital grant funded projects, including the MIG and WSIG grant. In addition not all funding for Housing grant received.

### 52.4 Cash Flow Statement

#### Adjustments to Original Budget

Service charges	Decreased due to general decrease in service charges revenue as a result of the effect the national lockdown levels had on the economic environment.
Government Grants	Increased due to increase in Equitable Share as indicated above.
Interest	Decreased due to declining interest rates and decision by Council not to levy interest on outstanding balances as indicated above.

#### Actual Amounts vs Final Budget

Property rates, penalties & collection charges	Actuals more than budget due to higher debtor collection rate than anticipated.
Service charges	Actuals more than budget due to higher debtor collection rate than anticipated.
Government Grants	Actuals less than budget due to the treatment of the funding pertaining to the PHP project as indicated above under "Transfers Recognised - Operational". In addition, the full Housing grant allocation was not received.
Interest	Actuals less than budget as interest collected from debtors are included under Service Charges, while being budgeted for under Interest.
Suppliers and Employees	Actuals less than budget due to underspending of operating budget as well as treatment of the funding pertaining to the PHP project as indicated above under "Transfers Recognised - Operational".
Capital Assets	Actuals less than budget due to underspending of capital budget.
Borrowing long term/refinancing	Actuals less than budget as not all loans were taken up at 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	-	-
<b>Unauthorised expenditure awaiting further action</b>	<b>-</b>	<b>-</b>

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2021 (Actual) R	2021 (Final Budget) R	2021 (Unauthorised) R	2020 (Unauthorised) R
<b>Unauthorised expenditure - Operating</b>				
Vote 1 - Directorate Finance	62 155 203	63 995 258	-	-
Vote 4 - Electricity	95 215 109	95 227 189	-	-
Vote 6 - Office of the Municipal Manager	6 290 991	8 390 702	-	-
Vote 8 - Directorate Technical Services and Planning	31 201 579	60 510 497	-	-
Vote 12 - Waste management	56 586 142	56 593 061	-	-
Vote 13 - Waste water management	46 157 462	46 875 851	-	-
Vote 14 - Water	61 155 270	62 423 147	-	-
Vote 15 - Directorate Development and Community Servi	190 939 273	202 097 179	-	-
<b>Total</b>	<b>549 701 029</b>	<b>596 112 884</b>	<b>-</b>	<b>-</b>
<b>Unauthorised expenditure - Capital</b>				
Vote 1 - Directorate Finance	173 748	173 869	-	-
Vote 4 - Electricity	12 306 716	13 700 104	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	5 698 140	21 106 812	-	-
Vote 12 - Waste management	12 660 485	17 159 440	-	-
Vote 13 - Waste water management	26 306 673	36 235 170	-	-
Vote 14 - Water	9 114 351	17 271 180	-	-
Vote 15 - Directorate Development and Community Servi	19 354 511	29 261 525	-	-
<b>Total</b>	<b>85 614 625</b>	<b>134 908 100</b>	<b>-</b>	<b>-</b>

#### 53.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	13 800	-
Fruitless and wasteful expenditure incurred - current year	1 850	83 350
Fruitless and wasteful expenditure incurred - prior year	-	-
Approved by Council	(13 800)	(69 550)
<b>Fruitless and wasteful expenditure awaiting further action</b>	<b>1 850</b>	<b>13 800</b>

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
(c) DNA tests performed due to poor recordkeeping	1 850	-
<b>Total</b>	<b>1 850</b>	<b>83 350</b>



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### 53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Details of fruitless and wasteful expenditure awaiting further action:

(a) Interest on late payments	-	-
(b) Services not rendered due to cancellation of meeting	-	13 800
(c) DNA tests performed due to poor recordkeeping	1 850	
	<b>1 850</b>	<b>13 800</b>

#### 53.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	79 262 705	100 390 730
Opening balance correction - prior year error	54 763	33 033
Irregular expenditure incurred in the current year	4 422 448	939 415
Approved by Council	(81 049 845)	(22 100 473)
<b>Irregular expenditure awaiting further action</b>	<b>2 690 071</b>	<b>79 262 705</b>

Details of irregular expenditure incurred

(a) Non-compliance with Preferential Procurement Regulations 2017	200 413	-
(b) Deviations not considered to be impractical or exceptional circumstances	119 146	868 795
(c) 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
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	1 978 535	-
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	197 887	-
(f) Services rendered without a contract, order or quotation.	960 468	-
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	966 000	-
<b>Total</b>	<b>4 422 448</b>	<b>939 415</b>

Details of irregular expenditure awaiting further action:

(a) Non-compliance with Preferential Procurement Regulations 2017	200 412	-
(b) Deviations not considered to be impractical or exceptional circumstances	16 100	1 198 005
(c) 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
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	1 114 067	-
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	99 360	258 921
(f) Services rendered without a contract, order or quotation.	294 131	-
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	966 000	-
(h) Transacted with supplier in service of the state	-	18 004
<b>Total</b>	<b>2 690 071</b>	<b>79 262 705</b>



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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	2	-
(b) Deviations not considered to be impractical or exceptional circumstances	2	21
(c) 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
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	2	-
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	4	-
(f) Services rendered without a contract, order or quotation.	17	-
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	1	-

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	5 020 639	4 721 044
Kilo litres sold and free basic services	3 090 952	3 093 205
Kilo litres lost during distribution	1 929 687	1 627 839
Percentage lost during distribution	38.44%	34.48%

Normal pipe bursts and field leakages are responsible for water losses.

#### 54.2 Electricity distribution losses

Units purchased (Kwh)	62 386 291	62 369 833
Units sold, free basic services and standard friction losses	57 846 862	57 957 343
Units lost during distribution (Kwh)	4 539 429	4 412 490
Percentage lost during distribution	7.28%	7.07%

### 55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

#### 55.1 SALGA Contributions [MFMA 125 (1)(b)]

Opening balance	(2 316 799)	(2 161 943)
Expenditure incurred	2 316 799	2 161 943
Payments	(2 370 736)	(2 316 799)
<b>Payments in advance</b>	<b>(2 370 736)</b>	<b>(2 316 799)</b>

#### 55.2 Audit Fees [MFMA 125 (1)(c)]

Opening balance	-	-
Expenditure incurred	3 990 968	3 973 257
External Audit - Auditor-General	3 990 968	3 973 257
Payments	(3 990 968)	(3 973 257)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>



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### 55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 55.3 VAT [MFMA 125 (1)(c)]

Opening balance	2 910 505	2 218 057
Net amount claimed/(declared) during the year	3 369 642	(1 335 650)
Net amount paid/(received) during the year	(3 842 736)	2 028 099
<b>Outstanding Balance Receivable/(Payable)</b>	<b>2 437 411</b>	<b>2 910 505</b>

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	32 650 694	30 683 203
Payments	(32 650 694)	(30 683 203)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>

#### 55.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	53 970 159	50 173 540
Payments made to pension and medical fund	(53 970 159)	(50 173 540)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>

#### 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	3 481 981	4 014 145
Section 36(1)(a)(ii) - Single provider	316 473	270 796
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	9 024 613	14 548 171
<b>Total</b>	<b>12 823 067</b>	<b>18 833 112</b>

Deviations from Supply Chain Management Regulations can be allocated as follow:

MM Office	-	359 620
Financial Services	1 062 836	654 618
Development Services and Community Services	10 360 341	13 424 742
Technical Services and Planning	1 399 890	4 394 132
<b>Total</b>	<b>12 823 067</b>	<b>18 833 112</b>

Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:

Less than R30 000	3 000 679	3 613 016
Between R30 001 and R200 000	6 442 664	6 143 556
Between R200 001 and R2 000 000	3 379 724	5 989 559
More than R2 000 001	-	3 086 981
<b>Total</b>	<b>12 823 067</b>	<b>18 833 112</b>



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### 56 CAPITAL COMMITMENTS

Approved and contracted for

67 389 594

41 299 286

Infrastructure

63 608 724

40 268 279

Transport assets

3 780 870

1 031 007

This expenditure will be financed from:

External Loans

47 290 310

13 151 887

Government Grants

18 263 662

24 963 312

Own Resources

1 835 622

3 184 086

**Total**

**67 389 594**

**41 299 286**

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

164 080 293

139 178 474

Receivables from exchange transactions

33 833 736

36 998 401

Long-term Receivables

5 193 166

2 371 711

Non-current Investments

11 888 169

10 905 675

**Total**

**214 995 364**

**189 454 261**

#### 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 past 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 past due.

