

OVERBERG DISTRICT MUNICIPALITY



DRAFT

ANNUAL REPORT 2022/23

*In terms of section 121 of the Municipal Finance Management Act
(Act 56 of 2003)*

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ACRONYMS

AEL	Atmospheric Emission Licence
AFS	Annual Financial Statements
AG	Auditor-General
ALD	Alderman
ANC	African National Congress
ASB	Accounting Standards Board
APAC	Audit and Performance Audit Committee
B-BBEE	Broad-Based Black Economic Empowerment
CDW	Community Development Worker
CFO	Chief Financial Officer
CLLR	Councillor
COMAF	Communication of Audit Finding
COSO	Committee of Sponsoring Organisations of the Treadway Commission
CommTech	Communications Technical
CPD	Continuing Professional Development
CRO	Chief Risk Officer
CSD	Central Supplier Database
CWP	Community Work Programme
DA	Democratic Alliance
DAPOTT	District Agri Parks Operational Task Team
DCAS	Department of Cultural Affairs and Sport
DCF	District Coordinating Forum
DCFtech	District Coordinating Forum – Technical
DEA&DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DFFE	Department of Forestry, Fisheries and Environment
DFRI	District Funding Research Initiative
DDM	District Development Model
DLG	Department of Local Government
DM	District Municipality
DMR	Digital Mobile Radio
DOCS	Department of Correctional Services
DoRA	Division of Revenue Act
DPW	Department of Public Works
DSD	Department Social Development
DTPW	Department of Transport and Public Works
DWS	Department of Water and Sanitation
ECD	Early Childhood Development
EHPs	Environmental Health Practitioners
EMS	Emergency Medical Services
EPIP	Environmental Protection and Infrastructure Programme
EPMDS	Employee Performance Management and Development System
EPWP	Expanded Public Works Programme
FTEs	Full-Time Equivalents
FARMCO	Fraud and Risk Management Committee
FPA	Fire Protection Association
GDPR	Gross Domestic Product Review
GRAP	Generally Recognised Accounting Practice
GBV	Gender-based Violence
HAZMAT	Hazardous materials

HPCSA	Health Professions Council of South Africa
ICLEI	International Council for Local Environmental Initiatives
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IIWG	IDP Indaba Working Group
IOM	International Organisation for Migration
IRMSA	Institute of Risk Management South Africa
ISO	International Organisation for Standardisation
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
JDA	Joint District Approach
JDMA	Joint District and Metro Approach
JOC	Joint Operational Centre
KPI	Key Performance Indicator
Km	Kilometre
Km ²	Square kilometre
LAB	Local Action for Biodiversity
LED	Local Economic Development
LG	Local Government
LG MTEC	Local Government Medium-term Expenditure Committee
LGSETA	Local Government Sector Education and Training Authority
LLF	Local Labour Forum
LM	Local Municipality
LTO	Local Tourism Offices
MCC	Municipal Coastal Committee
MEC	Member of the Executive Council
MERO	Municipal Economic Review and Outlook
MFIP	Municipal Financial Improvement Programme
MFMA	Local Government: Municipal Finance Management Act
MGRO	Municipal Governance Review and Outlook
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MSA	Local Government: Municipal System Act
mSCOA	Municipal Standard Chart of Accounts
MSR	Municipal Staff Regulation
MPAC	Municipal Public Accounts Committee
MTREF	Medium-term Budget and Expenditure Framework
MOU	Memorandum of Understanding
Munics	Municipalities
NAEIS	National Atmospheric Emission Inventory System
NEMA	National Environmental Management Act
NGOs	Non-governmental Organisations
NT	National Treasury
NFEPA	National Freshwater Ecosystem Priority Areas
ODM	Overberg District Municipality
OB	Original Budget
PAA	Public Audit Act
PACA	Participatory Appraisal of Competitive Advantage
PAEL	Provincial Atmospheric Emission Licence
PDOs	Predetermined Development Objectives
POPIA	Protection of Personal Information Act

PPE	Property, Plant and Equipment
PPP	Public-Private Partnership
PG	Page
PT	Provincial Treasury
Rep/PPCOMM	Representative Public Participation and Communication Forum
RED	Regional Economic Development
RRAMS	Rural Roads Asset Management System
RSC	Regional Services Council
RTO	Regional Tourism Office
t	Ton
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SANS	South African National Standard
SANDF	South African National Defence Force
SARS	South African Revenue Services
SAPS	South African Police Service
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDBIP	Service Delivery and Budget Implementation Plan
SG	Strategic Goal
SEP	Socio-economic Profile
SMMEs	Small, Micro and Medium Enterprises
SPLUMA	Spatial Planning and Land Use Management Act
TWK	Theewaterskloof
USAASA	Universal Service and Access Agency of South Africa
VAT	Value added tax
VFR	Visiting friends and relatives
WC	Western Cape
WCED	Western Cape Education Department
WCG	Western Cape Government
WCDIF	Western Cape District Integrated Forum
WESGRO	Western Cape Tourism, Trade and Investment Promotion Agency
WOs	Work Opportunities
WOSA	Whole of Society Approach
WTM	World Travel Market
YCOP	Young Civilians on Patrol

COMPONENT A: MAYOR’S FOREWORD



Alderman A Franken
ODM Executive Mayor

On behalf of the Overberg District Municipality, I hereby present the 2022/2023 Annual Report. This report reflects on the first year of the approved five-year Integrated Development Plan (IDP) and assisted the municipality to assess the performance against the target set through the IDP process.

Vision

Overberg – the opportunity gateway to Africa through sustainable services

Mission

To render sustainable, customer-directed services and to be the preferred provider of shared services within the Overberg.

Policy development

The strategic goals were formulated to achieve freedom, fairness and opportunity within the community and to direct an open opportunity society through diversity and delivery of the goals. The strategic goals were aligned with government objectives, national outcomes, the National Development Plan and the Western Cape Provincial Strategic Plan.

The five-year strategic goals (SGs) as adopted by Council for the period 2022/2023 – 2026/2027 are:

- **SG 1** – To ensure the wellbeing of all in the Overberg through the provision of **efficient basic services and infrastructure**.
- **SG 2** – To **promote regional economic development** by supporting initiatives in the district for the development of a sustainable district economy.
- **SG 3** – To ensure **municipal transformation and institutional development** by creating a staff structure that would adhere to the principles of employment equity and promote skills development.
- **SG 4** – To attain and maintain **financial viability** and sustainability by executing accounting services in accordance with national policy and guidelines.
- **SG 5** – To ensure **good governance practices** by providing a democratic and proactive, accountable government and ensuring **community participation** through intergovernmental relation structures.

The adopted performance and financial systems monitor the implementation of the strategic goals and budget. Key performance indicators and targets were assigned to each of the strategic goals. These indicators have been measured and monitored throughout the year and all relevant information was captured on an electronic performance management system. Continuous monitoring of performance and corrective measures resulted in the fulfilment of the municipality’s responsibilities during the reporting period, in accordance with its strategic goals and legislative mandate.

During 2022/2023 financial year the municipality faces many challenges caused by floods, increased fuel prices and the ongoing effect of loadshedding which impacted on the municipal operations and the economy of the Overberg district.

Key service delivery improvements

Despite these challenges, the municipality was able to deliver outstanding services to the community in an accountable, economical, effective, efficient and equitable manner. The municipality received an unqualified audit opinion from the Auditor-General. This achievement is the result of financial discipline, good governance and Council and administration stability.

Some of the key achievements during the year included:

- The management of Karwyderskraal Landfill facility remains of a very high standard and an audit outcome of 99.07% on the external compliance audit was received.
- The Municipal Health Services Department rolled out several community outreach programmes, which includes the promotion of health and hygiene at Early Child Development Centres’ and food safety training was provided to 287 food handlers’ within the Overberg region.

- Various social development programs were rolled out during the year, such as Child Protection Week Awareness sessions were held at various schools focusing on bullying, learner safety and self-defense practices, reaching 1816 learners.
- The implementation of 24-hour shift systems and the strengthening of human capacity and fleet in the Emergency Services Department contributed to successfully extinguishing major fires and an improvement of response time to incidents.

The municipality regarded the road network as a high priority, as it forms the lifeline of the economy in the district. The municipality is in the process of upgrading the Boontjieskraal road to a permanent surface in a phased approach, and 3692 km of proclaimed roads were maintained on an agency basis/function for the Western Cape Government Department of Infrastructure.

Public participation

Public participation is of utmost importance and the municipality utilises various opportunities and platforms for the community, the local municipalities and other stakeholders. Successful public participation events took place through various structures such as provincial and district IDP forums and intergovernmental relations structures. Social media and online platforms were optimally utilised for communication and to invite public representations. The IDP and Communication department ensure that the citizens and stakeholders are continuously informed on progress and activities of the municipality.

Agreements/partnerships

Partnerships were established and maintained during the year under review. Strategic partnerships exist with the Greater Overberg Fire Protection Association, Working on Fire, National Sea Rescue Institute, commercial agriculture, provincial departments and the private sector, e.g. fire stations. The municipality is an agent for the provincial Department of Infrastructure to perform the roads function in accordance with a memorandum of agreement.

Future action

The status of the economy has had an overwhelming effect on the municipality and the citizens of the Overberg. To address these challenges the municipality will focus on:-

- Service Delivery
- Financial Sustainability
- Economic growth
- Safety and security

The municipality, in collaboration with stakeholders, strives to address these focus areas by means of identified projects and programmes through supply chain management mechanisms, job creation programmes and to focus on service delivery to the benefit of the whole Overberg.

Conclusion

I would like to express my gratitude to the Executive Mayoral Committee and all the Councillors for their contribution and commitment towards realising ODM's vision and making a difference in the lives of all in the Overberg. I would like to thank the Municipal Manager with his management team and staff members for their support and commitment during the year.

Alderman A Franken

Executive Mayor

1.1 MUNICIPAL MANAGER'S OVERVIEW



Mr R Bosman
ODM Municipal Manager

It is a great pleasure and privilege to present the Overberg District Municipality's Annual Report on the first year of the approved five-year Integrated Development Plan (IDP) and assisted the municipality to assess the performance against the target set through the IDP process, as well as provincial and national strategic directives.

Reflecting on the 2022/2023 financial year, this report captures the considerable effort made by the Overberg District Municipality (ODM) to advance the efficiency and effectiveness of services rendered to its community and stakeholders.

The ODM continues to focus on efforts to strengthen governance structures through the review and adoption of policies, procedures, system improvements and the implementation of new policies. The ODM continuously reviews the organisational structure to improve its functionality and alignment to the municipality's strategy and the staff regulation to promote service delivery.

The municipality continues to conduct its meetings, as far as possible, on a virtual platform that contributes to cost savings. The impact of load shedding and the increased petrol price necessitated the municipality to reallocate funds to ensure that optimal service delivery took place. The ongoing interruptions in the supply of electricity by Eskom as well as floods experienced mainly in the last quarter of the financial year also places a burden on our citizens and the municipalities within the district. Grant funding was provided by the Provincial Department to the municipality as well as local municipality for the purchasing of generators to mitigate the effects of load shedding on municipalities' water networks. The Municipal Health Services Department has strived to render top-level services in fulfilling its responsibility of monitoring food safety in the district, which is impacted by the ongoing stages of load shedding. To keep the regional landfill site at a high standard, the municipality allocated an amount of R4.9 million toward the upgrading of the road infrastructure and a water back-up system for the Karwyderskraal landfill site. A construction company was appointed, and the projects will be completed in the second quarter of the 2023/2024 financial year.

Fire services and the regional landfill service are delivered to the local municipalities in the district in terms of a cooperative model.

The municipality is mainly dependent on government grants and support, with limited own funding resources. The total revenue received for the 2022/2023 financial year amounted to R269 million. The overall status of the financial health of the municipality continues to reflect positively. This is largely due to the cash balance at year-end, the net surplus, favorable liquidity and, solvency positions. Although the ODM managed to maintain its financial sustainability, it continues to experience financial constraints to deliver services to its full potential due to limited funding sources, as well as an increased demand for services.

Effective governance oversight continued to take place throughout the year. Both the Fraud and Risk Management Committee and the Audit and Performance Audit Committee meet quarterly.

During the year, formal corporate, strategic and departmental risk assessments were completed and measured to mitigate and manage all identified risks affecting the municipality. The municipality remains committed to accountable and ethical governance with zero tolerance towards fraud and corruption.

In closing, I wish to extend my sincere appreciation to the Executive Mayor, the Council, our local municipalities and all our officials and stakeholders for their support and commitment to the Overberg District Municipality.

Mr R Bosman
Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Overberg District Municipality (ODM), with head office in Bredasdorp, is classified as a Category C municipality and functions within a legislative framework. The municipality is situated in the south of the Western Cape and is bordered by the Indian and Atlantic oceans to the south, and Cape Town (Cape Metro), Cape Winelands District and Garden Route District to the west, north and east respectively. The district covers 12 239 km² and is well known for its coastline, southernmost tip of Africa and vast farmlands.

The Overberg district consists of four local municipalities (Category B municipalities), namely **Theewaterskloof, Overstrand, Cape Agulhas and Swellendam**.