Also refer to note 7 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	1 114 609	2 180 831
Water	2 241 948	3 774 201
Refuse	1 508 446	2 714 231
Sewerage	1 338 574	1 942 935
Interest	779 410	672 086
Other	247 736	168 142
<b>Total</b>	<b>7 230 722</b>	<b>11 452 426</b>

Past due receivables are aged as follow:

1 to 3 months overdue	4 186 744	7 425 553
4 months to 1 year overdue	1 758 530	2 749 771
1 year overdue	1 285 448	1 277 102
<b>Total</b>	<b>7 230 722</b>	<b>11 452 426</b>

#### 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)	164 080 293	139 178 474
Long-term Liabilities (including current portion)	-	-
<b>Net balance exposed</b>	<b>164 080 293</b>	<b>139 178 474</b>

Potential effect of changes in interest rates on surplus and deficit for the year:

0.5% (2020 - 0.5%) increase in interest rates	820 401	695 892
0.5% (2020 - 0.5%) decrease in interest rates	(820 401)	(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
<b>30 JUNE 2021</b>				
Annuity Loans	17 063 524	60 830 492	36 836 096	114 730 112
Stock Loans	3 053 418	10 572 928	9 256 560	22 882 906
Payables from exchange transactions	62 707 759	-	-	62 707 759
<b>Total</b>	<b>82 824 701</b>	<b>71 403 420</b>	<b>46 092 656</b>	<b>200 320 777</b>
<b>30 JUNE 2020</b>				
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
<b>Total</b>	<b>82 858 507</b>	<b>62 716 542</b>	<b>45 727 274</b>	<b>191 302 323</b>

### 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	189 265	181 771
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### 58 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

#### Financial Assets

Cash and Cash Equivalents	164 080 293	139 178 474
Bank Accounts	116 550 486	93 110 932
Call Investment Deposits	47 529 807	46 067 542
Receivables from Exchange transactions	33 833 736	36 998 401
Electricity	7 990 027	7 877 722
Water	13 222 732	17 079 439
Refuse	3 670 591	4 597 017
Sewerage	7 316 291	5 970 682
Interest	860 511	672 130
Other	412 261	356 933
Accrued Interest	361 323	444 478
Long-term Receivables	5 193 166	2 371 711
Receivables with repayment arrangements	5 193 166	2 371 481
Individual Housing Loans	-	230
Non-current Investments	11 698 904	10 723 904
Fixed Deposits	11 698 904	10 723 904
<b>Total</b>	<b>214 806 099</b>	<b>189 272 490</b>

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### 58 FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial Liabilities

##### Payables from Exchange Transactions

Trade Payables

Retentions

Department of Human Settlements

Sundry Deposits

Accrued Interest

62 707 759

67 343 552

37 406 091

45 949 057

10 721 031

9 087 754

5 447 325

6 889 951

8 313 579

4 540 743

819 732

876 047

##### Long-Term Liabilities

Annuity Loans

Stock Loans

94 844 483

82 302 573

78 821 514

66 279 604

16 022 969

16 022 969

#### Total

157 552 242

149 646 125

The Municipality recognised the following financial instruments at fair value:

#### Financial Assets

##### Non-current Investments

Listed shares

189 265

181 771

### 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

Property Rates

Unpaid Traffic Fines

Taxes

#### Total

14 528 959

16 661 012

14 109 460

14 818 755

419 500

1 842 257

6 554 917

6 966 373

21 083 876

23 627 385

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 27 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
- Past due that have not been impaired

28 022 086

22 803 189

5 509 086

5 834 693





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### 60 PRINCIPAL-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principal-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 principal-agent arrangement:

Collections payable to the Department at beginning of year	61 665	199 175
Revenue collected from third parties	34 751 952	27 992 783
Commission earned on collections included in note 32	(5 458 360)	(4 268 018)
VAT on commission earned payable to the South African Revenue Services	(818 754)	(640 203)
Collections paid over to The Department	(27 937 427)	(23 222 072)
	<u>599 075</u>	<u>61 665</u>

#### 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 principal-agent arrangements:

Balance at beginning of year	6 007 730	13 374 542
Payments received from the Department	18 349 698	2 500 000
Expenditure incurred on behalf of the Department	(18 910 101)	(9 866 812)
Balance at year-end	<u>5 447 327</u>	<u>6 007 730</u>

### 61 EVENTS AFTER REPORTING DATE

The Municipality had no significant events after reporting date.

### 62 IN-KIND DONATIONS AND ASSISTANCE

Property, Plant and Equipment as per note 26 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.





# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

### 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 R471 446 (2020 - R2 569 715) in the fight against the COVID-19 pandemic of which R150 000 (2020 - 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 2020/21 to 2019/20 as follow:

Cash available for working capital requirement	110 299 596	100 644 918
Current Ratio (norm - at least 2:1)	1.88	1.76
Cash coverage ratio (norm - 3 months or more)	4.07	3.70
Creditors days (norm - 30 days or less)	48	66
Debtors collection rate (95% or more)	87%	84%

The result of the above-mentioned ratio's are favourable and has shown improvement when compared to the prior year. The results are therefore indicative that the economic environment is stabilising from the lockdown levels.

### 66 RELATED PARTIES

#### 66.1 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.

#### 66.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 36 and 37.

#### 66.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

Mr DP Lubbe	- Municipal Manager	14 835	-
Mr D Louw	- Director: Financial Services	76 750	86 309
<b>Total</b>		<b>91 585</b>	<b>86 309</b>

#### 66.4 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.



AUDITOR-GENERAL  
SOUTH AFRICA  
30 November 2021

Auditing to build public confidence

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 67 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	2021	2020
Tano'Vera	Owner Tania Bippert is the domestic partner of Nino Hendrick	TWK Manager IT	-	140 697
Finck Attorneys	Owner Ronald Finck is the spouse Gail Finck	TWK Senior Clerk Clearances	11 186	58 085
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius	TWK Chief Clerk	1 162 267	863 689
Marshall Armature Winding (M00017)	Owner Gert Koegelenberg is the spouse of Martie Koegelenberg	TWK Councillor	2 398	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	7 681 752	7 434 202
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)	380 769	876 733
Zutari (Pty) Ltd. (Aurecon SA - Professional Services)	Parent of R Mehlala and Son of G Saaiman	R Mehlala, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General	4 449 454	3 212 064
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.	623 517	543 175
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
NCC Environmental Services (Pty) Ltd	Director Linden Rhode is the spouse of Cahndre Rhode	Clerk at the City of Cape Town	2 530	-
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
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams	TWK Debtors Clerk	14 150	119 000

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 67 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2021	2020
Bergstan South Africa	Director Cobin Beukes is the spouse of Jacqueline Beukes	Social Worker	111 838	-
Greyton Repairs	Owner Riaan Groenewald is the spouse of Gail Groenewald	TWK Principle Clerk	800	6 360
Sydney Amanzi Management Solutions	Member Sydney Armoed is the father of Eslin Armoed	Knysna Municipality Supervisor	80 899	88 499
Conlog (Pty) Ltd	Director Logandhren Moodley is the spouse of Nirvasha Moodley	Department of Health Director	152 581	-
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	25 675	47 400
Bosman Smit Pretorius Inc	Owner Marriette Pretorius is the spouse of Gavin Brink	SAPS Police Officer	31 130	19 738
Shyzac 01 Security Solutions & Maintenance	Director Bjorn Africa is the second cousin of Annielle Martin	TWK - Senior Administrator	809 477	307 463
Neil Lyners and Associates	Director Neil Lyners is the brother of HG Lyners	Department of Transport and Public Works - Director	710 275	406 017
Kreesan Investments	Director Kreesan Subramoney is the son of Sivalingum Subramoney and the brother of Kubeshnie Subramoney	Sivalingum Subramoney, Deputy Director Correctional Services; Kubeshnie Subramoney, Warden	9 529	-
Red Ant Security Relocation and Eviction Services (Pty) Ltd	Director: Buti Lesiela is the spouse of Noxolo Lesiela, employee at Mogale City Local Municipality	Employee at Mogale City Local Municipality	991 875	847 205
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	377 142	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	19 585	174 092

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

### 67 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2021	2020
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
AmandlaGCF Construction CC	Wendell Frazenberg, Director of AmandlaGCF Construction CC, is the brother-in-law of John Jacobs who is employed at the National Government Employment & Labour Department. Wendell Frazenberg is the brother of Unita Frazenberg, Eben Frazenberg, Jaqueline Frazenberg and Bryan Frazenberg who is employed at the National Government Deeds office, Education Department, Education Department and City of Cape Town - Traffic Department.	Teachers and Traffic Department	12 694 994	-
JVZ Construction (Pty) Ltd.	Marisa Matthee, Director of JVZ Construction (Pty) Ltd., is the spouse of RE Matthee whom is employed at the Department of Correctional Services.	Security Officer	7 636 616	-
LIT Technics (Pty) Ltd.	Jan Petrus Barnard, Director of LIT Technics (Pty) Ltd., is the independent child of Jan Barnard who works at TWK Mun.	Dep. Dir. Community Services	19 550	-
Royal Haskoning DHV	Salani Sithole, Director of Royal Haskoning DHV, is the spouse of Tryphosa Sithole who is employed at the City of Johannesburg.	Associate Director	1 413 664	-
Abe Rewinds t/a Delta Rewinds	Abduragman Daniels, Director of Abe Rewinds t/a Delta Rewinds, is the independent child of Mischa Human who is employed by the City of Cape Town.	Clerk	54 270	-
Groenland Motor Truck & Bakkie	Mina Snyders, Director of Groenland Motor Truck & Bakkie, is the sister-in-law of Morrizlin Josephs and Cornelius Josephs who is employed at TWK Mun. and SAPD.	Traffic Officer and Police Officer	19 446	-
Renco Advisory Services	Renco Theunissen, Director of Renco Advisory Services. Ranver Theunissen is the brother of Renco, Inge Theunissen is the sister-in-law of Renco, Kassandra Theunissen is the sister of Renco, Kallie Papier is the uncle of Renco, Christolene Theunissen, Melanie Fisher and Daniel papier is the cousin of Renco.	Department of Health - Temp. Worker, Assistant Director, SCM Clerk. TWK Mun. - Deputy Mayor, Administrator - Income, Administrator, Operator	74 765	-
Element Consulting Engineers (Pty) Ltd.	P Rossouw, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of R Rossouw who is employed by the Education Department. M Shezi, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of E Shezi also employed by the Education Department.	Teachers	2 085 858	-
JLA Logistics (Pty) Ltd.	Janine Cupido, Director of JLA Logistics (Pty) Ltd., is the daughter of A Cupido who is employed at the Department of Correctional Services.	Warden	60 120	-
<b>Total</b>			<b>41 708 112</b>	<b>1 145 719</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

### 68 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Theewaterskloof municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Botrivier
- Caledon
- Genadendal
- Greyton
- Tesselaarsdal
- Villiersdorp

### 69 SEGMENT REPORTING

#### 69.1 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has 59 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance and Administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Tourism, Sportfields, Housing, Informal Settlements, Parks, Cemeteries, Halls and Cemeteries
3	Public Safety	Traffic control, animal control and pounds
4	Planning and Development	Town planning, local economic development and building control
5	Roads and Stormwater	Construction and maintenance of roads and storm water
6	Environmental Affairs	Disaster management, air pollution control and nature reserve
7	Electricity Services	Electricity Services
8	Water Services	Water Services
9	Sewerage Services	Sewerage Services
10	Refuse Services	Refuse Services

#### 69.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

#### 69.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. towns), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

#### 69.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

69

### SEGMENT REPORTING (CONTINUED)

#### 69.5 Specific Segment Reporting

2021

#### REVENUE

	Governance and Administration R	Community Services R	Public Safety R	Planning and Development R	Roads and Stormwater R	Environmental Affairs R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
<b>External Revenue from Non-Exchange Transactions</b>	<b>211 761 249</b>	<b>15 339 174</b>	<b>12 433 216</b>	<b>22 155 165</b>	<b>130 000</b>	<b>-</b>	<b>12 845 790</b>	<b>10 262 402</b>	<b>11 665 701</b>	<b>13 137 842</b>	<b>309 730 539</b>
Property Rates	121 197 773	-	-	-	-	-	-	-	-	-	121 197 773
Government Grants and Subsidies - Operating	87 906 124	9 432 563	-	2 539 843	130 000	-	4 561 895	8 387 616	11 665 701	13 137 842	137 761 584
Public Contributions and Donations	495 127	-	-	-	-	-	-	-	-	-	495 127
Government Grants and Subsidies - Capital	170 228	5 899 534	-	19 615 322	-	-	8 283 894	1 874 786	-	-	35 843 765
Contributed Assets	15 198	-	-	-	-	-	-	-	-	-	15 198
Other Income (Non-Exchange)	412 387	-	-	-	-	-	-	-	-	-	412 387
Fines, penalties and forfeits	1 488 385	7 077	12 433 216	-	-	-	-	-	-	-	13 928 678
Actuarial Gains	76 027	-	-	-	-	-	-	-	-	-	76 027
<b>External Revenue from Exchange Transactions</b>	<b>22 431 561</b>	<b>828 930</b>	<b>7 395 073</b>	<b>4 461 011</b>	<b>-</b>	<b>-</b>	<b>102 525 851</b>	<b>77 061 869</b>	<b>37 624 503</b>	<b>36 271 218</b>	<b>288 600 016</b>
Service Charges	-	-	-	-	-	-	102 525 420	77 055 929	37 624 503	36 271 218	253 477 071
Rental of Facilities and Equipment	-	1 732	-	2 058 653	-	-	-	-	-	-	2 060 385
Interest Earned - external investments	8 097 552	-	-	-	-	-	-	-	-	-	8 097 552
Interest Earned - outstanding debtors	12 318 478	-	-	-	-	-	-	-	-	-	12 318 478
Agency Services	-	-	7 283 913	-	-	-	-	-	-	-	7 283 913
Licences and Permits	-	-	108 598	-	-	-	-	-	-	-	108 598
Other Income (Exchange)	2 015 531	827 198	2 562	2 402 358	-	-	431	5 940	-	-	5 254 020
<b>Construction Contracts</b>	<b>-</b>	<b>1 555 677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 555 677</b>
<b>TOTAL REVENUE</b>	<b>234 192 810</b>	<b>17 723 781</b>	<b>19 828 289</b>	<b>26 616 176</b>	<b>130 000</b>	<b>-</b>	<b>115 371 640</b>	<b>87 324 271</b>	<b>49 290 204</b>	<b>49 409 061</b>	<b>599 886 232</b>