Table 1: Municipalities within the Overberg District





Local Municipality	Logo/Coat of Arms
Cape Agulhas Municipality , with headquarters in Bredasdorp , includes the towns of Arniston (Waenhuiskrans), Struisbaai, L'Agulhas, Suiderstrand, Napier and Elim. Agricultural activities include wheat production, stock farming and small fishing communities. Cape Agulhas Municipality is the southernmost municipality in Africa. Its coastline is surrounded by the Atlantic and Indian oceans, which meet at the most southern town in Africa, namely L'Agulhas.	 KAAP AGULHAS MUNISIPALITEIT CAPE AGULHAS MUNICIPALITY U MASIPALA WASECAPE AGULHAS
Overstrand Municipality is headquartered in Hermanus and includes the town of Baardskeerdersbos, Pearly Beach, Franskraal, Kleinbaai, Gansbaai, De Kelders, Stanford, Sandbaai, Onrus, Vermont, Hawston, Kleinmond, Betty's Bay, Hangklip, Pringle Bay and Rooi Els. The area is mainly known as a tourism and holiday destination and for its small fishing communities.	Munisipaliteit • U-Masipala • Municipality OVERSTRAND 
Swellendam Municipality has its headquarters in Swellendam and includes the towns of Suurbraak, Buffeljagsrivier, Infanta and Barrydale. Agricultural activities include fruit, wheat, barley, youngberries, livestock, dairy farming, grapes for export and winemaking. Other sectors are retail and manufacturing, mining and quarrying. Swellendam is also known as a tourism destination.	
Theewaterskloof Municipality is based in Caledon and includes the towns of Genadendal, Grabouw, Villiersdorp, Greyton, Bot River and Riviersonderend. Agricultural activities include wheat production, stock farming and fruit production.	 Theewaterskloof Municipality

Figure 1: Map of the Overberg District

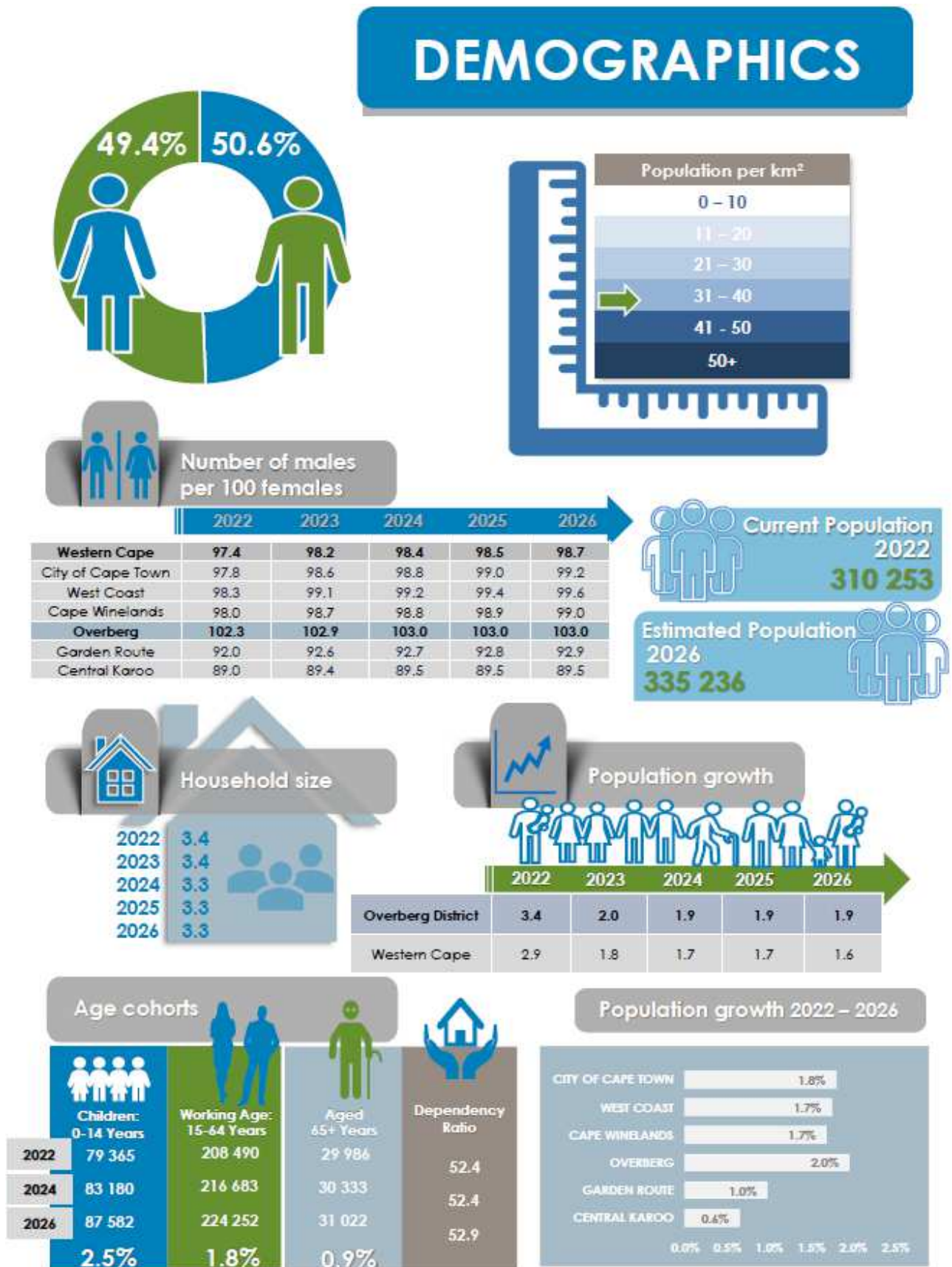


Figure 2: Infographic summary of the Overberg¹



¹ 2022 Socio-Economic Profile: Overberg District Municipality

Figure 3: Overberg district demographics²



² 2022 Socio-Economic Profile: Overberg District Municipality

POPULATION DYNAMICS³

Population

In 2022, the population of the Overberg district was estimated at 310 253 individuals who reside primarily in the Theewaterskloof (40%) and Overstrand (35%) municipal areas. The population growth estimated to 3.4% compared to the population growth rate of the Western Cape, which is 2.9%.

Gender ratio

The overall gender ratio depicts the number of males per 100 females in the population. The data indicate that there are more males (50,6%) than females (49,4%) in the region. The gender ratio for the 102.3, meaning that for every 100 women there are 102.3 men. The ratio increases slightly which could be attributed to various factors such as the potential inflow of working males to area or an increase in female mortality rates.

Age cohorts

Between 2022 and 2026, the largest growth (2.5%) is recorded in the 0-14 years age category, which present 26% of the population in 2022. The working age present 67% of the population and ages 65+ years 10%. A higher dependency ration implies greater pressure on social systems and the delivery on basic services.

Household

Household sizes refer to the number of people per household. The average size of households in the Overberg region is estimated to at 3,4 people per household. The number of households in the district currently stands at 83 394. Overstrand municipal area accounts for the largest share of the households, with Theewaterskloof the second largest.

The Theewaterskloof municipal area had the lowest percentage of indigent households, with 16.1%. Household is classified as indigent when the occupants of household earn a combined income of less than a certain amount as specified by each municipal area in an indigent policy. Approximately 21,2% of households in the Overberg District were classified as indigent households in 2021, which were 0.2% more than 2021.

Table 2: Indigent households⁴

Municipality	2019		2020		2021	
	Number	% of households	Number	% of households	Number	% of households
Theewaterskloof	6 706	19.4	5 435	15.4	5 792	16.1
Overstrand	7 630	25.8	7 595	25.2	7 278	23.9
Cape Agulhas	3 001	28.3	3 380	31.2	3 711	33.7
Swellendam	2 217	20.1	1 967	17.5	2 041	17.8
Overberg District	19 554	22.8	18 377	21.0	18 822	21.2

Population density

Factors affecting population density include economic, social, connectivity / location and accessibility factors. These figures improve responsiveness to rapid urbanization and assists municipalities with planning and budgeting for effective service delivery and combatting environmental risks. In 2022, the population density of the Overberg District area 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 65 people/km²
- Theewaterskloof 38 people/km²
- Cape Agulhas 10 people/km²
- Swellendam 10 people/km²

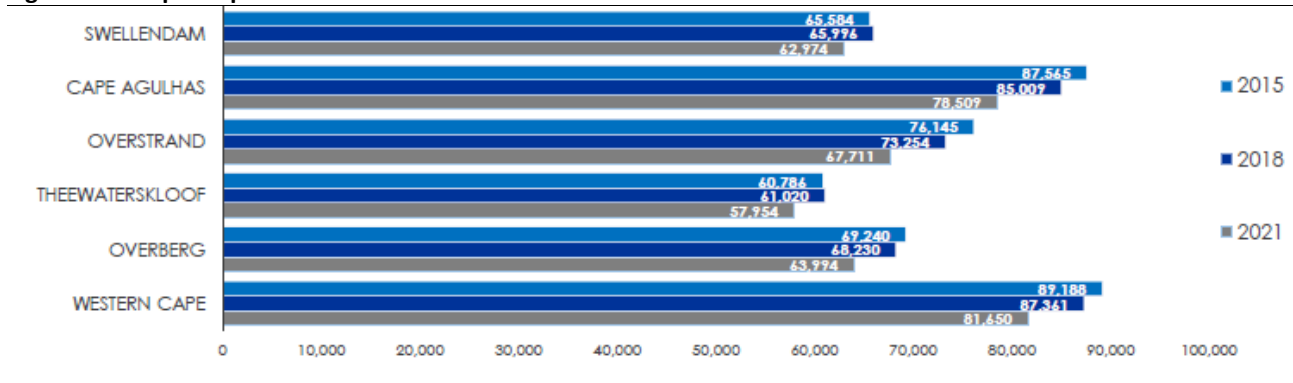
Income

The district's per capita GDP of R63 994 in 2021, remains significantly below the Western Cape Province of R81 650. However, Cape Agulhas stand out with relatively high per capita GDP of R78 509, with Theewaterskloof at the lower end, with a per capita GDP of R57 954.

³ 2022 Socio-Economic Profile: Overberg District Municipality

⁴ 2022-2023 MERO Overberg

Figure 4: GDP per capita⁵



Education

The Overberg area has a total of 82 public schools. The number of student enrolments in the district increased from 43 887 in 2019 to 45 611 in 2021. The learner-teacher ratio stands at 30,3 learners per teacher in 2021. The Overberg’s matric pass rate was 81.5% in 2021 and increased to 83.87%⁶ in 2022.

Health

In 2021/22, the Overberg region had 19 primary healthcare facilities, which comprised 17 fixed clinics, one community day centre, one community health centre and 25 mobile/satellite clinics. There are also 4 district hospitals and 1 private hospital.

The provision of more ambulances provides greater coverage for emergency medical services. The Overberg region has a total of 23 provincial ambulances. Private ambulance services also operate in the region.

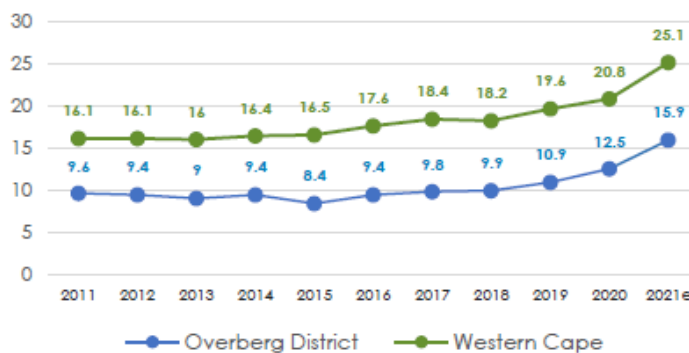
Employment⁵

It is estimated that in 2021 the Overberg region’s number of employed persons amounted to 116 796, of which 91 987 (78.8%) were in the formal sector and 24809 (21.2%) were informally employed, showing a drop in proportion of informally employed workers.

Most of the formally employed consisted of lower-skilled (42.1%) and semi-skilled (39.5%) workers. Although the skilled category only contributed 18% to total formal employment (2020), it outpaced the other two categories in terms of average annual growth – between 2016 and 2020, the skilled cohort grew on average by 2.3%, while the semi-skilled category grew at 1.7%; low-skilled employment contracted at an average annual rate of 0,3% over the same period. The growth in the skilled category reflects the market demand for more skilled labour and the ability to sustain and even slightly expand skilled employment, even during difficult economic times.

The Overberg district has one of the lowest (15,9%) unemployment rates compared to overall Provincial rate of 25.1%. Unemployment has however been on an upward trend since 2015, largely driven by the job losses as a result of the drought, load shedding and economic recession over this period.

Table 3: Unemployment rates⁷



⁵ 2022 Socio-Economic Profile: Overberg District Municipality

⁶ Western Cape Education Department

⁷ 2022 Socio-Economic Profile: Overberg District Municipality

Table 4: Natural resources

Natural Resources	
Major Natural Resource	Relevance to Community
Coast	Economic and job creation
Agriculture resources	Economic and job creation
Water	Economic and job creation
Wine production	Economic and job creation
Tourism	Economic and job creation
Fishing	Economic and job creation
Fynbos	Flower exports contribute to the economy and job creation
Wheat production	Economic and job creation
Fruit production	Economic and job creation

The wholesale and retail trade, catering and accommodation contributed to the highest employment sector (22.4%), with agriculture, forestry and fishing (20.9%) the second highest in 2020.

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

As a district municipality, the ODM does not serve individual households – the functions of water, sanitation, electricity, refuse removal and housing provision are performed by the local municipalities. For information on basic service delivery, refer to the annual reports of the respective local municipalities in the district.

The Overberg District Municipality is responsible for maintaining the provincial road network in the district, whereas streets in towns are the responsibility of the local municipalities.

The function of Municipal Health Services is performed in terms of the National Health Act (Act 61 of 2003) to provide and facilitate comprehensive, proactive and needs-related services that ensure a safe and healthy environment in which disease is prevented and eliminated.

The municipality renders a fire and disaster management service in the municipal areas of Swellendam, Theewaterskloof and Cape Agulhas, and works on an agreement basis in the Overstrand area, when required.

The municipality continuously promotes sustainable development by means of commenting on various development applications regarding environmental issues, coastal management, solid waste management, climate change and biodiversity management.

Note: Refer to chapter 3 for more detail on service delivery.

Electricity

Eskom is the main supplier of electricity in the Overberg district and sells electricity to the four local municipalities for distribution. Eskom also supplies electricity directly to the rural areas. The municipality recognises the use of renewable energy as a means to generate electricity to supplement Eskom's supply. Two windfarms are in operation in the Overberg district, one in the Theewaterskloof municipal area and one in the Swellendam municipal area. Applications has been submitted for three additional windfarms, one in the Theewaterskloof municipal area and two in Swellendam municipal area. Private solar initiatives were implemented throughout the region, addressing specific needs to mitigate loadshedding. A District Energy Board was established as a subcommittee of the DCF. The purpose of the board is to address the energy crisis in the district in collaboration with provincial departments and the office of the Premier.

Water

The main sources of water in the Overberg district are boreholes, springs, dams, pools, rivers, streams and rainwater. The Overberg Water Board distributes water to the surrounding and rural areas of Cape Agulhas, Theewaterskloof and Swellendam. Catchments play an important role in the collection, storage and distribution of water in the Overstrand area.

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The Annual Financial Statements for the 2022/23 fiscal year were submitted timeously to the Auditor-General on 31 August 2023. All budget related policies for the following fiscal year were reviewed and adopted by Council.

During the year under review, the municipality budget for a small surplus, but had to adjust the budget in February 2023 after the midyear review to a deficit of R3.4 million. With careful monthly monitoring the expenses (especially employee related cost), it was possible to reduce the budget deficit to R2.5 million in April 2023 and a net surplus of R13.267 million was reported at year end. A top-up towards the Capital Replacement Reserve amounting to R8 million was made for future capital projects, concluding with a closing balance of R21 million.

The finance department strives to reduce outstanding debtors and to pay creditors within 30 days, as prescribed by legislation. The average days of creditor-payment period for the year under review was 21.5 days. The loan relating to the landfill site was honored timeously and according to the borrowing agreement.

Revenue variance to budget vs. actual was closely achieved while the final actual expenditure variance was R15.2 million less than budget, mainly due to Roads expenditure of R4.8 million less, R4 million employee related costs, R3.4 million grant funding expenditure and R3 million other expenditure that did not realize.

Please refer to chapter 5 for more information on financial performance.

Table 5: Financial overview 2022/23

Financial Overview – 2022/23			
	R' 000		
Details	Original budget	Adjustment Budget	Actual
<u>Income</u>			
Grants	197 193	214 962	207 697
Taxes, levies and tariffs	26 502	26 997	25 185
Other	29 745	26 852	36 520
Subtotal	253 440	268 811	269 402
<u>Less Expenditure</u>	253 346	271 395	256 134
Net Total*	94	(2 584)	13 267
<i>* Note: surplus/(deficit)</i>			

Table 6: Operating ratios 2022/23

Detail	2022/23
Employee Cost	50.59%
Repairs and Maintenance (% of Total Expenditure)	3.80%
Repairs and Maintenance (% of Total Expenditure excluding Roads)	6.89%
Finance Charges and Depreciation	4.79%

COMMENT ON OPERATING RATIOS

The staff complement cost amounts to 50.59% of the total expenditure budget for the fiscal year. The lower than anticipated expenditure on employee costs is due to the vacancies in the organisation, which is currently being funded. However, the employee cost ratio is higher than the prescribed norm for municipalities, although it must be emphasised that the district municipality's functions require more labour-intensive staff complementing. Another contributing factor is that the municipality is grant dependent with limited own revenue source.

Repairs and maintenance form part of various expenditure costs, which include employee-related costs, contracted services and other expenditure relating to repair and maintenance projects. When calculating repairs and maintenance,

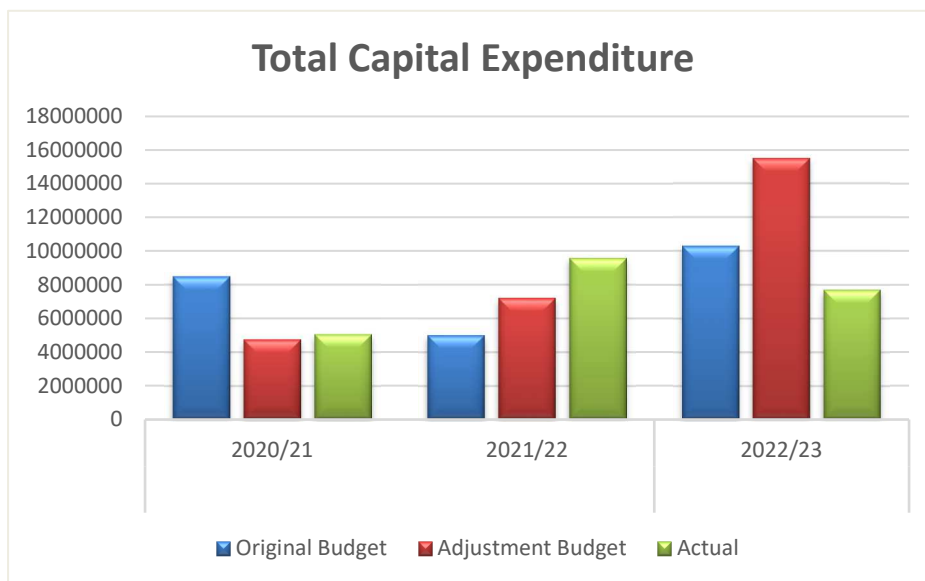
the Roads function’s expenditure is not considered to be repairs and maintenance, as the expenditure does not relate to assets owned by the municipality.

Finance charges and depreciation slightly decrease from the previous financial year but remained within the norms and standards.

Table 7: Total capital expenditure: 2021/22 to 2022/23

Total Capital Expenditure: 2020/21 – 2022/23			
	R'000		
Detail	2020/21	2021/22	2022/23
Original Budget	8 465	4 989	10 274
Adjustment Budget	4 744	7 177	15 470
Actual	5 036	9 537	7 671

Figure 5: Total capital expenditure



COMMENT ON CAPITAL EXPENDITURE

Capital projects for the year were hampered due to the Constitutional Court ruling on preferential procurement in the supply chain management (SCM) process. Although some projects commenced earlier in the fiscal year, almost all projects that were planned to be executed in the last part of the fiscal year were halted. Refer to note 22 for more information.

Finance leasing on printers resulted in an overspend on capital (accounting recognition). However, multiple projects were rolled over to the new fiscal year. Projects to be carried over included generator/electricity supply equipment, ICT computer equipment (backup server), security and safety project as well as requests for roll over on capital projects relating to the fire safety grant, which could not realise due to the SCM court ruling.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

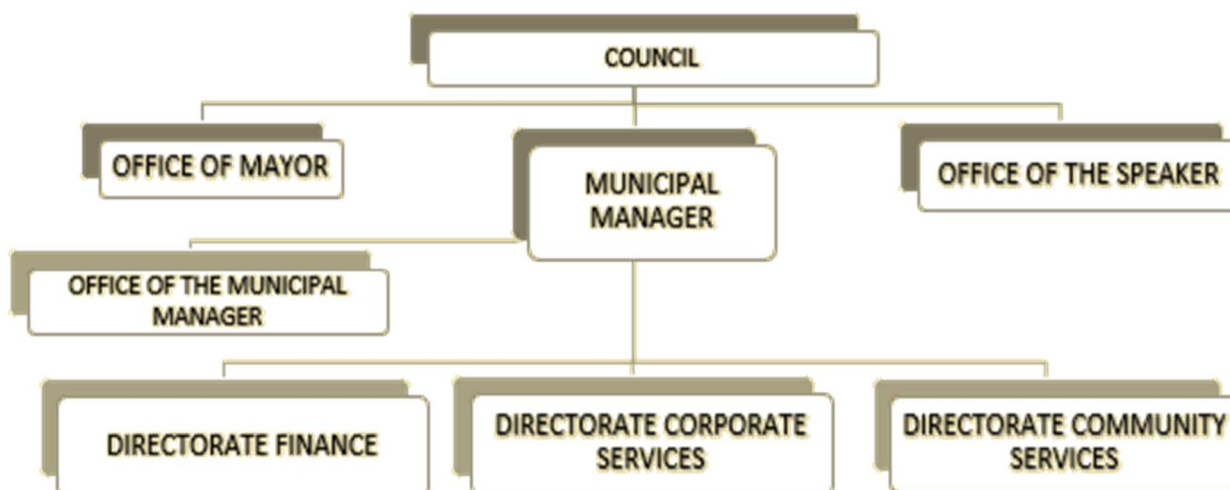
ORGANISATIONAL DEVELOPMENT PERFORMANCE

The procedure for determining a staff establishment is stipulated in the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), stating that the Municipal Manager is responsible for ensuring the review of the staff establishment process. To this effect, the staff establishment of the Overberg District Municipality was adopted by Council on 27 February 2023. In compliance with the Local Government: Municipal Systems Act, 2000: Municipal Staff Regulations No. 890, 2021, came into operation on 1 July 2022. Further guided by section 1(2) of Guideline 1A of the Local Government: Guidelines for the Implementation of the Municipal Staff Regulations No. 891, Council adopted the Funded Staff Establishment on 23 June 2023, for purposes of submission to the Western Cape MEC of Local Government, Environmental Affairs and Development

Planning. Exemption was granted for Chapter 2 (staff establishment, job descriptions and job evaluation), and Chapter 4 (performance management), which came into effect on 1 July 2023. The deferment of the implementation date is aimed at affording municipalities an opportunity to review and/or adopt their human resource development processes as per section 67 of the Municipal Systems Act of 2000, to ensure that such policies and procedures are in conformity with the regulation.

On 22 August 2022 Council was informed of Circular 12 of 2022 regarding the New Municipal Staff Regulation and approved a MSR Implementation Plan. The Implementation Plan is aligned with various institutional actions in conformance with the Regulations. These actions include Regulation Awareness, Review and Update Staff Establishment, Review Policies, Review Organisational Structure, Review Job Descriptions, Recruitment and Selection, Performance Management, and Skills Development.

Figure 6: Macro-organisational structure



The Municipal Manager, as the head of the administration, was assisted by the Chief Financial Officer and Director: Corporate Services. The Director Community Services was appointed with effect of 01 January 2023, but resigned on 30 April 2023, to take up a permanent appointment at another municipality.

1.6 AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT 2022/23

The Overberg District Municipality received an unqualified audit (clean) outcome from the Auditor-General. This achievement was accomplished by good leadership, oversight functions from Council, the Municipal Public Accounts Committee (MPAC) and the Audit and Performance Audit Committee. An Action Plan (OPCAR – Operation Clean Audit Report) is a management tool to address unsolved audit findings.

Table 8: Audit opinions

Financial year	Audit Opinions
2020/21	Unqualified with no findings
2021/22	Unqualified with no findings
2022/23	Unqualified with no findings

Refer to chapter 6 – Auditor-General Audit Findings – components A and B for the Auditor-General opinions for 2021/22 and 2022/23. **Annexure N:** Auditor-General report on the 2022/23 financial year is included in volume II of the Annual Report (Annual Financial Statements).

1.7 STATUTORY ANNUAL REPORT PROCESS

Table 9: Statutory annual report process

No.	Activity	Timeframe
1	Consideration of the next financial year's budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the annual report process at the end of the budget/IDP implementation period.	July
2	Implementation and monitoring of approved budget and IDP commence (in-year financial reporting).	
3	Finalise fourth quarter report for previous financial year.	
4	Municipality submits annual financial statements and draft annual performance report to Auditor-General.	August
5	Annual performance report as submitted to Auditor-General to be provided as input to the IDP analysis phase.	
6	Audit and Performance Audit Committee considers draft annual performance report and financial statements of the municipality.	
7	Auditor-General assesses draft annual performance report including consolidated annual financial statements and performance data.	September
8	Municipalities receive Auditor-General's comments.	November
9	Municipalities start to address the Auditor-General's comments.	December
10	Mayor tables draft annual report and audited financial statements to Council, complete with the Auditor-General's report.	January
11	Audited annual report is made public, and representation is invited.	February
12	Oversight Committee assesses annual report.	March
13	Council adopts oversight report.	
14	Oversight report is made public.	April
15	Oversight report is submitted to PT, NT and MEC for Local Government.	
16	Commencement of draft budget/IDP finalisation for next financial year. Annual report and oversight reports to be used as input.	November

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Good governance is reflected by participatory, consensus-oriented, accountable, transparent, responsive, effective, efficient, equitable and inclusive government that complies with the rule of law and ethical considerations. It ensures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are being heard in decision making. Good governance is also responsive to the present and future needs of a municipality.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO 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.

Council, as political governance, performs both legislative and executive functions and focuses on decision making to formulate policy and to play an oversight and participatory role.

The Municipal Manager heads the administration and primarily serves as chief custodian of service delivery and the implementation of political priorities.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council as well as the powers assigned by legislation. Although responsible for the strategic direction and performance of the municipality, the Executive Mayor, who is supported by the Deputy Executive Mayor, operates in consultation with the Executive Mayoral Committee.

The Council is controlled by a majority political party. Council is governed by applicable legislation, the Rules of Order and the Code of Conduct. The Speaker, who chairs Council meetings, is affiliated to a political party and elected to the role of Speaker through a process of nomination and closed ballot voting by the Council. Should the Speaker not be available, Council will appoint a person for each meeting through the closed ballot process.

The Council was democratically elected through the Electoral Act for a period of five years. The local government elections were held on 1 November 2021, after which Councillors were elected for a five-year period. The composition of the Council is through a system of proportional representation based on the municipality's segment of the national common voters roll, and which provides for the election of members from lists of party candidates drawn up in a party's order of preference; or proportional representation combined with a system of ward representation based on the municipality's segment of the national common voters roll. The political structures deem the Councillors to have the necessary competence to serve as a Councillor.

A Council member's experience is indicated by the title of Councillor or Alderman. Mayors can change the status from Councillor to Alderman after a five-year period; other Councillors after 10 years.

Council also established Section 80 Committees that specialise in specific functional areas of the municipality. The committees advise on policy matters and make recommendations to the Mayoral Committee or the Council via the Executive Mayoral Committee. External members are appointed to the committees in areas where specific expertise is required to reflect an appropriate mix of knowledge, skills, experience, diversity and independence. The municipality has four Section 80 Committees, namely Finance, Corporate and Intergovernmental Relations, Strategic Services and Community Services.

The Audit and Performance Audit Committee is an independent advisory body that advises the municipal Council, the political office bearers, the accounting officer and the management staff of the municipality on financial control, risk management, accounting policies, performance management and effective governance. The municipality has a Municipal Public Accounts Committee (MPAC) established in terms of section 79 of the MSA, comprising non-executive Councillors and an independent member for oversight over the executive obligations of Council. This committee is chaired by a member from the opposition parties. One of the tasks of the MPAC is to provide Council with comments and recommendations on the annual report. Meetings were held on 24 January 2023 and 10 March 2023 to discuss the 2022/23 Annual Report. A MPAC meeting was also held on 13 June 2023 to discuss the amended Annual Report. An oversight report on the annual report is published separately in accordance with the MFMA guidelines.

Note: Section 529(a) of the MFMA S52: The Executive Mayor must provide general political guidance over the fiscal and financial affairs of the municipality, assisted by the Finance Steering Committee.

POLITICAL STRUCTURE

MUNICIPAL COUNCIL 23 Councillors



Ald A Franken
(Executive Mayor)



Cllr H Coetzee
(Deputy Mayor &
Chairperson Strategic
Services Portfolio)



Ald LM de Bruyn
Speaker

MAYORAL COMMITTEE



Cllr SH Fourie
(Chairperson: Community
Services Portfolio
Committee)



Cllr AG Klaas
(Chairperson: Corporate
Services Portfolio Committee)



Ald J Nieuwoudt
(Chairperson: Finance Portfolio
Committee)

COUNCILLORS

The Overberg District Municipality has 23 Councillors, 13 of which represent local municipalities and 10 of which are directly elected.

Appendix A contains the names of Councillors (including committee allocations, political affiliation and attendance at Council meetings) until 30 June 2023.

Please also refer to **Appendix B**, which sets out committees and committee purposes.

Councillors were remunerated according to the Government Notice regarding “Determination of the Upper Limits for the Salaries, Allowances and Benefits of Municipal Councillors”. In order to ensure that Councillors fulfil their obligations to their communities and support the ODM’s achievement of its objectives in an ethical manner, Councillors must adhere to the Code of Conduct as established in Schedule 1 of the Local Government: Municipal Systems Act (Act 32 of 2000). Section 117 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) prohibits Councillors from being part of the tender process.

POLITICAL DECISION MAKING

Political decisions are taken at formal meetings where all participating political parties in Council have an equal opportunity to deliberate the items as per the agenda, whereafter a resolution is adopted. The Executive Mayoral Committee also makes recommendations to Council on matters that have been delegated to it. In this way, effective service delivery can be accelerated.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of legislation, the Municipal Manager is the head of administration and accounting officer of the municipality. He must provide guidance to political structures and political office bearers of the municipality to comply with legislation.

The Municipal Manager is ultimately responsible for the directorates, namely Corporate Services, Finance and Community Services.