#### EXPENDITURE

Employee Related Costs	50 123 372	49 086 802	23 983 691	27 774 712	15 188 575	-	7 989 946	9 221 081	16 583 775	17 680 948	217 632 903
Remuneration of Councillors	12 147 720	-	-	-	-	-	-	-	-	-	12 147 720
Debt Impairment	14 361 292	-	12 360 158	-	-	-	(60 952)	13 801 747	10 942 690	11 412 138	62 817 073
Depreciation and Amortisation	3 833 741	802 812	-	113 228	4 593 671	-	2 638 417	5 142 020	4 588 863	695 060	22 407 813
Impairment	-	-	-	2 868 308	-	-	-	-	-	6 310 595	9 178 903
Actuarial Losses	-	3 681 140	-	-	-	-	-	-	-	-	3 681 140
Finance Charges	451 208	4 604 010	49 577	157 987	1 419 584	-	1 118 245	4 066 292	2 043 401	7 335 290	21 245 594
Bulk Purchases	-	-	-	-	-	-	75 568 546	18 187 819	-	-	93 756 366
Contracted Services	6 810 382	8 206 347	1 480 102	1 347 150	4 134 707	3 575 241	1 437 168	3 028 606	5 479 419	7 558 298	43 057 421
Transfers and Grants	-	-	-	-	-	-	3 223 774	-	-	-	3 223 774
Other Expenditure	21 385 434	4 554 529	1 451 325	3 346 153	5 452 914	244 238	3 299 965	7 707 703	6 519 314	5 593 814	59 555 390
Loss on disposal of Non-Monetary Assets	996 933	-	-	-	-	-	-	-	-	-	996 933
<b>Total Expenditure</b>	<b>110 110 084</b>	<b>70 935 640</b>	<b>39 324 853</b>	<b>35 607 538</b>	<b>30 789 452</b>	<b>3 819 479</b>	<b>95 215 109</b>	<b>61 155 270</b>	<b>46 157 462</b>	<b>56 586 142</b>	<b>549 701 029</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>124 082 726</b>	<b>(53 211 859)</b>	<b>(19 496 565)</b>	<b>(8 991 362)</b>	<b>(30 659 452)</b>	<b>(3 819 479)</b>	<b>20 156 531</b>	<b>26 169 001</b>	<b>3 132 742</b>	<b>(7 177 081)</b>	<b>50 185 203</b>
Less: Government Grants and Subsidies - Capital	(170 228)	(5 899 534)	-	(19 615 322)	-	-	(8 283 894)	(1 874 786)	-	-	(35 843 765)
Less: Contributed Assets	(15 198)	-	-	-	-	-	-	-	-	-	(15 198)
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>123 897 300</b>	<b>(59 111 393)</b>	<b>(19 496 565)</b>	<b>(28 606 684)</b>	<b>(30 659 452)</b>	<b>(3 819 479)</b>	<b>11 872 637</b>	<b>24 294 215</b>	<b>3 132 742</b>	<b>(7 177 081)</b>	<b>14 326 240</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>7 439 164</b>	<b>7 221 733</b>	<b>886 168</b>	<b>57 467</b>	<b>9 621 868</b>	<b>-</b>	<b>12 306 716</b>	<b>9 114 351</b>	<b>26 306 673</b>	<b>12 660 485</b>	<b>85 614 625</b>



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

69	SEGMENT REPORTING (CONTINUED)											
69.5	Specific Segment Reporting	Governance and Administration R	Community Services R	Public Safety R	Planning and Development R	Roads and Stormwater R	Environmental Affairs R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
	2020											
	REVENUE											
	External Revenue from Non-Exchange Transactions	201 262 852	24 650 117	24 283 912	25 311 292	80 500	-	9 020 946	7 039 439	10 139 338	14 786 786	316 575 182
	Property Rates	113 734 074	-	-	-	-	-	-	-	-	-	113 734 074
	Government Grants and Subsidies - Operating	71 520 201	8 123 109	-	2 946 891	80 500	-	3 315 993	6 927 439	10 139 338	11 473 274	114 526 745
	Public Contributions and Donations	804 176	-	-	-	-	-	-	-	-	-	804 176
	Government Grants and Subsidies - Capital	-	16 519 088	-	22 363 426	-	-	5 704 953	112 000	-	-	44 699 467
	Contributed Assets	6 703 322	-	-	-	-	-	-	-	-	-	6 703 322
	Other Income (Non-Exchange)	315 380	-	-	-	-	-	-	-	-	3 313 512	3 628 891
	Fines, penalties and forfeits	168 272	7 919	24 283 912	976	-	-	-	-	-	-	24 461 079
	Actuarial Gains	8 017 428	-	-	-	-	-	-	-	-	-	8 017 428
	External Revenue from Exchange Transactions	24 544 233	694 604	5 815 061	4 334 120	-	-	96 121 756	74 644 225	33 644 588	34 703 592	274 502 179
	Service Charges	-	-	-	-	-	-	96 121 756	74 625 217	33 643 759	34 703 592	239 094 323
	Rental of Facilities and Equipment	-	29 127	-	1 906 157	-	-	-	-	-	-	1 935 283
	Interest Earned - external investments	12 236 157	-	-	-	-	-	-	-	-	-	12 236 157
	Interest Earned - outstanding debtors	11 608 634	-	-	-	-	-	-	-	-	-	11 608 634
	Agency Services	-	-	5 745 249	-	-	-	-	-	-	-	5 745 249
	Licences and Permits	-	-	35 137	-	-	-	-	-	-	-	35 137
	Other Income (Exchange)	699 442	665 477	34 675	2 427 963	-	-	-	19 008	830	-	3 847 395
	Construction Contracts	-	9 631 947	-	-	-	-	-	-	-	-	9 631 947
	TOTAL REVENUE	225 807 085	34 976 668	30 098 973	29 645 412	80 500	-	105 142 702	81 683 664	43 783 926	49 490 377	600 709 307
	EXPENDITURE											
	Employee Related Costs	49 050 520	45 064 270	23 387 877	28 451 422	14 872 486	-1 420	7 362 696	10 911 072	12 902 058	15 553 893	207 554 874
	Remuneration of Councillors	12 193 676	-	-	-	-	-	-	-	-	-	12 193 676
	Debt Impairment	16 465 944	-	23 275 907	-	-	-	409 689	9 685 191	8 905 828	10 304 790	69 047 349
	Depreciation and Amortisation	1 399 448	746 567	-	93 742	4 408 418	-	896 059	7 653 200	4 385 345	2 893 771	22 476 551
	Finance Charges	25 216	4 477 015	58 272	189 583	1 292 298	-	1 064 808	4 143 187	1 900 388	6 851 105	20 001 871
	Bulk Purchases	-	-	-	-	-	-	69 359 356	17 256 166	-	-	86 615 521
	Contracted Services	4 582 247	14 785 133	1 839 463	2 176 333	2 649 570	3 843 523	1 387 588	3 694 877	4 811 447	6 396 699	46 166 880
	Transfers and Grants	920 000	49 000	-	25 000	-	-	3 276 387	-	-	-	4 270 387
	Other Expenditure	18 684 290	5 455 982	983 355	2 690 918	3 307 171	103 554	2 649 758	6 784 393	5 703 455	4 682 219	51 045 093
	Loss on disposal of Non-Monetary Assets	1 020 736	-	-	-	-	-	-	-	-	-	1 020 736
	Total Expenditure	104 342 076	70 577 967	49 544 873	33 626 998	26 529 943	3 945 658	86 406 340	60 128 084	38 608 521	46 682 477	520 392 936
	NET SURPLUS/(DEFICIT) FOR THE YEAR	121 465 009	(35 601 299)	(19 445 900)	(3 981 586)	(26 449 443)	(3 945 658)	18 736 363	21 555 580	5 175 405	2 807 901	80 316 371
	Less: Government Grants and Subsidies - Capital	-	(16 519 088)	-	(22 363 426)	-	-	(5 704 953)	(112 000)	-	-	(44 699 467)
	Less: Contributed Assets	(6 703 322)	-	-	-	-	-	-	-	-	-	(6 703 322)
	OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	114 761 687	(52 120 387)	(19 445 900)	(26 345 012)	(26 449 443)	(3 945 658)	13 031 410	21 443 580	5 175 405	2 807 901	28 913 582
	CAPITAL EXPENDITURE FOR THE YEAR	528 398	17 616 979	581 757	11 890 967	1 417 739	-	10 746 126	3 541 907	21 390 475	11 008 508	78 722 856