TOP ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER
Mr R Bosman
B. Law

DIRECTORATE FINANCE



**CHIEF FINANCIAL
OFFICER**
Mr NL Kruger
BComm (LG Accountancy) PGFO

DIRECTORATE CORPORATE SERVICES



**DIRECTOR: CORPORATE
SERVICES**
Mrs VS Zeeman
Hons Public Administration

DIRECTORATE COMMUNITY SERVICES



**DIRECTOR: COMMUNITY
SERVICES**
(Vacant)

The Municipal Manager was appointed by Council on a fixed-term contract, with effect from 1 June 2022. His contract has a 30-day notice period and follows the process in terms of the Local Government: Municipal Systems Act (Act 32 of

2000). The succession plan for the Municipal Manager determines that the municipal manager may not be in office longer than one year after the election. The position of Director: Community Services became vacant during the year. The municipality started with a recruitment process for the appointment of a Director: Community Services which will be finalised in the 2023/24 financial year.

Appendix C provides the third-tier administrative structure.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Several intergovernmental relations (IGR) structures promote and facilitate cooperative governance and intergovernmental relations between the respective spheres of government. Intergovernmental relations are regulated by the Intergovernmental Relations Framework Act, 2005. The IGR structures assist in aligning municipal planning and development initiatives, promote an approach that fosters shared service agreements, and collaborate on matters of mutual concern to the district.

Note: Section 3 of the MSA requires that municipalities exercise their executive and legislative authority within the constitutional system of cooperative governance envisaged in the section 41 of the Constitution.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Participation in national structures takes place indirectly through district and provincial intergovernmental structures, for example IDP structures, SALGA, Premiers Coordination Forums and District Coordination Forums. Through these engagements, the district municipality and local municipalities forward items to national level to ensure coordination.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Politicians and administration participated in the following provincial intergovernmental structures: Premier's Coordination Forum, MinMay, Chief Financial Officer Forum, LG MTEC/Integrated Municipal Engagements, Provincial IDP Managers Forum, Western Cape Districts Integrated Forum, Provincial CRO and CAE Forum, Local Government SCM Forum, SCM/LED Indaba, Records Management Forum, SALGA Working Groups, Wesgro Regional Tourism Organisation Forum, Provincial LED Forum, Provincial Public Participation Forum, Provincial Communication Technical Forum, Provincial Skills Development Forum, Provincial Treasury Forums, MGRO, Joint District and Metro Approach (JDMA) District Interface Team, LG MTEC, Western Cape Municipal Health Working Group, Western Cape Air Quality Forum, Western Cape Food Control Committee, Provincial Disaster Management Advisory Forum, Provincial Fire Working Groups, Provincial Waste Management Forum, Provincial Estuary Management Task Team, Coastal Committee, Provincial Disaster Management: Head of Centre Management, Roads Network Management, Provincial Integrated Transport Plan Committee, Accounting Working Group, Municipal Accounting Forum, Integrated Municipal Health Promotion Working Group, Provincial Safety Forum, Municipal Managers' Forum, Speakers' Forum and Provincial SDF Forum.

The municipality has sound relations with the Department of Transport and Public Works relating to the road agency function delivered on their behalf.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The ODM does not have any municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The ODM, the local municipalities and other role players actively take part in the following district intergovernmental structures:

The District Coordinating Forum (DCF), DCF Tech, District IDP Managers' Forum, District Public Participation & Communications Forum, Overberg Expanded Public Works Programme Forum, Disaster Management Advisory Forum, District LED/Tourism Forum, District Skills Development Forum, District Safety Forum, District CRO & CAE Forum, SCM Management District Forum, Integrated Municipal Health Promotion Working Group, Air Quality Officers' Forum, Regional Waste Management Forum, Municipal Coastal Committee, Karwyderskraal Landfill Monitoring Committee, District Fire Working Group, Disaster Management Advisory Forum, District Joint Operational Centre, Biodiversity and Climate Change Forum and others.

The benefit of the forums is that solutions to problems emanating from the district can be utilised to the benefit of the community.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

INTRODUCTION TO PUBLIC ACCOUNTABILITY AND PARTICIPATION

Accountability and community participation are enhanced by engagements through the media, publications, electronic means, IDP public participation meetings and communication tools for the budget, annual report and sector plans linked to the IDP, etc. This is further strengthened through other direct engagements with the local municipalities and sectors in the district, and priority issues in the local municipal areas are incorporated into the IDP of the ODM. The Council meetings are also open to the public.

IDP/BUDGET/PMS TIME SCHEDULE OF KEY DEADLINES 2022/23

As prescribed by section 21 of the Municipal Finance Management Act (MFMA), and in consultation with the Chief Financial Officer, the Performance Management Officer, local municipalities in the Overberg district and the Western Cape Government, an IDP/Budget/PMS time schedule of key deadlines for 2022/23 was developed in preparation of the 2023/24 annual budget and 1st IDP Review and Amendment.

The time schedule, guided and informed by the five-year section 27 District IDP Framework and Process Plan, was workshopped at a District IDP Managers' Forum meeting on 8 February 2022 to ensure horizontal and vertical alignment of various activities on a provincial, district and local level. Council adopted the time schedule on 27 August 2022.

IDP AND BUDGET PUBLIC PARTICIPATION

Sections 83 and 84 of the Municipal Structures Act (Act 117 of 1998) compel a district municipality to ensure integrated development planning for the district as a whole. Section 17 of the Municipal Systems Act further requires a municipality to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality. During the 2022/23 period, the Overberg District Municipality continued with its IDP and public participation awareness campaigns with a view to informing and encouraging community participation. The last IDP and public participation awareness workshop was held virtually on 28 November 2022.

The draft 2023/2024 Review and Amended IDP and budget were tabled in Council on 27 March 2023 and published for public comment until the end of April 2023. The public participation processes continued by virtue of advertisements, publications of the website and social media platforms to give the community and other stakeholders and opportunity to give input and submit comments. Documents was also placed at the usual community access points.

2.4 PUBLIC MEETINGS

Table 10: District and provincial integrated municipal engagements

Structure	Date	Outcomes	Stakeholders
Overberg District Structures			
Strategic Session with Council	24 April 2023	Strategic session with full council to inform the five-year IDP.	<ul style="list-style-type: none"> ▪ Full Council ▪ Senior Management
District IDP Managers Forum	1 July 2022	In the form of a Strategic Session of Council; Departmental implementation of Council Strategic Goals; achievement during Quarter 2 and progress of Quarter 3 KPIs to ensure the achievement of five-year goals; reaffirmation of Council strategic trajectory.	<ul style="list-style-type: none"> ▪ District and Local IDP Practitioners ▪ District and Local Public Participation Practitioners ▪ District and Local Communicators ▪ Provincial IDP Directorate ▪ Provincial Public Participation ▪ Provincial Communications ▪ GCIS ▪ WCG Sector Departments
	22 July 2022	Revised Terms of Reference; Feedback on Provincial/District IDP engagement; IDP and Public Participation methods; Overberg Community Survey; Regional alignment of 2021/22 time schedules.	
	2 November 2022	District engagement with DLG to reassess the evaluation outcomes of the time schedule alignment.	
	24 April 2023 10 May 2023	Identification of catalytic IDP projects; Mainstreaming environmental profile in IDPs; 2022/23 Draft IDP Reviews; Time Schedule adoption; IDP assessments; Development of five-year IDPs; Public participation meetings; IDP Indaba 2021; JDMA.	
District Public Participation and Communicators Forum	23 July 2022 16 November 2022 30 March 2023 23 June 2023	Overberg Community Outreach Project; Communications and Public Participation; District, Local and GCIS communications reports; Time schedules of key deadlines 2021/22.	<ul style="list-style-type: none"> ▪ District and Local IDP Practitioners ▪ Provincial IDP Directorate ▪ WCG Department of Local Government ▪ Department of Human Settlements
Provincial Structures			
Provincial IDP Managers Forum	1-2 December 2022	JDMA; Alignment of IDPs with One Plans; Provincial Recovery Plan; MERO and PERO; Alignment of time schedules; APP assessments; Team allocations to regions	<ul style="list-style-type: none"> ▪ Western Cape municipalities ▪ Provincial Disaster Management ▪ Department of Local Government ▪ Extended role players
	1 June 2023		
Provincial Public Participation Forum	14-15 July 2022	Oversight visits by the National Assembly's Portfolio Committee; Legislative Review; Khoisan and CDWs presentation; Ward Councillor training; Ward Councillor Community Feedback Meeting; Civic education; WC Human Settlements APP.	<ul style="list-style-type: none"> ▪ Western Cape municipalities ▪ Department of Local Government
	16 February 2023	Support actions to improve citizen interface; TWK Ward Committee establishment readiness; Overstrand Ward Committee Establishment Plan; District and Metro report back on readiness for Ward Committee establishment.	
Provincial Comm Tech Forum	18-19 August 2022 2-3 March 2023	District municipalities report on activities in response to Covid-19 pandemic; Communication programmes planned by GCIS; Reflecting on Local Government activities and processes by SALGA.	<ul style="list-style-type: none"> ▪ Western Cape municipalities ▪ Department of Local Government

	14-15 June 2023	District municipalities report on activities in response to Covid-19 pandemic; DLG super spreader overview and plan; Updates on training programmes by DLG.	
Integrated Provincial/Municipal Engagements			
DCFTech/ Tech. Integrated Municipal Engagement (TIME)	22 February 2023	TIME conducted in accordance with the JDMA. Key transversal risks, challenges and opportunities presented from a district perspective.	<ul style="list-style-type: none"> ▪ Overberg municipalities ▪ Western Cape Government

2.5 IDP PARTICIPATION AND ALIGNMENT

Table 11: IDP participation and alignment criteria

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 of National Government?	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	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the system rules, practices and processes by which municipalities direct and control their functions in relation to the relevant stakeholders.

The municipality strives to govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the municipality's ethical conduct and being a good corporate citizen. The municipality therefore adheres to the disclosure requirements of the King IV principles. The overarching objective of King IV™ is to make corporate governance more accessible and relevant to a wider range of organisations, and to be the catalyst for a shift from a compliance-based mindset to one that sees corporate governance as a lever for value creation.

The Fraud and Risk Management Committee reviewed the Combined Assurance Policy Framework on 22 August 2022. The aim of the framework is to optimise the assurance coverage obtained from Council, management, corporate support functions, and internal and external assurance providers on the top risks affecting the municipality. The Fraud and Risk Management Committee, Internal Audit, and the Audit and Performance Audit Committee form an integral part of assurance providers.

IMPLEMENTATION OF THE PROTECTION OF PERSONAL INFORMATION ACT (POPIA), 2013

The following actions were instituted during 2022/23 to ensure compliance with the POPI Act:

- In terms of section 55(2) the ODM was registered with the Information Regulator.
- Accounting Officer/Municipal Manager appointed as the Information Officer – section 48(a).
- Directors appointed as Deputy Information Officers – section 56.
- POPIA Policy adopted by Council on 5 December 2022.
- POPIA Compliance Framework adopted by Council on 5 December 2022.

- POPIA awareness sessions conducted with staff.
- Consent Declaration form developed for access to personal information.
- Privacy statement published on municipal website.

2.6 RISK MANAGEMENT

In terms of section 62(1)(c) of the MFMA, the accounting officer of the municipality must take reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; accompanied by the crucial motto of the public sector: “That the resources of the municipality are used effectively, efficiently and economically”.

The risk management function is performed by the Performance and Risk Management Department and provided assistance to the Fraud and Risk Management Committee (FARMCO).

The FARMCO consists of directors, the Manager IDP & Communications and representative from the department Performance and Risk Management and a member of the Audit and Performance Audit Committee (APAC) who acts as the Chairperson of the committee. Internal Audit also forms a fundamental part of this committee. Quarterly meetings were held, during which reports were submitted to address the following:

- Updated strategic and operational risk registers.
- Progress on the risk actions.
- Progress report on the risk management implementation plan.
- Updated register on identified alleged corrupt, fraudulent and unethical incidents.
- Combined assurance report.
- Any other relevant fraud and risk management information.

The following documents were reviewed by the committee and recommended to Council for approval.

- Fraud and Risk Management Committee Terms of Reference
- Combined Assurance Policy Framework
- Anti-Corruption and Fraud Prevention Plan
- Anti-Corruption, Fraud and Financial Misconduct Policy
- Code of Ethics
- Risk Management Policy
- Risk Management Strategy

The following actions were taken to monitor the effectiveness of risk management and the outcomes of risk management activities. In terms of section 166 of the MFMA, the APAC, as an independent advisory body, must advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to risk management. In terms of assurance efforts, feedback and all FARMCO meeting minutes were submitted to the APAC on a quarterly basis.

Assurance provided is classified at three levels, namely senior management (first level), Internal Audit and APAC (second level) and Council and Municipal Public Accounts Committee (MPAC) (third level). The Auditor-General is an external body that also provides assurance.

Figure 7: Combined assurance framework

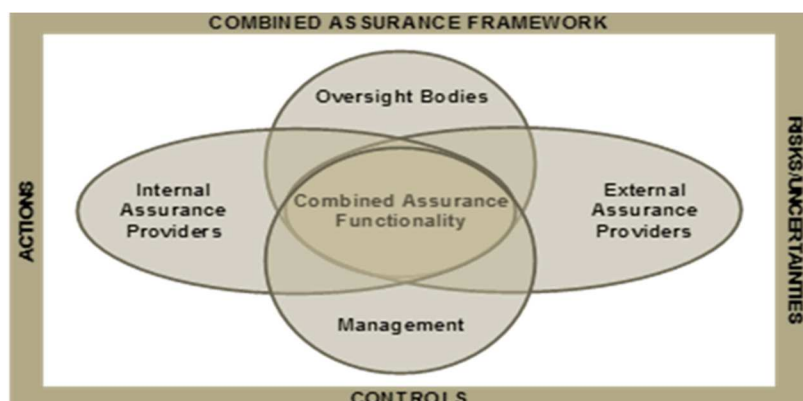


Table 12: Dates of Fraud and Risk Management Committee and Audit and Performance Audit Committee meetings

Committee	Date	Quorum
APAC	26 August 2022	Yes
FARMCO	18 August 2022	Yes
APAC	18 November 2022	Yes
FARMCO	21 October 2022	Yes
FARMCO	09 November 2022	Yes
APAC	12 December 2022	Yes
APAC	18 January 2023	Yes
APAC	23 January 2023	Yes
FARMCO	23 February 2023	Yes
APAC	31 March 2023	Yes
FARMCO	2 June 2023	Yes
APAC	30 June 2023	Yes

Strategic risks were identified by the Executive Mayoral Committee and approved by Council. Departmental risks and controls were identified by the risk champions of each department. Internal Audit uses the information in the risk registers to draft a Risk-based Audit Plan.

The table below indicates the top five strategic risks that were identified through the risk management process and were monitored throughout the year. Actions were implemented to mitigate the identified risks.