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2021

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2020	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2021
<b><u>ANNUITY LOANS</u></b>							
DBSA BANK - 10 & 20 year	Loan No. 102807/1	10.74%	30/06/2028	5 563 870	-	(492 289)	5 071 581
DBSA BANK - 10 & 20 year	Loan No. 103108/1	11.44%	30/09/2028	6 673 382	-	(500 333)	6 173 049
DBSA BANK - 20 year	103313.1	9.85%	31/03/2029	15 246 096	-	(1 119 004)	14 127 092
DBSA BANK - 15 year	103313.2	9.97%	31/03/2024	2 729 319	-	(586 274)	2 143 045
STANDARD BANK - 10 year	72479981	11.72%	31/07/2020	245 118	-	(245 118)	-
DBSA BANK - 20 year	103817/3	11.06%	31/12/2030	8 645 747	-	(469 196)	8 176 551
STANDARD BANK- 15 year	272400572	12.22%	30/06/2026	5 032 389	-	(611 030)	4 421 359
ABSA BANK - 15 year	40-7908-8994	10.79%	27/06/2027	7 738 505	-	(797 213)	6 941 292
ABSA BANK - 7 year	387230962	10.09%	21/06/2021	564 929	-	(564 929)	-
ABSA BANK - 10 year	387230963	10.63%	27/06/2024	4 352 892	-	(925 463)	3 427 429
ABSA - 5 year	3050777771	8.95%	30/06/2024	1 655 742	-	(360 334)	1 295 408
ABSA - 7 year	3050777789	9.19%	30/06/2026	2 216 295	-	(290 301)	1 925 994
ABSA - 10 year	3050777763	9.62%	30/06/2029	3 058 580	-	(224 795)	2 833 785
NEDBANK - 15 year	05/78310356050	10.45%	30/06/2034	2 556 740	-	(86 777)	2 469 963
STANDARD BANK - 4 year	000600694	6.63%	31/12/2024	-	7 200 000	(1 296 061)	5 903 939
STANDARD BANK - 10 year	000600703	8.26%	28/06/2030	-	5 262 869	(394 358)	4 868 511
STANDARD BANK - 15 year	000600712	9.76%	29/06/2035	-	6 631 476	(267 820)	6 363 656
ABSA - 7 year	3052887574	9.19%	30/06/2027	-	3 000 000	(321 140)	2 678 860
<b>Total Annuity Loans</b>				<b>66 279 604</b>	<b>22 094 345</b>	<b>(9 552 434)</b>	<b>78 821 514</b>
<b><u>STOCK LOANS</u></b>							
DBSA BANK - 15 year	1022754	9.39%	31/03/2022	1 553 169	-	-	1 553 169
DBSA BANK - 20 year	1022755	9.29%	31/03/2027	8 469 800	-	-	8 469 800
DBSA BANK - 20 year	1014871	9.46%	31/12/2024	6 000 000	-	-	6 000 000
<b>Total Stock Loans</b>				<b>16 022 969</b>	<b>-</b>	<b>-</b>	<b>16 022 969</b>
<b>Total Long-Term Liabilities</b>				<b>82 302 573</b>	<b>22 094 345</b>	<b>(9 552 434)</b>	<b>94 844 483</b>