Table 13: Top five strategic risks

Risk Level	Risk Description	Cause of risk	Current Controls
Strategic	1. Compromise financial sustainability of a municipality.	1. Insufficient equitable share allocation to fund allocated functions due to an outdated national funding model for the ODM. 2. The increase in expenditure is higher than the increase in revenue/grants.	1. Cost containment Measures. 2. Strict budget controls. 3. Realistic budget. 4. Apply for conditional grants. 5. Long term financial plan 6. Form partnerships
Strategic	2. Deteriorating of institutional capacity.	1. The grading of the municipality is impacting on the competitiveness of the municipality and its ability to retain its best staff and managers. 2. Financial constraints. 3. Quality management and leadership to deal with complex HR management demands. 4. Inappropriate or irrelevant policies and strategies not enabling and empowering management on HR issues. 5. Lack of consequence management. 6. Lack of funds to replace, maintain or expand fleet and equipment.	1. Apply disciplinary processes. 2. Limited Budget for the replacement, maintenance and upgrading of fleet and equipment. 3. Form strategic Partnerships with stakeholders. E.g., fire stations at Caledon and Grabouw
Strategic	3. Sustain desired standard on Service Delivery	1. Inefficient budget for staff expansions and fleet replacement and expansion	1. Budget annually for the functions.

		<p>(Due to Inefficient Equitable Share).</p> <p>2. Climate changes impact on service delivery.</p>	<p>2. Service level agreements with B-Municipalities to pay for fire services.</p> <p>3. Form partnerships with private sector to host the fire services function in Grabouw and Caledon.</p> <p>4. Partnerships with Greater Overberg FPA for Integrated Fire Management, Overberg Fire Prevention Association, Working on Fire.</p> <p>5. Set annual targets for the execution of municipal Health Management function accordance to available resources.</p> <p>6. Landowners interaction for fire mitigations.</p>
Strategic	4. Quality of leadership	<p>1. Greater management effort is required. Challenging and complex HR, IR Management and leadership function of supervisory and management level.</p> <p>2. Outdated strategies, policies, SOP's and controls are also not providing suggestion enablement and empowerment to management and supervisors in dealing with for example consequence management issues.</p> <p>3. The approaching retirement of key managers.</p> <p>4. Sound base for stable political governance and leadership.</p>	<p>1. Follow recruitment process for the appointment of staff.</p> <p>2. Prescribed qualifications for certain positions, e.g CFO.</p> <p>3. Job Descriptions for all post.</p> <p>4. Performance contracts.</p> <p>5. Legislative requirement competencies for certain positions.</p> <p>6. Fix term contracts for Municipal Manager and Directors.</p>
Strategic	5. Loss of Roads Agency function	<p>1. Non-alignment between spheres of government.</p>	<p>1. Annual renewable SLA with Provincial Government</p> <p>2. Good relationship with Provincial Government.</p>

2.7 ANTI-CORRUPTION AND FRAUD

The municipality is committed to fighting fraudulent behaviour at all levels within the organisation. The municipality has an Anti-Corruption and Fraud Prevention Plan, supported by an Anti-Corruption, Fraud and Financial Misconduct Policy, as well as a Code of Ethics. This plan and policy are based on the organisation's core ethical values, driving the business of the Overberg, the development of its systems, policies and procedures, interactions with the public and other stakeholders, as well as decision making by individual managers representing the organisation. This means that the municipality's departments, other business units and external stakeholders must be guided by the plan as the point of reference for their conduct in relation to the municipality. In addition to promoting ethical conduct within the municipality, the plan intends to assist in preventing, detecting, investigating and sanctioning fraud and corruption.

In terms of section 3 of the Prevention and Combating of Corrupt Activity Act, 2004, fraud declarations were issued to the Finance Portfolio Committee, and a report on any act of financial misconduct or an offence in terms of chapter 15 of the MFMA for the year was tabled to the Executive Mayoral Committee on 21 June 2023. Incidents of alleged fraud, corruption and unethical behaviour are recorded in a register and submitted on a quarterly basis to the Fraud and Risk Management Committee to evaluate the progress on the effectiveness on the implementation of the fraud-related policies and controls.

The Fraud and Risk Management Committee reviewed the Anti-Corruption and Fraud Prevention Plan, the Anti-Corruption, Fraud and Financial Misconduct Policy, as well as the Code of Ethics. These documents were workshopped with the trade unions and management, and recommended to Council for approval. Continuous fraud and corruption awareness take place through the municipality’s internal newsletter (*Decus Nostrum*), noticeboards and e-mails.

To maintain the municipality’s operations in terms of legislation, Councillors do not form part of the procurement processes.

AUDIT AND PERFORMANCE AUDIT COMMITTEE

The ODM has a joint Audit and Performance Audit Committee (APAC). Internal Audit reviews the segregation of duties and processes. The APAC performs an oversight role, and all members are independent.

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

- (a) advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to –
 - internal financial control; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation; performance evaluation; and any other issues referred to it by municipality.

The main functions of the APAC are prescribed in section 166(2) (a-e) of the MFMA and the Local Government: Municipal and Performance Management Regulations and read as follows:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements, and to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the Annual Division of Revenue Act (DoRA) and other applicable legislation.
- To respond to the Council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted by Internal Audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- To review the plans of the Internal Audit function and, in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- Review the municipality’s performance management system and make recommendations in this regard to the Council of the municipality.
- At least twice during each financial year, submit a performance audit report to the Council of the municipality.

Table 14: Audit and Performance Audit Committee members’ appointments

Name	Capacity	Period of Appointment
Pieter Strauss	Chairperson	Appointed 29 November 2017, reappointed 29 November 2020 (3 years)
Tom Blok	Member	Appointed 29 November 2020 (3 years)
Chessy Pieterse	Member	Appointed 29 November 2017, reappointed 29 November 2020 (3 years)
Danie Smith	Member	Appointed 1 June 2021 (3 years)

Ethics are practically implemented in the municipality through the Oath for Councillors, Code of Conduct of Councillors (Schedule 1 of the Local Government: Municipal Systems Act, 2000) and the Rules of Order regulating the conduct of meetings. The conduct of staff members is guided by the Batho Pele principles, Code of Conduct for municipal staff members and the Code of Ethics. A disciplinary committee was established to attend to matters of misconduct. Whistle-blowing can be reported to Internal Audit. The national hotline as well as the provincial number is currently used for reporting fraud and corruption.

Appendix E – Report of the Audit and Performance Audit Committee. The recommendations of the committee for 2022/23 are set out in **Appendix F**.

Notes: Refer to chapter 4 for details of disciplinary action taken in cases of financial mismanagement. Section 83(c) of the MSA requires providers to be chosen through a process that minimises the possibility of fraud and corruption.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was amended on 27 March 2023. Reports on the implementation of the supply chain management policies are submitted monthly to the accounting officer and quarterly and annually to the Executive Mayor. Both the quarterly and annual reports are available on the municipal website. The annual supply chain report is also presented to Council to ensure Council maintains oversight over the implementation of the Supply Chain Management Policy.

The procurement process is as follows:

- Specification (development and approval of specification to procure)
- Advertising
- Evaluation (evaluate all bids)
- Adjudication (award)
- Contract management

Councillors are not permitted to serve on any supply chain management committees.

Performance assessments were done on a biannual basis on providers who tendered or quoted on various tenders or quotations or provided a service or product through other SCM processes (all expenditure above R30 000). A detailed list is set out in Component K.

Appendix G contains a list of the largest contracts that exceed one year and that had a financial implication for Council. Further comments on supply chain management are set out under Financial Performance – Chapter 5 – Component D.

Note: Sections 110 to 119 of the MFMA, the SCM Regulations 2005 and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimise opportunities for fraud and corruption.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT(B-BBEE) COMPLIANCE PERFORMANCE INFORMATION

Table 15: Summary of B-BBEE awards during the financial year for formal quotations and tenders

B-BBEE Level	Total Contracts Awarded
Level 1	51
Level 2	5
Level 3	0
Level 4	25
Level 5	0
Level 6	0
Level 7	0
Level 8	0
Non-Compliant Contributor	10
TOTAL	91

2.9 BY-LAWS

BY-LAWS

Note: Section 11(3)(m) of the MSA provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

COMMENT ON BY-LAW – No new by-laws were developed or gazetted during the year.

2.10 WEBSITES

The table below provides information on documents that are published on the municipality's website.

Table 16: Website checklist

Municipal Website		
Documents published	Yes/No	Publishing Date
Current annual and adjustment budget and budget-related documents	Yes	Various
All current budget-related policies	Yes	Various
The previous annual report 2021/22 Amended Annual Report 2021/22	Yes	28 March 2023 23 June 2023
The annual report 2022/23 to be published	No	March 2024
All current performance agreements 2022/23 – required in terms of section 57(1)(b) of the Municipal Systems Act	Yes	22 July 2022
All service delivery agreements 2022/23	Yes	Various
All long-term borrowing contracts	Yes	Various
All supply chain management contracts above R0 value for year 2022/23	Yes	Various
An information statement containing a list of assets over a prescribed value that have been disposed during 2022/23 – in terms of section 14(2) or (4)	Yes	12 December 2022
Contracts agreed in 2022/23 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes	Various
Public-private partnership agreements made in 2022/23 – referred to in section 120	No	N/A
All quarterly reports tabled in the Council during 2022/23 – in terms of section 52(d)	Yes	Various

COMMENT ON THE MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipality's website address is <https://odm.org.za>. The website is maintained internally, and information applicable to the municipality that is required in terms of section 75(1) of the Municipal Finance Management Act is placed on the website. The municipal website and social media are key communication mechanisms in terms of service offering, information sharing and public participation.

2.11 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

No formal satisfaction survey was conducted for the year under review. We did, however, receive positive and negative comments in the performance of normal service delivery functions. Council maintained a mechanism for Municipal Health offices under the control of the Overberg District Municipality where complaints and compliments can be lodged.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

INTRODUCTION

This report provides an overview of the performance of the Overberg District Municipality for the period 1 July 2021 to 30 June 2022, as measured against the strategic goals that are set out in the 2021/22 Integrated Development Plan (IDP) and the key performance indicators (KPIs) contained in the approved Service Delivery and Budget Implementation Plan (SDBIP).

The municipality performed its functions in terms of the following approved strategic goals:

Strategic Goal 1 (SG1)

To ensure the wellbeing of all in the Overberg District through the provision of efficient **basic services and infrastructure**.

Strategic Goal 2 (SG2)

To promote **regional economic development** by supporting initiatives in the district for the development of a sustainable district economy.

Strategic Goal 3 (SG3)

To ensure **municipal transformation and institutional development** by creating a staff structure that will adhere to the principles of employment equity and promote skills development.

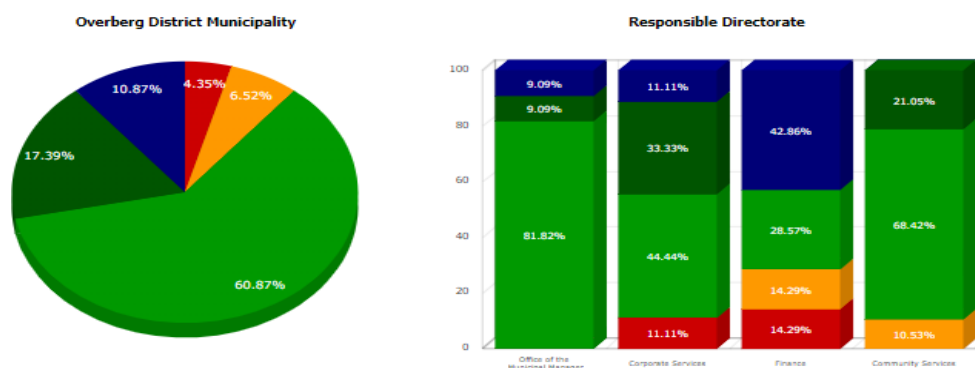
Strategic Goal 4 (SG4)

To attain and maintain **financial viability** and sustainability by executing accounting services in accordance with national policy and guidelines.

Strategic Goal (SG5)

To ensure **good governance practices** by providing a democratic and proactive accountable government and ensuring community participation through IGR structures.

Figure 8: Performance per strategic objective



	Overberg District Municipality	Strategic Goal 1 (SG1)	Strategic Goal 2 (SG2)	Strategic Goal 3 (SG3)	Strategic Goal 4 (SG4)	Strategic Goal 5 (SG5)
Not Yet Applicable	-	-	-	-	-	-
Not Met	2	-	1	-	1	-
Almost Met	3	1	1	-	1	-
Met	28	10	4	3	1	10
Well Met	8	4	1	2	-	1
Extremely Well Met	5	-	-	1	3	1
Total	46 (100%)	15 (32.61%)	7 (15.22%)	6 (13.04%)	6 (13.04%)	12 (26.09%)

A detailed performance report for 2022/23 per strategic objective can be found in **Component J – Organisational Performance**.

COMPONENT A: BASIC SERVICES

The municipality provides a function in respect of solid waste, whilst services in respect of water, electricity, sanitation and housing are provided by the local municipalities. The function of bulk water distribution in the district area is rendered by Overberg Water Board.

3.1 SOLID WASTE MANAGEMENT

INTEGRATED WASTE MANAGEMENT

The ODM developed and implemented several strategic documents to guide solid waste management in the district and for the regional landfill facility it owns and operates.

These documents are:

- Integrated Waste Management Plan (IWMP)
- Long-term Master Planning of Karwyderskraal Regional Landfill Site
- Karwyderskraal Regional Landfill Site – Organic Waste Diversion Plan
- Karwyderskraal Regional Landfill Site – Builder’s Rubble Diversion Plan

The waste management strategic objectives for Overberg District Municipality that the IWMP is based on, commits the municipality to:

- create an atmosphere in which the environment and natural resources of the region are conserved and protected.
- develop a communication/information/education strategy to help ensure acceptance of ‘ownership’ of the strategic objectives among members of the public and industry throughout the municipality, and to promote cooperative community action.
- provide solutions for the three main objectives:
 - the avoidance of waste generation
 - the reduction of waste volumes
 - the safe disposal of waste

Table 17: Implementation of the Integrated Waste Management Plan goals and objectives

Goal 1: Strengthened education, capacity and advocacy towards integrated waste management		
Objectives		2022/23
Strategic Objective 1	Facilitate consumer and industry responsibility in integrated waste management	Quarterly meetings of the Regional Waste Forum are maintained with the focus on regionalization of waste services to promote economies of scale, cooperation between municipalities and collective planning towards the future.
Strategic Objective 2	Promote and ensure awareness and education of integrated waste management	Regional Waste Forum serves as the platform to identify training needs. Sharing of Regional Landfill Facility information with other districts who are in the development phase.
Strategic Objective 3	Build and strengthen waste management capacity	The municipality was provided the opportunity to attend a capacity building initiative with the Danish Government. Focus was on waste technologies.
Goal 2: Improved integrated waste management planning and implementation for efficient waste services and infrastructure		
Objectives		2022/23
Strategic Objective 1	Facilitate municipal waste management planning	Quarterly Regional Waste Forum focus on collective planning. The annual tariff review between signatories of the Karwyderskraal SLA continues. Technical discussions with waste managers were facilitated in order to prioritise infrastructure expansion.
Strategic Objective 3	Promote the establishment of integrated waste management infrastructure and services	The focus remains on the two municipalities, Cape Agulhas and Swellendam, to facilitate further discussion on infrastructure development to divert waste from landfill and to become future users of Karwyderskraal.