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2021

	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
<b>NATIONAL GOVERNMENT</b>						
Equitable Share	-	118 783 000	(118 783 000)	-	-	-
Finance Management Grant (FMG)	2 037	1 700 000	(1 682 037)	(20 000)	-	-
Municipal Infrastructure Grant (MIG)	175 239	25 813 000	(3 550 205)	(19 562 722)	-	2 875 312
Expanded Public Works Programme (EPWP)	76 002	1 854 998	(1 924 047)	-	-	6 953
Integrated National Electrification Programme (INEP)	-	5 000 000	(652 000)	(4 348 000)	-	-
Public Works	-	-	-	-	-	-
Water and Sanitation	-	-	-	-	-	-
Municipal Disaster Relief Grant	166 228	(15 999)	-	(150 229)	-	-
Energy Efficiency & Demand Side Management Grant	-	2 600 000	(469 000)	(3 078 263)	947 263	-
Water Service Infrastructure Grant (WSIG)	-	2 500 000	-	-	-	2 500 000
<b>Total</b>	<b>419 506</b>	<b>158 235 000</b>	<b>(127 060 289)</b>	<b>(27 159 214)</b>	<b>947 263</b>	<b>5 382 265</b>
<b>PROVINCIAL GOVERNMENT</b>						
Housing	-	5 971 271	-	(5 693 273)	-	277 998
CDW Contribution	163 156	112 000	(170 000)	-	-	105 156
Thusong Multi Purpose Centre	70 593	150 000	(150 000)	-	-	70 593
Main Roads Subsidy	88 611	130 000	(130 000)	-	-	88 611
Financial Support Grant	872 478	-	(153 399)	-	-	719 079
Library Subsidy	1 648 224	9 111 000	(9 044 496)	(206 261)	-	1 508 467
Municipal Capacity Building Grant	1 892 367	300 000	(473 287)	(857 632)	-	861 448
Local Government Graduate Internship Allocation	20 000	-	-	-	-	20 000
Municipal Disaster Recovery (Water Supply Grant)	569 425	-	-	-	-	569 425
Sport and Recreation	244 702	-	(238 066)	-	-	6 636
Municipal Drought Relief (MDR)	396 449	1 750 000	-	(1 874 786)	-	271 663
Local Government Support Grant	-	-	-	-	-	-
Regional socio-economic projects (RSEP)	-	500 000	-	(52 600)	-	447 400
<b>Total</b>	<b>5 966 005</b>	<b>18 024 271</b>	<b>(10 359 249)</b>	<b>(8 684 552)</b>	<b>-</b>	<b>4 946 476</b>
<b>OTHER GRANT PROVIDERS</b>						
DBSA Local Economic Development	226 477	-	-	-	-	226 477
SETA	-	342 047	(342 047)	-	-	-
SANRAL	173 950	-	-	-	-	173 950
Economic Development	64 895	-	-	-	-	64 895
<b>Total</b>	<b>465 322</b>	<b>342 047</b>	<b>(342 047)</b>	<b>-</b>	<b>-</b>	<b>465 322</b>
<b>ALL SPHERES OF GOVERNMENT</b>	<b>6 850 833</b>	<b>176 601 317</b>	<b>(137 761 584)</b>	<b>(35 843 766)</b>	<b>947 263</b>	<b>10 794 063</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
<b>Financial Performance</b>						
Property rates	116 980 258	(826 000)	116 154 258	121 197 773	5 043 515	113 734 074
Service charges	250 327 679	(10 558 006)	239 769 673	253 477 071	13 707 398	239 094 323
Investment revenue	11 000 000	(4 400 000)	6 600 000	8 097 552	1 497 552	12 236 157
Transfers recognised - operational	140 365 217	25 911 307	166 276 524	137 761 584	(28 514 940)	114 526 744
Other own revenue	74 320 598	(37 130 813)	37 189 785	43 493 290	6 303 505	69 715 219
<b>Total Operating Revenue (excluding capital transfers)</b>	<b>592 993 752</b>	<b>(27 003 512)</b>	<b>565 990 240</b>	<b>564 027 269</b>	<b>(1 962 971)</b>	<b>549 306 518</b>
Employee costs	238 465 096	(2 572 827)	235 892 269	217 632 903	(18 259 366)	207 554 874
Remuneration of councillors	13 568 002	-	13 568 002	12 147 720	(1 420 282)	12 193 676
Debt impairment	79 577 394	(33 014 674)	46 562 720	62 817 073	16 254 353	69 047 350
Depreciation and asset impairment	23 751 702	3 400 000	27 151 702	31 586 715	4 435 013	22 476 557
Finance charges	20 929 590	-	20 929 590	21 245 594	316 004	20 001 871
Bulk purchases	99 883 639	(2 939 361)	96 944 278	93 756 366	(3 187 912)	86 615 521
Other materials	39 750 320	(13 879 663)	25 870 657	-	(25 870 657)	-
Contracted services	50 730 280	6 664 378	57 394 658	43 057 421	(14 337 237)	46 166 880
Transfers and subsidies	200 000	24 970 192	25 170 192	3 223 774	(21 946 418)	4 270 387
Other expenditure	46 880 210	(251 394)	46 628 816	63 236 530	16 607 714	51 045 093
Loss on Disposal of PPE	-	-	-	996 933	996 933	1 020 765
<b>Total Expenditure</b>	<b>613 736 233</b>	<b>(17 623 349)</b>	<b>596 112 884</b>	<b>549 701 029</b>	<b>(46 411 855)</b>	<b>520 392 973</b>
<b>Surplus/(Deficit)</b>	<b>(20 742 481)</b>	<b>(9 380 163)</b>	<b>(30 122 644)</b>	<b>14 326 240</b>	<b>44 448 884</b>	<b>28 913 545</b>
Transfers recognised - capital	64 412 974	(9 384 215)	55 028 759	35 843 766	(19 184 993)	44 699 467
Contributed Assets	-	-	-	15 198	15 198	6 703 322
<b>Surplus/(Deficit) for the year</b>	<b>43 670 493</b>	<b>(18 764 378)</b>	<b>24 906 115</b>	<b>50 185 204</b>	<b>25 279 089</b>	<b>80 316 334</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	<b>138 660 382</b>	<b>(3 752 282)</b>	<b>134 908 100</b>	<b>85 614 625</b>	<b>(49 293 475)</b>	<b>78 722 856</b>
Transfers recognised - capital	64 412 974	(9 384 215)	55 028 759	35 843 537	(19 185 222)	46 299 585
Borrowing	53 621 787	3 241 579	56 863 366	36 505 342	(20 358 024)	22 027 819
Internally generated funds	20 625 621	2 390 354	23 015 975	13 265 746	(9 750 229)	10 395 452
<b>Total sources of capital funds</b>	<b>138 660 382</b>	<b>(3 752 282)</b>	<b>134 908 100</b>	<b>85 614 625</b>	<b>(49 293 475)</b>	<b>78 722 856</b>
<b>Cash flows</b>						
Net cash from (used) operating	67 359 042	(9 055 419)	58 303 624	98 056 768	39 753 144	85 209 278
Net cash from (used) investing	(138 659 242)	4 752 142	(133 907 100)	(85 765 253)	48 141 847	(69 110 916)
Net cash from (used) financing	45 423 942	3 320 607	48 744 549	12 609 853	(36 134 696)	(7 849 887)
Net Cash Movement for the year	(25 876 257)	(982 670)	(26 858 927)	24 901 368	51 760 295	8 248 475
Cash/cash equivalents at beginning of year	113 816 536	25 372 089	139 188 624	139 188 624	-	130 940 149
<b>Cash/cash equivalents at the year end</b>	<b>87 940 278</b>	<b>24 389 419</b>	<b>112 329 697</b>	<b>164 089 992</b>	<b>51 760 295</b>	<b>139 188 624</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
<b>REVENUE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	1 097 500	439 277	1 536 777	741 154	(795 623)	901 021
Finance and administration	253 049 171	(5 348 625)	247 700 546	257 681 172	9 980 626	252 195 573
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	9 994 512	1 455 980	11 450 492	10 225 259	(1 225 233)	8 811 019
Sport and recreation	48 600	244 702	293 302	240 897	(52 405)	29 127
Public safety	36 967 240	(32 636 740)	4 330 500	12 544 376	8 213 876	24 353 724
Housing	44 141 000	3 177 930	47 318 930	7 248 950	(40 069 980)	26 125 685
<b>Economic and environmental services</b>						
Planning and development	3 065 400	(502 400)	2 563 000	2 395 336	(167 664)	2 366 741
Road transport	12 453 444	(4 004 484)	8 448 960	7 413 913	(1 035 047)	5 825 749
Environmental Protection	-	-	-	-	-	-
<b>Trading services</b>						
Energy sources	118 853 556	(2 534 015)	116 319 541	115 371 640	(947 901)	105 142 702
Water management	83 525 145	841 015	84 366 160	87 324 271	2 958 111	81 683 664
Waste water management	46 780 406	570 800	47 351 206	49 290 204	1 938 998	43 783 926
Waste management	47 430 752	1 908 833	49 339 585	49 409 061	69 476	49 490 377
<b>Other</b>	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>657 406 726</b>	<b>(36 387 727)</b>	<b>621 018 999</b>	<b>599 886 233</b>	<b>(21 132 766)</b>	<b>600 709 308</b>
<b>EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	21 130 864	(146 725)	20 984 139	18 409 675	(2 574 464)	24 362 412
Finance and administration	173 282 862	(5 947 425)	167 335 437	154 642 370	(12 693 067)	136 347 109
Internal audit	1 475 992	1 034 766	2 510 758	2 310 795	(199 963)	2 100 142
<b>Community and public safety</b>						
Community and social services	11 961 396	375 752	12 337 148	10 354 296	(1 982 852)	8 622 717
Sport and recreation	10 658 574	507 061	11 165 635	10 024 555	(1 141 080)	9 017 929
Public safety	56 344 225	(28 666 723)	27 677 502	33 293 311	5 615 809	47 750 737
Housing	26 366 828	10 329 702	36 696 530	10 678 007	(26 018 523)	18 189 167
<b>Economic and environmental services</b>						
Planning and development	11 935 895	474 810	12 410 705	11 092 531	(1 318 174)	10 518 301
Road transport	40 977 547	2 381 222	43 358 769	39 636 227	(3 722 542)	31 655 008
Environmental Protection	189 199	(32 000)	157 199	115 514	(41 685)	-
<b>Trading services</b>						
Energy sources	97 329 811	(2 102 622)	95 227 189	95 215 109	(12 080)	86 406 340
Water management	62 358 366	64 781	62 423 147	61 155 270	(1 267 877)	60 128 084
Waste water management	45 014 545	1 861 306	46 875 851	46 157 462	(718 389)	38 608 521
Waste management	54 152 315	2 440 746	56 593 061	56 586 142	(6 919)	46 682 477
<b>Other</b>	557 814	(198 000)	359 814	29 766	(330 048)	3 993
<b>Total Expenditure - Standard</b>	<b>613 736 233</b>	<b>(17 623 349)</b>	<b>596 112 884</b>	<b>549 701 030</b>	<b>(46 411 854)</b>	<b>520 392 937</b>
<b>Surplus/(Deficit) for the year</b>	<b>43 670 493</b>	<b>(18 764 378)</b>	<b>24 906 115</b>	<b>50 185 203</b>	<b>25 279 088</b>	<b>80 316 371</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Budget and treasury office	-	-	-	-	-	224 479 182
Vote 1 - Directorate Finance	225 830 197	(5 210 649)	220 619 548	233 051 448	12 431 900	-
Vote 2 - Community and social services	-	-	-	-	-	8 811 019
Vote 3 - Corporate services	-	-	-	-	-	27 716 391
Vote 4 - Electricity	118 853 556	(2 534 015)	116 319 541	115 371 640	(947 901)	105 142 702
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	-	-	-	-	-	901 021
Vote 6 - Office of the Municipal Manager	1 485 500	176 122	1 661 622	499 276	(1 162 346)	-
Vote 7 - Housing	-	-	-	-	-	26 125 685
Vote 8 - Directorate Technical Services and Planning	71 708 183	2 275 530	73 983 713	31 829 924	(42 153 789)	-
Vote 8 - Planning and development	-	-	-	-	-	2 366 741
Vote 9 - Public safety	-	-	-	-	-	24 353 724
Vote 10 - Road transport	-	-	-	-	-	5 825 749
Vote 11 - Sport and recreation	-	-	-	-	-	29 127
Vote 12 - Waste management	47 430 752	1 908 833	49 339 585	49 409 061	69 476	49 490 377
Vote 13 - Waste water management	46 780 406	570 800	47 351 206	49 290 204	1 938 998	43 783 926
Vote 14 - Water	83 525 145	841 015	84 366 160	87 324 271	2 958 111	81 683 664
Vote 15 - Directorate Development and Community Services	61 792 987	(34 415 363)	27 377 624	33 110 408	5 732 784	-
<b>Total Revenue by Vote</b>	<b>657 406 726</b>	<b>(36 387 727)</b>	<b>621 018 999</b>	<b>599 886 232</b>	<b>(21 132 767)</b>	<b>600 709 308</b>
<b>EXPENDITURE</b>						
Vote 1 - Budget and treasury office	-	-	-	-	-	59 286 422
Vote 1 - Directorate Finance	69 556 741	(5 561 483)	63 995 258	62 155 203	(1 840 055)	-
Vote 2 - Community and social services	-	-	-	-	-	8 129 985
Vote 3 - Corporate services	-	-	-	-	-	58 263 203
Vote 4 - Electricity	97 329 811	(2 102 622)	95 227 189	95 215 109	(12 080)	86 406 340
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	-	-	-	-	-	43 927 385
Vote 6 - Office of the Municipal Manager	7 781 506	609 196	8 390 702	6 290 991	(2 099 711)	-
Vote 7 - Housing	-	-	-	-	-	18 189 167
Vote 8 - Directorate Technical Services and Planning	52 581 322	7 929 175	60 510 497	31 201 579	(29 308 918)	-
Vote 8 - Planning and development	-	-	-	-	-	12 347 679
Vote 9 - Public safety	-	-	-	-	-	47 750 737
Vote 10 - Road transport	-	-	-	-	-	31 655 008
Vote 11 - Sport and recreation	-	-	-	-	-	9 017 929
Vote 12 - Waste management	54 152 315	2 440 746	56 593 061	56 586 142	(6 919)	46 682 477
Vote 13 - Waste water management	45 014 545	1 861 306	46 875 851	46 157 462	(718 389)	38 608 521
Vote 14 - Water	62 358 366	64 781	62 423 147	61 155 270	(1 267 877)	60 128 084
Vote 15 - Directorate Development and Community Services	224 961 627	(22 864 448)	202 097 179	190 939 273	(11 157 906)	-
<b>Total Expenditure by Vote</b>	<b>613 736 233</b>	<b>(17 623 349)</b>	<b>596 112 884</b>	<b>549 701 029</b>	<b>(46 411 855)</b>	<b>520 392 937</b>
<b>Surplus/(Deficit) for the year</b>	<b>43 670 493</b>	<b>(18 764 378)</b>	<b>24 906 115</b>	<b>50 185 203</b>	<b>25 279 088</b>	<b>80 316 371</b>

# THE WATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
Property rates	116 980 258	(826 000)	116 154 258	121 197 773	5 043 515	113 734 074
Service charges - electricity revenue	103 466 776	(1 017 225)	102 449 551	102 525 420	75 869	96 121 756
Service charges - water revenue	74 461 145	(2 354 647)	72 106 498	77 055 929	4 949 431	74 625 217
Service charges - sanitation revenue	36 099 006	(3 483 989)	32 615 017	37 624 503	5 009 486	33 643 759
Service charges - refuse revenue	36 300 752	(3 702 145)	32 598 607	36 271 218	3 672 611	34 703 592
Rental of facilities and equipment	2 150 000	(140 000)	2 010 000	2 060 385	50 385	1 935 283
Interest earned - external investments	11 000 000	(4 400 000)	6 600 000	8 097 552	1 497 552	12 236 157
Interest earned - outstanding debtors	21 200 000	(5 000 000)	16 200 000	12 318 478	(3 881 522)	11 608 634
Fines, penalties and forfeits	36 809 440	(32 547 440)	4 262 000	13 928 678	9 666 678	24 461 079
Licences and permits	64 500	(4 000)	60 500	108 598	48 098	35 137
Agency services	7 902 253	416 707	8 318 960	7 283 913	(1 035 047)	5 745 249
Transfers recognised - operating	140 365 217	25 911 307	166 276 524	137 761 584	(28 514 940)	114 526 744
Other revenue	6 193 405	(856 080)	5 337 325	7 793 238	2 455 913	25 929 837
Gains	1 000	1 000 000	1 001 000	-	(1 001 000)	-
<b>Total Revenue (excl capital transfers)</b>	<b>592 993 752</b>	<b>(27 003 512)</b>	<b>565 990 240</b>	<b>564 027 269</b>	<b>(1 962 971)</b>	<b>549 306 518</b>
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	238 465 096	(2 572 827)	235 892 269	217 632 903	(18 259 366)	207 554 874
Remuneration of councillors	13 568 002	-	13 568 002	12 147 720	(1 420 282)	12 193 676
Debt impairment	79 577 394	(33 014 674)	46 562 720	62 817 073	16 254 353	69 047 350
Depreciation & asset impairment	23 751 702	3 400 000	27 151 702	31 586 715	4 435 013	22 476 557
Finance charges	20 929 590	-	20 929 590	21 245 594	316 004	20 001 871
Bulk purchases	99 883 639	(2 939 361)	96 944 278	93 756 366	(3 187 912)	86 615 521
Other Materials	39 750 320	(13 879 663)	25 870 657	-	(25 870 657)	-
Contracted Services	50 730 280	6 664 378	57 394 658	43 057 421	(14 337 237)	46 166 880
Transfers and grants	200 000	24 970 192	25 170 192	3 223 774	(21 946 418)	4 270 387
Other expenditure	46 880 210	(251 394)	46 628 816	63 236 530	16 607 714	51 045 093
Loss on disposal of PPE	-	-	-	996 933	996 933	1 020 765
<b>Total Expenditure</b>	<b>613 736 233</b>	<b>(17 623 349)</b>	<b>596 112 884</b>	<b>549 701 029</b>	<b>(46 411 855)</b>	<b>520 392 973</b>
<b>Surplus/(Deficit)</b>	<b>(20 742 481)</b>	<b>(9 380 163)</b>	<b>(30 122 644)</b>	<b>14 326 240</b>	<b>44 448 884</b>	<b>28 913 545</b>
Transfers recognised - capital	64 412 974	(9 384 215)	55 028 759	35 843 766	(19 184 993)	44 699 467
Contributed Assets	-	-	-	15 198	15 198	6 703 322
<b>Surplus/(Deficit) for the year</b>	<b>43 670 493</b>	<b>(18 764 378)</b>	<b>24 906 115</b>	<b>50 185 204</b>	<b>25 279 089</b>	<b>80 316 334</b>