		The current operational Cell 4 is surveyed annually to determine the available airspace. Based on the volumes received currently, there will be adequate airspace up to 2026/27.
Strategic Objective 4	Ensure effective and efficient waste information management	Both landfilled and diverted volumes for Karwyderskraal are reported monthly to provincial government via the Integrated Pollution and Waste Information System. The facility received an average of 6 300 tons of waste a month. The organic waste diversion average is currently 49,7%. Going forward, we will also calculate the total diversion rate for the regional facility that will include construction and demolition waste.
Goal 3: Effective and efficient utilisation of resources		
Objectives		2022/23
Strategic Objective 2	Stimulate job creation within the waste economy	The promotion of waste diversion through recycling at source and within local municipalities remains a high priority and is promoted through the Regional Waste Forum in order to stimulate secondary economies and job creation through diversification of opportunities within the waste sector.
Strategic Objective 3	Increase waste diversion through re-use, recovery and recycling	Street level waste characterisation studies for both Overstrand and Theewaterskloof are conducted annually. The approach was reviewed and adapted based on practical experience and information received during the attendance of the Danish Waste Technologies course. The refined data will focus waste diversion efforts specifically that of organic waste that will be both cost efficient and effective.
Goal 4: Improved compliance with environmental regulatory framework		
Objectives		2022/23
Strategic Objective 1	Strengthen compliance monitoring and enforcement	Quarterly compliance audits are performed on the Karwyderskraal Regional Landfill Site, followed by an annual external audit by an external service provider. The regional landfill facility achieved an external compliance audit score of 99,07% for the period under review. Reporting to the Karwyderskraal Monitoring Committee takes place annually in order to be transparent in the outcome of the above audit and to provide a platform for the users and interested and affected parties to communicate matters of concern to the ODM. This platform is held virtually to accommodate more parties.
Strategic Objective 2	Remediate and rehabilitate contaminated land	Budget provision is made for the long-term rehabilitation of the regional landfill facility through annual tariff setting and a ring-fenced account.

Figure 9: Projected vs estimated available air space for Cell 4

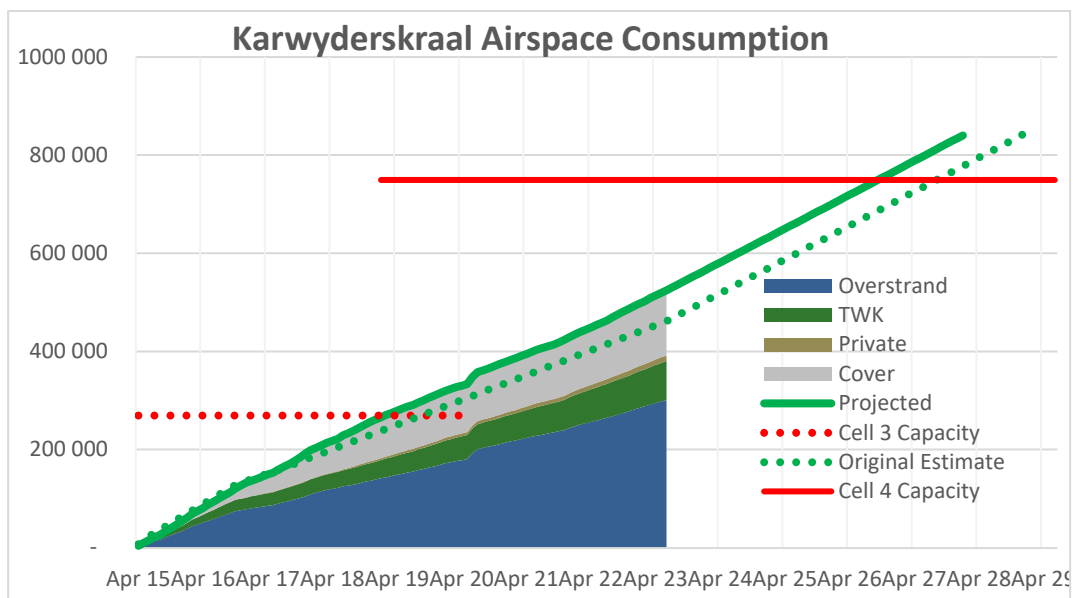


Table 18: Total waste volumes (t) per user disposed at Karwyderskraal Regional Landfill up to June 2023

Month	Overstrand				Theewaterskloof				Private			
	MSW	BR Small	BR Large	Chipped Garden waste	MSW	BR Small	BR Large	Chipped Garden Waste	MSW	BR Small	BR Large	Fruit Waste
Jul 22	2 601.30	416.52	0	956.58	953.8	7.02	0	81.58	108.74	763.06	17.38	450.48
Aug 22	2 927.57	523.7	4.86	875.15	931.52	43.05	0	47.48	151.82	938.56	14.36	511.96
Sep 22	2 928.52	480.38	2.96	988.36	763.16	0	0	83.6	139.12	1 248.92	9.76	330.6
Oct 22	3 258.31	549.7	7.14	822.46	868.27	26.52	0	0	149.36	1 022.00	27.5	433.7
Nov 22	2 802.75	736.1	42.43	1 063.96	758.6	0	26.16	0	122.05	962.78	10.14	382.02
Dec 22	3 098.55	616.86	0	960.3	824.58	5.38	0	42.61	127.22	576.21	2.84	376.9
Jan 23	3 755.60	352.88	0	902.61	875.26	0	0	0	175.19	215.13	-	71.48
Feb 23	2 884.74	602.6	0	874.34	696.18	7.08	0	23.04	208.56	456.72	1.4	315.6
Mar 23	3 117.81	627.9	0	1 031.30	718.8	19.28	0	83.06	79.96	861.24	6.74	479.1
Apr 23	3 570.42	594.52	0	1 126.96	984.38	0	0	0	146.76	731.52	6.96	943.86
May 23	2 818.70	515.86	0	842.6	887.8	19.72	0	0	159.08	605.74	10.06	222.26
Jun 23	3 419.32	640.96	0	1 141.32	1 241.72	23.48	0	46.26	238.38	819.94	7	411.76
Total	37 183.59	6 657.98	57.39	11 585.94	10 504.07	151.53	26.16	407.63	1 806.24	9 201.82	114.14	4 929.72

Service delivery highlights for 2022/23

- Management of the Landfill facility remains of a very high standard. Audit outcome: 99.07%.
- Allocation of R4.9 million toward the upgrade of road infrastructure and a water back-up system for the facility.

Service delivery challenges for 2022/23

Transport of waste remains the biggest challenge especially for outlying municipalities to join Karwyderskraal.

Table 19: Financial performance: Solid Waste Management

Financial Performance 2022/23: Solid Waste Management							R'000
Details	2021/22	2022/23					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	11 480	11 900	12 600	11 575	-8%	(1 025)	
Expenditure:							
Employees							
Repairs and Maintenance							
Other	10 062	9 037	9 550	9 283	-3%	(267)	
Total Operational Expenditure	10 062	9 037	9 550	9 283	-3%	(267)	
Net Operational Surplus/(Deficit)	1 418	2 863	3 050	2 292	-25%	(758)	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>							

Table 20: Capital expenditure: Solid Waste Management

Capital Expenditure 2022/23: Waste Management Services						
						R' 000
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)
Total All		4 900	367	-93%		(4 533)

DESCRIPTION	2021 Restated	2022 Per AFS	2023 Per AFS	NOTES
Surplus - Solid Waste Department per AFS	-2 850 411.95	-1 418 453.36	-2 292 201.36	
Less: Overhead Costs	542 910.48	680 000.00	656 242.08	Actual as per module
Surplus - Solid Waste Department	-2 307 501.47	-738 453.36	-1 635 959.28	
Add Back iGRAP 2 entries	-361 243.44	1 235 570.96	498 511.34	
Add Back Depreciation	-649 237.70	-637 096.55	-601 853.30	
Add Back Rehabilitation Fees Raised	880 333.46	739 766.70	996 711.27	
Surplus after adding back specific items	-2 437 649.15	599 787.75	-742 589.97	
Capital Repayments	2 439 196.66	2 725 655.27	3 046 332.07	See note 1
Deficit/(Surplus)	1 547.51	3 325 443.02	2 303 742.11	
Note 1				
Capital Repayments	2 949 452.89	3 295 835.86	3 683 595.14	
Portion relating to upgrading of Cell 4	0.83	0.83	0.83	
To be included	2 439 196.66	2 725 655.27	3 046 332.07	

COMMENT ON SOLID WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Overberg District Municipality’s regional landfill site (Karwyderskraal) currently service two of the local municipalities in the region (Theewaterskloof Municipality and Overstrand Municipality). The landfill is fully operational, however a R2.3 million deficit was calculated for the fiscal period. Operating expenditure at the landfill was higher than projected, hence the adjustment budget was tabled, mainly due to the increase in fuel and transport costs being a large cost factor in the rendering of the service.

The Capital project regarding the upgrade of infrastructure commenced in the second semester of the financial year, due to the change of the project to the repair of the access road as a critical infrastructure as agreed with all stakeholders.

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

Overberg District Municipality acts as an agent for the WCG Department of Infrastructure to maintain proclaimed provincial roads in the district. The local municipalities are responsible for managing roads/streets in their respective towns. The ODM is also responsible for an Integrated Transport Plan for the district.

3.2 ROADS

INTRODUCTION TO ROADS

The ODM is an agent for the Western Cape Government, Department of Infrastructure, to perform the function of roads in accordance with a memorandum of agreement. The ODM is responsible for maintaining, repairing, protecting and

managing the proclaimed provincial roads in the area, as identified by the District Road Engineer, in a safe and reliable condition within the legal framework of the various ordinances, acts and regulations. The function is 100% funded by means of a grant from the department, which includes the employee costs in the Roads section. The function is performed from subdistrict depots at Swellendam, Bredasdorp and Caledon.

Service delivery highlights for 2022/23

- Over-achievement of kilometres of road graded.
- Upgrade 2.42 km of Boontjies Kraal road to permanent surface.

Service delivery challenges for 2022/23

- Extreme weather results in continuous re-evaluation of work programme.
- Backlog in the filling of vacant posts.

Table 21: Gravel Road infrastructure

Gravel Road Infrastructure					
					Kilometres
Financial Year	Total gravel roads at beginning of financial year	New gravel roads	Gravel roads upgraded to asphalt (tar)	Gravel roads re-gravelled	Gravel roads maintained at yearend
2020/21	3191.75	0	0	54.51	3191.02
2021/22	3191.02	0	1.34	48.18	3189.68
2022/23	3189.68	0	2.42	42.19	3187.26

Table 22: Tar Road infrastructure

Tar Road Infrastructure					
					Kilometres
Financial Year	Total tar roads at beginning of financial year	New tar roads	Existing tar roads re-tarred	Existing as tar roads re-sheeted	Tar roads maintained at yearend
2020/21	504.23	0	28.19	0	504.23
2021/22	504.23	1.34	24.90	0	505.57
2022/23	505.57	2.42	16.25	0	507.99

Table 23: Cost of road infrastructure

Cost of Road Infrastructure						
						R'000
Financial year	Gravel			Tar		
	Regravel	Gravel-Tar	Maintained	Rehabilitation	Re-seal	Maintained
2020/21	31 491	39 700	39 451	0	12 600	7 303
2021/22	35 360	34 008	41 080	0	10 163	11 206
2022/23	36 171	27 445	44 076	0	13 189	9 685

Figure 10: Road infrastructure costs

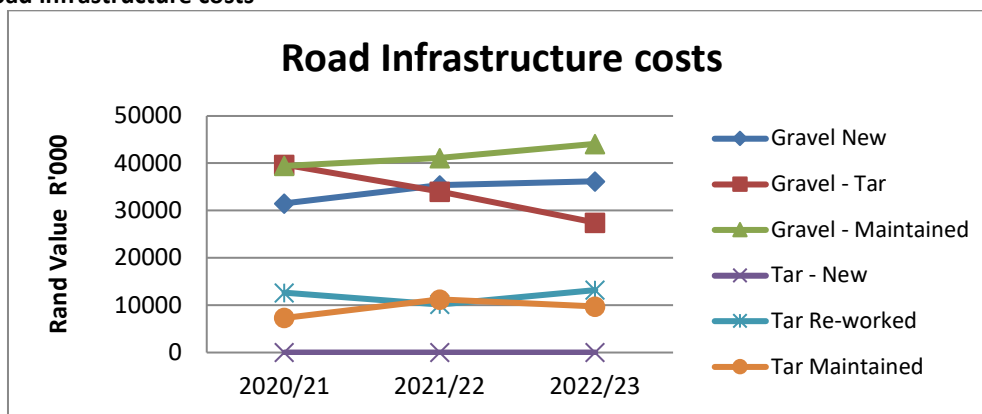


Table 24: Employees in Roads Services

Employees: Roads Services				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	127	109	18	14.17%
4 - 6	40	37	3	7.50%
7 - 9	47	42	5	10.64%
10 - 12	17	17	0	0.00%
13 - 15	7	5	2	28.57%
16 - 18	1	1	0	0.00%
19 - 20	0	0	0	0.00%
Total	239	211	28	11.72%

Table 25: Financial performance: Roads Services

Financial Performance 2022/23: Roads Services						
R'000						
Details	2021/22	2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue	119 344	108 781	119 586	119 725	0%	139
Expenditure:						
Employees	48 980	47 406	45 838	53 431	17%	7 593
Repairs and Maintenance						
Other	62 887	61 375	73 747	61 359	-17%	(12 388)
Total Operational Expenditure	111 867	108 781	119 586	114 791	-4%	(4 795)
Net Operational Surplus/(Deficit)	7 478			4 934	100%	4 934
<i>Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>						

Table 26: Capital expenditure: Roads Services

Capital Expenditure: Roads Services						
R' 000						
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)
Total All			0	0		0

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The Roads Services are performed by the Overberg District Municipality on behalf of the Department of Transport and Infrastructure. The operational revenue budget grew throughout the financial year with addendums added to the memorandum of agreement between the two parties. Additional projects were rendered by the municipality for the period and unexpected costs due to flooding also contributed to the increases. Although the operational expenditure was higher than originally budgeted, the total expense for the year remained below the adjusted budget, due to the impact of flooding causing delays in operations. It needs to be mentioned that all expenditure of Roads are operating of nature. The activities on roads infrastructure, reported in tables 21, 22 and 23, are on the assets that belong to the WCPG and in table 25 (Repair and maintenance) on the "yellow fleet", which is also the assets of WCPG. Any expenditure on operating assets (such as computers, office furniture, etc) are expensed and not capitalized and recorded in an inventory register in terms of the MoA.

3.3 TRANSPORT

INTRODUCTION TO TRANSPORT

Integrated Transport Plan

The Overberg District Municipality is responsible for developing an Integrated Transport Plan (ITP) for the district, as required by the National Land Transport Act (Act 5 of 2009) and the National Land Transport Transition Act (Act 22 of 2000). The revised ITP was adopted by Council on 25 October 2021.

Rural Roads Asset Management System (RRAMS)

The municipality received grant funding as stated in the Division of Revenue Act (DoRA) to assist rural district municipalities in setting up their road asset management systems and in collecting road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa. This is a three-year project and will be completed 30 June 2024.

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Planning and Development function at the municipality includes Spatial Development Planning, IDP and Local Economic Development.

3.4 PLANNING (IDP, COMMUNICATION AND SPATIAL PLANNING)

IDP/BUDGET/PMS TIME SCHEDULE OF KEY DEADLINES 2022/2023

The IDP/Budget/PMS time schedule of key deadlines for 2022/23 was developed in preparation for the 2023/24 annual budget and IDP Review & Amendment. Council adopted it on 22 August 2022.

The 2023/24 draft Review & Amended IDP together with the 2023/24 Budget were tabled to Council on 27 March 2023 and the final 2023/24 Review & Amended IDP was adopted by Council on 29 May 2023.

OVERBERG IDP AWARENESS

As part of the District Awareness Campaign and public participation process, the IDP and Communications Department invited both permanent and temporary workers, CDW workers and ward committee members of CAM to a District IDP Awareness Workshop on 22 November 2022. Participants were informed about the difference between a district and local municipal IDP and how they can be involved in such processes. An awareness session was also held on 30 June 2023 at Uilenkraalsmond to create awareness and educate the participants on the importance of the Integrated Development Plan of the municipality. Attendees were presented with an overview of the distinct roles and functions of a District and a Local Municipality, as well as an overview of the district's 5th Generation Integrated Development Plan (IDP). The session highlighted the functions of the ODM that have a direct impact on the lives of all inhabitants in the region, whether through services such as roads maintenance, municipal health, environmental management, fire and disaster management, social development and regional economic development and tourism. The ODM's Communication channels and objectives was also presented.



IDP awareness with Internal staff, CWP's and Ward Committees

JDMA

An integrated planning engagement for the Overberg district was held on 10 February 2023. The session was convened by DLG's Integrated Development Planning Directorate in conjunction with the JDMA Interface Team lead for the district. The main objective of this engagement was to afford all the municipalities the opportunity to engage Western Cape Government (WCG) departments on planning priorities and service delivery challenges, share the WCG allocations and planned programmes/projects, and to assist municipalities as part of their public participation processes for the IDPs.

COMMUNICATION

Internal newsletter – *Decus Nostrum*

The *Decus Nostrum* is an internal newsletter that serves as a tool to inform all staff of processes and procedures that were reviewed and implemented throughout the year. Publications of the *Decus Nostrum* were distributed quarterly.

External newsletter

The ODM fulfils its role by biannually producing an external newsletter. Information is also sourced from local municipalities in the region. External newsletters were produced and issued during December 2022 and June 2023, and copies were distributed to local municipalities, stakeholders and at various strategic points within the region, such as libraries and Thusong Centers.

SPATIAL DEVELOPMENT PLANNING

The District Spatial Development Framework is a core component of the municipality's economic, sectorial, spatial, social, institutional and environmental vision. It serves as a tool to achieve the desired long-term spatial vision of the municipality and is reviewed or amended every five years. The District SDF as a strategic policy document focusing on broad spatial planning guidelines, which inform detailed policies and strategies within the local municipal Spatial Development Frameworks. The reviewed District SDF was adopted by Council on 29 May 2023.

The municipality, in its capacity as a commenting authority, provides input on land use management and building plan applications to category B-municipalities. The comments provided pertain to spatial planning, environmental health, environmental management, and fire and disaster management.

Table 27: Employees: IDP/Communication

Employees: IDP/Communication				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	2	1	1	50.00%
10 - 12	0	0	0	0.00%
13 - 15	0	0	0	0.00%
16 - 18	1	1	0	0.00%
19 - 20	0	0	0	0.00%
Total	3	2	1	33.33%

Table 28: Financial performance: Planning Services

Financial Performance 2022/23: Planning Services							R'000
Details	2021/22	2022/23					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	661	1 285	1 458	1 329	-9%	(129)	
Repairs and Maintenance							
Other	67	106	99	86	-13%	(13)	
Total Operational Expenditure	729	1 391	1 557	1 415	-9%	(142)	
Net Operational Surplus/(Deficit)	(729)	(1 391)	(1 557)	(1 415)	-9%	142	

Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.

Table 29: Capital expenditure: Planning Services

Capital Expenditure 2022/23: Planning Services							R' 000
Capital Projects	2022/23						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All		15	13	-13%		(2)	

COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

The IDP and Communication department performed within their projected operating adjustment budget as well as the capital acquisitions for the period under review.

3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)**INTRODUCTION TO ECONOMIC DEVELOPMENT AND TOURISM**




The purpose of local economic development is to build up the economic capacity of a local area in order to improve its future and the quality of life for all. The main focus is to strengthen the local economy, improve the investment climate and to increase the productivity and competitiveness of local business and entrepreneurs.

The Overberg District Municipality does not function in isolation from Western Cape, South Africa, and the world. Tremendous progress had been made since the implementation of the Economic Recovery Action Plan in 2020. The overall assessment of LED implementation indicates that, although there are pockets of good practices, Overberg must still intensify its focus on RED and build on gains and lessons learn. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

ACHIEVEMENTS FOR THE YEAR

DEDAT continued to support tourism product development by launching phase 2 of the Tourism Product Development Fund. The following three beneficiaries from the Overberg received financial support.

Table 30: Beneficiaries of Tourism Product Development Fund

Beneficiary	Project Name
Dyer Island Centre	<p>South African Seabird</p> 
Almenkerk Wine EstateCC trading as Almenkerk Wine Estate	<p>Active @ Almenkerk</p> 
Formula D Design Consultancy Pty Ltd	<p>Whale House Museum Hermanus kids' attraction</p> 

JDMA PROJECTS

To provide a coordination support function to the Department, the unit delivered on the JDMA inter-governmental relation (IGR) responsibilities that gave effect to implementation of district economic recovery plans and projects. As the JDMA was already institutionalized in the Province, the Provincial Cabinet endorsed the JDMA as a Western Cape approach towards the National District Development Model (DDM).

The JDMA Plan forms the basis of all developments for the future and will guide planning, budget and implementation over the medium to longer term.

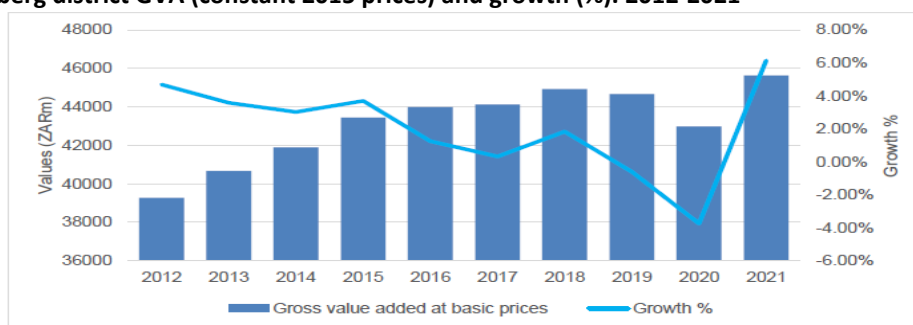
ECONOMIC OVERVIEW⁸

The Overberg district is the fifth largest economy in the districts of the Western Cape. In 2021 the Overberg district contributed an estimated ZAR19.43bn as measured by gross value added (GVA) in ZAR billions constant 2015 prices. This represented a contribution of 3.37% to the Western Cape's economy.

In 2021, the Overberg district's economy grew by an estimated 6.15%, up from a 3.75% decline in 2020. The key contributing factor to the decline in growth in 2020 was the COVID-19 pandemic and national lockdowns, which restricted economic activity. However, with the easing of lockdown measures to somewhat pre-pandemic levels, an estimated ZAR45.62bn in GVA was recorded in 2021.

⁸ Wesgro Overberg Fact Sheet November 2022

Figure 11: Overberg district GVA (constant 2015 prices) and growth (%). 2012-2021



Source: Quantec, 2022

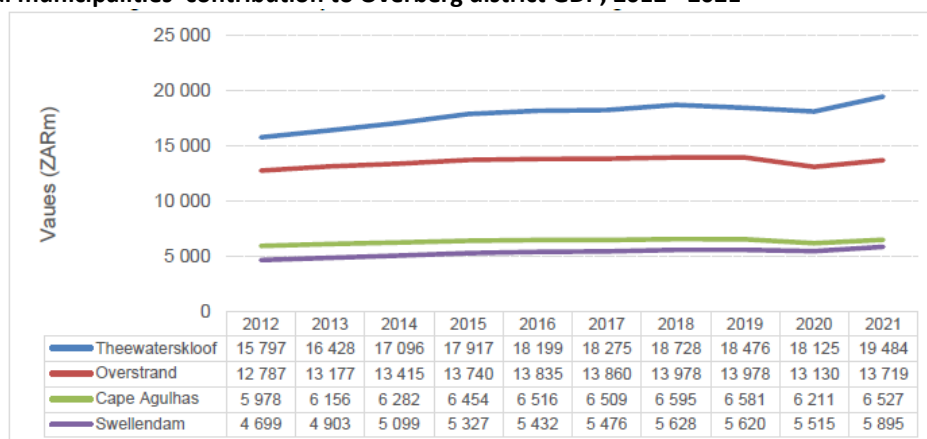
The finance, insurance, real estate, and business services sector was the largest contributor to GDP in this region in 2021, accounting for 26.82% of the GDP at a value of ZAR5.21bn. The sector grew by 4.60% between 2020 (ZAR4.98bn) and 2021 (ZAR5.21bn). The wholesale and retail trade, catering and accommodation sector was in second place, representing 16.24% of the region’s GDP at a value of ZAR3.16bn, up by 7.84% from the 2020 value of ZAR2.93bn. The manufacturing sector ranked as the third largest contributor to the Overberg district’s GDP, accounting for 13,38% (ZAR2.60bn) of the GDP, up by 8.90% from the 2020 value of ZAR2.39bn.

Figure 12: Overberg district’s GDP per sector, 2020-2021

Overberg's GDP per sector, 2020–2021				
Sector	Value 2020 (ZARbn)	Value 2021 (ZARbn)	% Share of GDP, 2021	Growth rate %, (2020-2021)
Finance, insurance, real estate, and business services	4.98	5.21	26.82%	4.60%
Wholesale and retail trade, catering, and accommodation	2.93	3.16	16.24%	7.84%
Manufacturing	2.39	2.60	13.38%	8.90%
Agriculture, forestry, and fishing	2.00	2.15	11.04%	7.43%
Community, social and personal services	1.73	1.86	9.56%	7.66%
Transport, storage, and communication	1.48	1.57	8.10%	5.98%
General government	1.59	1.57	8.08%	-1.09%
Construction	1.00	0.98	5.07%	-1.53%
Electricity, gas, and water	0.31	0.32	1.65%	3.26%
Mining and quarrying	0.01	0.01	0.06%	-14.32%
Total	18.41	19.43	100.00%	5.51%

Source: Quantec, 2022

Figure 13: Local municipalities’ contribution to Overberg district GDP, 2012 - 2021



Source: Quantec, 2022

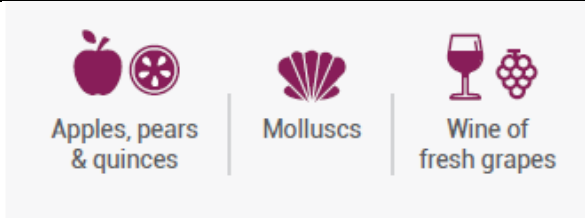
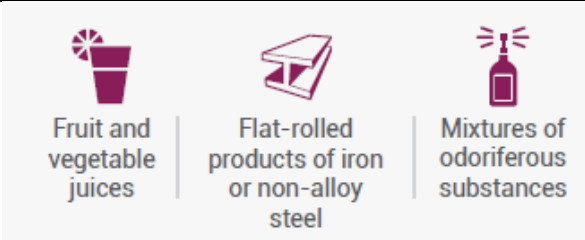


INTERNATIONAL TRADE AND TOURISM⁹

The district and local economies are influenced not only by the spending of local households but also by regional economic activities such as the trade of goods and services, and domestic and international tourism.

⁹ 2022-2023 MERO Overberg District

A positive trade balance indicates a surplus, as the Overberg District exports more than it imports. In 2021, the district exported goods to the value of R3.4 billion and imported goods to the value of R1.6 billion.

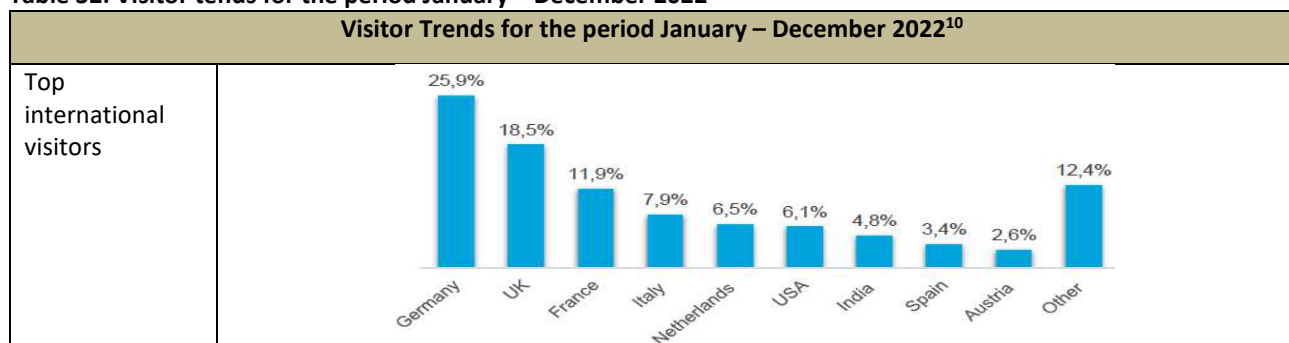
Table 31: International Trade in 2021

International Trade in 2021	
Top 3 exported Products	 <p>Apples, pears & quinces Molluscs Wine of fresh grapes</p>
Top 3 Imported Products	 <p>Fruit and vegetable juices Flat-rolled products of iron or non-alloy steel Mixtures of odoriferous substances</p>
Top 3 Exported Destinations	 <p>Netherlands United Kingdom Hong Kong</p>
Top 3 Imported Destinations	 <p>China Swaziland Spain</p>