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 1 - Budget and treasury office	-	-	-	-	-	-
Vote 1 - Directorate Finance	-	-	-	-	-	-
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	7 958 246	(348 000)	7 610 246	6 606 976	(1 003 270)	7 507 011
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	-	-	-	-	-	-
Vote 8 - Planning and development	-	-	-	-	-	-
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	9 565 217	-	9 565 217	6 116 964	(3 448 253)	5 460 345
Vote 13 - Waste water management	22 785 407	(4 059 353)	18 726 054	16 267 990	(2 458 064)	13 963 036
Vote 14 - Water	1 842 414	-	1 842 414	1 845 164	2 750	690 450
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	-
<b>Total Multi-year expenditure</b>	<b>42 151 284</b>	<b>(4 407 353)</b>	<b>37 743 931</b>	<b>30 837 094</b>	<b>(6 906 837)</b>	<b>27 620 842</b>
<b>Single-year expenditure</b>						
Vote 1 - Budget and treasury office	-	-	-	-	-	78 418
Vote 1 - Directorate Finance	125 369	48 500	173 869	173 748	(121)	-
Vote 2 - Community and social services	-	-	-	-	-	28 554
Vote 3 - Corporate services	-	-	-	-	-	7 213 857
Vote 4 - Electricity	6 788 000	(698 142)	6 089 858	5 699 740	(390 118)	3 239 115
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	-	-	-	-	-	811 667
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	16 348 157
Vote 8 - Directorate Technical Services and Planning	26 498 250	(5 391 438)	21 106 812	5 698 140	(15 408 672)	-
Vote 8 - Planning and development	-	-	-	-	-	5 188 520
Vote 9 - Public safety	-	-	-	-	-	484 317
Vote 10 - Road transport	-	-	-	-	-	1 515 179
Vote 11 - Sport and recreation	-	-	-	-	-	367 170
Vote 12 - Waste management	7 210 219	384 004	7 594 223	6 543 522	(1 050 701)	5 548 163
Vote 13 - Waste water management	9 144 000	8 365 116	17 509 116	10 038 683	(7 470 433)	7 427 440
Vote 14 - Water	19 532 067	(4 103 301)	15 428 766	7 269 188	(8 159 578)	2 851 457
Vote 15 - Directorate Development and Community Services	27 211 193	2 050 332	29 261 525	19 354 511	(9 907 014)	-
<b>Total Single-year expenditure</b>	<b>96 509 098</b>	<b>655 071</b>	<b>97 164 169</b>	<b>54 777 532</b>	<b>(42 386 637)</b>	<b>51 102 015</b>
<b>Total Capital Expenditure by Vote</b>	<b>138 660 382</b>	<b>(3 752 282)</b>	<b>134 908 100</b>	<b>85 614 625</b>	<b>(49 293 475)</b>	<b>78 722 856</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	-	10 000	10 000	-	(10 000)	-
Finance and administration	8 063 209	5 202 353	13 265 562	8 503 320	(4 762 242)	13 292 463
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	120 000	925 000	1 045 000	206 261	(838 739)	28 554
Sport and recreation	100 000	-	100 000	99 999	(1)	367 170
Public safety	160 250	890 000	1 050 250	817 668	(232 582)	484 317
Housing	26 564 000	(4 953 175)	21 610 825	5 856 184	(15 754 641)	16 348 157
<b>Economic and environmental services</b>						
Planning and development	-	420 000	420 000	52 600	(367 400)	-
Road transport	18 827 353	(5 786 784)	13 040 569	9 690 368	(3 350 201)	1 515 179
Environmental Protection	-	-	-	-	-	-
<b>Trading services</b>						
Energy sources	14 746 246	(1 046 142)	13 700 104	12 306 716	(1 393 388)	10 746 126
Water management	21 374 481	(4 103 301)	17 271 180	9 114 351	(8 156 829)	3 541 907
Waste water management	31 929 407	4 305 763	36 235 170	26 306 673	(9 928 497)	21 390 475
Waste management	16 775 436	384 004	17 159 440	12 660 485	(4 498 955)	11 008 508
<b>Other</b>	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>138 660 382</b>	<b>(3 752 282)</b>	<b>134 908 100</b>	<b>85 614 625</b>	<b>(49 293 475)</b>	<b>78 722 856</b>
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>FUNDING SOURCES</b>						
National Government	31 632 783	(1 689 000)	29 943 783	27 158 985	(2 784 798)	28 375 959
Provincial Government	28 359 000	(3 274 024)	25 084 976	8 684 552	(16 400 424)	16 373 507
District Municipality	-	-	-	-	-	-
Other transfers and grants	4 421 191	(4 421 191)	-	-	-	1 550 118
<b>Transfers recognised - capital</b>	<b>64 412 974</b>	<b>(9 384 215)</b>	<b>55 028 759</b>	<b>35 843 537</b>	<b>(19 185 222)</b>	<b>46 299 585</b>
Borrowing	53 621 787	3 241 579	56 863 366	36 505 342	(20 358 024)	22 027 819
Internally generated funds	20 625 621	2 390 354	23 015 975	13 265 746	(9 750 229)	10 395 452
<b>Total Capital Funding</b>	<b>138 660 382</b>	<b>(3 752 282)</b>	<b>134 908 100</b>	<b>85 614 625</b>	<b>(49 293 475)</b>	<b>78 722 856</b>

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges	99 385 497	(818 155)	98 567 343	117 331 473	18 764 130	103 740 498
Service charges	212 676 406	(9 210 258)	203 466 149	218 111 562	14 645 413	201 304 272
Other revenue	20 157 290	(3 929 322)	16 227 969	23 394 638	7 166 670	28 928 190
Government - operating	140 365 217	22 720 769	163 085 986	140 757 552	(22 328 434)	89 047 834
Government - capital	64 412 974	(11 237 429)	53 175 545	35 843 766	(17 331 779)	44 699 467
Interest	29 011 351	(8 664 193)	20 347 158	8 097 552	(12 249 606)	12 236 157
<b>Payments</b>						
Suppliers and employees	(487 098 820)	2 083 168	(485 015 652)	(432 429 426)	52 586 226	(381 476 890)
Finance charges	(11 350 874)	-	(11 350 874)	(9 826 576)	1 524 298	(8 999 864)
Transfers and grants	(200 000)	-	(200 000)	(3 223 774)	(3 023 774)	(4 270 387)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>67 359 042</b>	<b>(9 055 419)</b>	<b>58 303 624</b>	<b>98 056 768</b>	<b>39 753 144</b>	<b>85 209 278</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	1 000	1 000 000	1 001 000	816 669	(184 331)	313 052
Decrease (increase) other non-current receivables	140	(140)	-	-	(982 494)	-
Decrease (increase) in non-current investments	-	-	-	(982 494)	-	2 595 567
<b>Payments</b>						
Capital assets	(138 660 382)	3 752 282	(134 908 100)	(85 599 427)	49 308 673	(72 019 535)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(138 659 242)</b>	<b>4 752 142</b>	<b>(133 907 100)</b>	<b>(85 765 253)</b>	<b>48 141 847</b>	<b>(69 110 916)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing	53 621 787	3 241 579	56 863 366	22 094 345	(34 769 021)	-
Increase (decrease) in consumer deposits	302 155	79 028	381 183	67 942	(313 241)	13 968
<b>Payments</b>						
Repayment of borrowing	(8 500 000)	-	(8 500 000)	(9 552 434)	(1 052 434)	(7 863 855)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>45 423 942</b>	<b>3 320 607</b>	<b>48 744 549</b>	<b>12 609 853</b>	<b>(36 134 696)</b>	<b>(7 849 887)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(25 876 257)</b>	<b>(982 670)</b>	<b>(26 858 927)</b>	<b>24 901 368</b>	<b>51 760 295</b>	<b>8 248 475</b>
Cash/cash equivalents at the year begin:	113 816 536	25 372 089	139 188 624	139 188 624	-	130 940 149
Cash/cash equivalents at the year end:	87 940 278	24 389 419	112 329 697	164 089 992	51 760 295	139 188 624