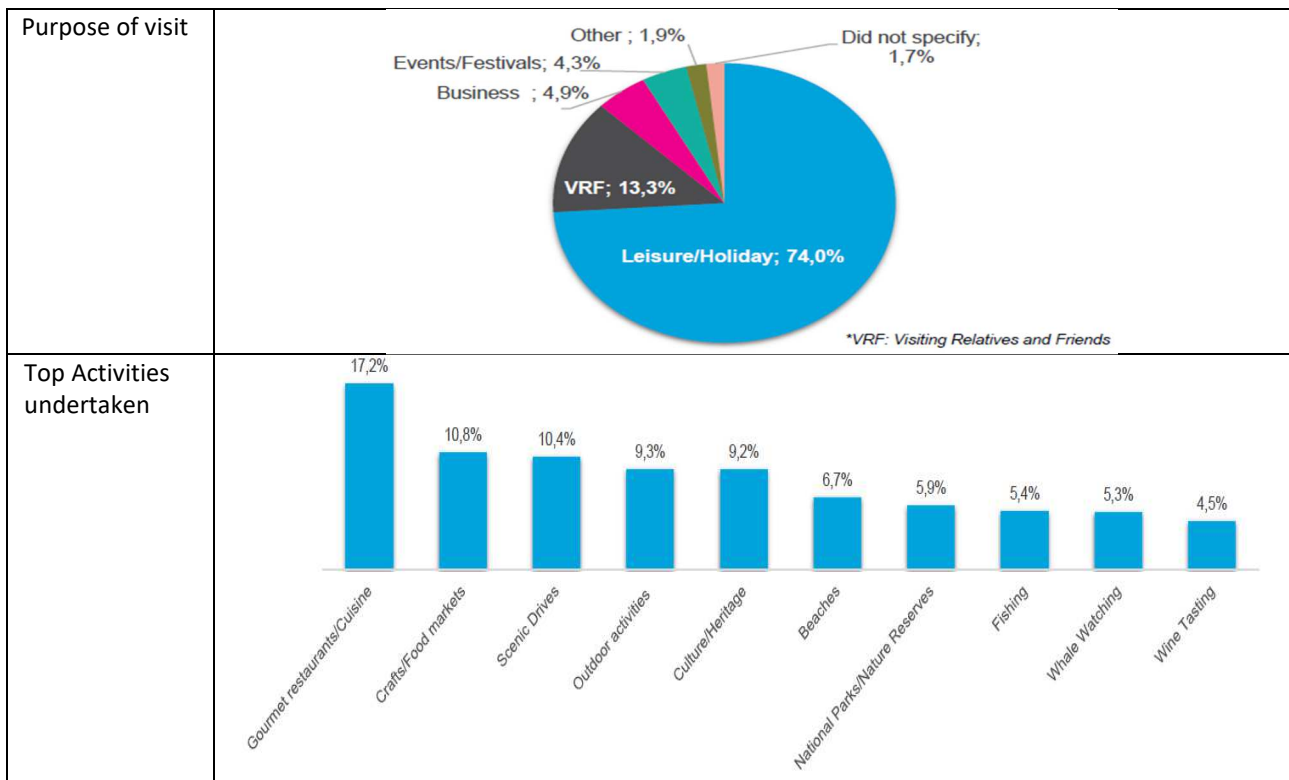
TOURISM

In 2021, tourism spend in the Overberg District made up an estimated 16.3% of the GDP. 94.4% of the visitors to the district were domestic.

Table 32: Visitor trends for the period January – December 2022



¹⁰ Wesgro Overberg Tourism Visitor Trends (January – December 2022)



The Overberg Regional Tourism Liaison Committee meets on a quarterly basis to discuss the different processes surrounding tourism applications. One of the focus areas is applications for tourist signs.



Table 33: Applications for tourist signs

Applications	Symbols	Outcome
Zoetendal Vineyards	Micro-manufacturing liquor licence	Not Approved
The Thatch House Hermanus	Hotel symbol	GFS C1 Approved
Sijnn Wines	Wine Cellar symbol - Primary name: Sijnn	GFS A12-1 Approved
The Residence Boutique Hotel	Hotel symbol Primary name: The Residence	GFS C1-1 Finalised
Cape Nature Walker Bay Nature Reserve	Nature Reserve Symbol Historical Caves Fishing Hiking	GFS A2-1 GFS A4-4 GFS A5-6 GFS A11-1 Approved

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The municipality received a DoRA grant for the Expanded Public Works Programme, and with the contribution of own funding, the municipality created 207 work opportunities.

EPWP work opportunities were created through the following projects:

- Fire, rescue, disaster management
- Natural resource management through alien invasive species and coastal clean-up
- Maintenance at resorts
- Cleaners at resorts
- Safer Communities Project – Nampo Kaap
- Information data survey – Municipal Health
- Oasis - assist youth and community with computer skills
- Support Service – Maintenance and office assistants

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

Local Economic Development forms part of the LED, Tourism and Resorts Department. (Chapter 4 (4.1))

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Social development is the cornerstone of building sustainable communities. It is about improving the wellbeing of every individual in society so that they can reach their full potential. It requires the removal of barriers so that the community can journey as a collective towards their dreams with confidence and dignity. Social development is broadly understood as the overall improvement and enhancement of the quality of life of all people, especially the poor and marginalised.

The Overberg District Municipality displayed its commitment towards social development as well as its willingness to render support to local municipalities to address social ills in the region by concluding a Memorandum of Understanding with the Department of Social Development. The parties committed themselves to be the champions of the MOU and agreed to build sustainable communities in fighting poverty and promoting economic development.

Service delivery highlights 2022/23

Lessening the impact of power cuts

Rechargeable light bulbs were distributed to help lessen the impact of power cuts and to assist learners with studies at home. A total of 54 households benefitted from the outreach.

Soup kitchen support provides much needed sustenance.

Soup kitchens respond to the needs of the poor, vulnerable and destitute and 350 community members could enjoy nutritious meals through the support and supply of goods to local soup kitchens.

District Youth Summit 27 June 2023

Approximately 100 youth participated in a district youth summit, where young people identified interventions needed for their empowerment young people as key drivers of transformation. Health and wellness services were on offer at the summit and young people could access information on reproductive health and mental health services available.

16 Days of Activism of No Violence Against Women and Children

16 Days of Activism mall activations, dialogues, imbizos, awareness and information sessions held reaching more than 1000 people. Sexual harassment in the workplace awareness sessions held, reaching 70 participants.

Child Protection Week Awareness.

Child Protection Awareness sessions were held at various schools focusing on bullying, learner safety and self-defense practices, reaching 1816 learners.

Easing the strain of loadshedding.

A total of 56 gas stoves and butane refills were distributed to households to help ease the strain of loadshedding and to ensure families can prepare cooked meals on time.

Cyber Safety Awareness

Cyber bullying and Cyber Safety Awareness information sessions were held reaching 100 young people.

Learner License Opportunities

A total of 15 young people were assisted in obtaining their learner's licenses.

Social Development Month Awareness

Social development month awareness promoted via community radio stations reaching approximately 200 000 listeners across the district.

Digital Mobile Literacy

Digital literacy is key to accessing educational opportunities. A total of 44 Working on Fire Workers participated in workshops to assist them in better understanding the 4th Industrial Revolution. Knowledge was imparted about the different mobile applications available on their devices and how these can be used to empower themselves.

Table 34: Employees: Social Services

Employees: Social Services				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	0	0	0	0.00%
10 - 12	2	1	1	50.00%
13 - 15	1	0	1	100.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	3	1	2	66.67%

COMMENT ON SOCIAL SERVICES PERFORMANCE OVERALL

The department's budget forms part of Support Services (refer to Chapter 3, point 3.16). Funding for projects are primarily provided by grants received (e.g., Fire Safety grant) and cooperation engagements between other spheres of government and local municipalities that co-fund events.

COMPONENT E: ENVIRONMENTAL PROTECTION**INTRODUCTION TO ENVIRONMENTAL PROTECTION**

Environmental protection is managed in terms of section 24 of the Constitution, the National Environmental Management Act (Act 107 of 1998 [NEMA]), the Coastal Management Act (Act 24 of 2008), the National Environmental Management Waste Act (Act 59 of 2008), the Environmental Management: Biodiversity Act (Act 10 of 2004), the Environmental Management: Air Quality Act (Act 39 of 2004) and the National Health Act (Act 61 of 2003). Environmental management is defined as an activity with the goal to maintain and improve the state of environmental resources affected by human activities.

3.6 POLLUTION CONTROL**INTRODUCTION TO POLLUTION CONTROL**

Section 30 of the NEMA provides for the control of emergency incidents. This is a measure to protect the environment so that the rights enshrined in section 24 of the Constitution can be realised.

The following departments form part of the municipality's section 30 integrated response team.

- Fire and Disaster Management – First response and containment of the situation (HAZMAT);
- Municipal Health Services – Monitoring the impact on communities and receiving environment; and
- Environmental Management Services – Monitoring impacts on the environment and reporting to the provincial authorities.

Table 35: Section 30 incidents

Section 30 incidents reported		
Nature of incident	Submission of Emergency Incident Report	Closure of Section 30 Incident
Eti Soda, Sodium Carbonate on N2/5 km 22 near the R324 Witsand turnoff	Reported to DEADP 10 October 2022	No, Pending

Air quality control is one of the functions performed by Municipal Health Services (MHS) in terms of the National Health Act (Act 61 of 2003) and the National Environmental Management: Air Quality Act (Act 39 of 2004). The Overberg District Municipality is the licensing authority for listed activities and controlled emitters.

Table 36: Atmospheric emission licence holders

Business	Type of industry	Status	Subdistrict	Date issued
Gansbaai Marine	Fish meal production	AEL	Overstrand	19 November 2021
Bredasdorp Lime Works	Production of lime products	*PAEL	Cape Agulhas	12 September 2022
Bredasdorp Steenwerke	Manufacturing of clay bricks	AEL	Cape Agulhas	30 July 2021
Botrivier Steenwerke	Manufacturing of clay bricks	AEL	Overstrand	19 November 2021
Beukes Steenwerke	Manufacturing of clay bricks	AEL	Theewaterskloof	20 May 2022

*Provisional atmospheric emission license (PAEL) – only valid for one year, but also depending on compliance by the facility. A PAEL is also issued if a facility is under construction – as is the case with Bredasdorp Lime Works. After every year, the PAEL will be reviewed for compliance in accordance with set conditions, whereafter a final license (AEL) will be issued if the facility complied in the previous six-month period. The AEL is valid for a five-year period.

The industries report quarterly to the licensing authority on their compliance with the license conditions, as well as to the national Department of Environmental Affairs. Continuous monitoring took place at the relevant premises. The industry cooperated very well with the requirements expected of them. No complaints were received from the community about the listed activities and controlled emitters industry.

Municipal health practitioners dealt with several air pollution complaints such as fumes, smoke, dust, offensive odours and unlicensed facilities.

The prevention and rectification of soil pollution also form an integral part of pollution control. Complaints are investigated and remedial action is taken where necessary. One of the daily functions of MHS is the identification and monitoring of premises to ensure that no pollution occurs.

Service delivery highlights for 2022/23

- The provision of an air quality function in the absence of an air quality officer.

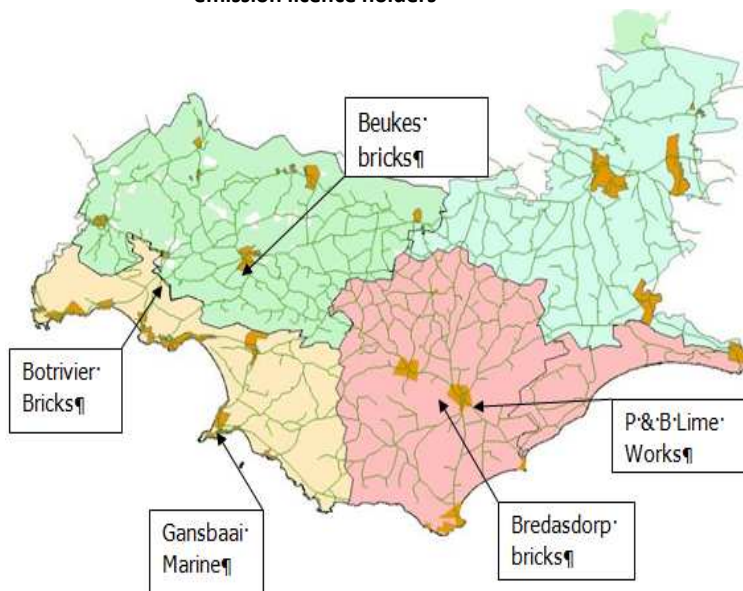
Service delivery challenges for 2022/23

- Staff vacancies.
- The non-appointment of a designated, qualified air quality officer for the Overberg.

Comment on the performance of pollution control overall

The function of pollution control is performed by the Department Environmental Management and the Department of Municipal Health Services respectively, and forms part of their budget.

Figure 14: Geographical distribution of atmospheric emission licence holders



3.7 ENVIRONMENTAL MANAGEMENT

INTRODUCTION TO ENVIRONMENTAL MANAGEMENT

The Overberg District Municipality promotes sustainability through its Environmental Management Policy and other strategic documents, such as the newly adopted Spatial Development Framework and 5th generation Integrated Development Plan.

The Municipality continues to engage and work with its partners by means of local forums and committees such as the Municipal Coastal Committee, Overberg Climate Change and Biodiversity Forum, Estuary Advisory Forums, Nuwejaars Wetland Special Management Area, Breede-Sonderend Catchment Collaborative and Kogelberg Biosphere Reserve Company.

CLIMATE CHANGE RESPONSE

Chapter 3 of the draft Climate Change Bill (is dedicated to outlining the roles assigned to municipalities with regards to responding to climate change. The Bill is aimed at building an effective climate change response and ensuring the long-term, just transition to a climate resilient and lower carbon economy and society.

In order to promote an integrated approach to climate change response in the Overberg, ODM in partnership with the Department of Forestry, Fisheries and Environment, and the Provincial Department of Environmental Affairs and Development Planning ongoing capacity building and support are provided to all the local municipalities through the Overberg Climate Change and Biodiversity Forum platform.

Service delivery highlights for 2022/23

Commenced with the review of the Overberg Climate Change Response Framework in order to align it with draft legislation.

Service delivery challenges for 2022/23

Climate change has been identified as strategic risk within the municipality. However, strategic planning and budgeting for climate change response across all line functions remains a challenge.

BIODIVERSITY MANAGEMENT

1. Alien invasive vegetation control

The National Environmental Management: Biodiversity Act of 2004 (Act 10 of 2004) requires the Municipality to take responsibility for the management and control of alien invasive species on its properties. The Municipality therefore plans, budgets, and implements invasive alien clearing projects, in partnership with various role-players, in order to address this responsibility through its own, and EPWP grant funding.

1.1. ODM Alien Invasive Species Monitoring, Control and Eradication Plan

The review of the ODM's Alien Invasive Species Monitoring, Control, and Eradication Plan (AIS Control Plan) was completed. As part of the review, 5 priority properties were identified and an implementation plan for each property was developed.

Table 37: Own property alien invasive clearing

Property Description	Project Phase	Number of hectares cleared
Uilenkraalsmond Holiday Resort (Farm 707)	Follow-up (including chipping)	5.51 ha
Karwyderskraal Regional Landfill Site (Portion 79 of Farm 575)	Initial	15.47 ha

1.2. EPWP Alien vegetation clearing project

The project entailed the clearing of alien and invasive vegetation within our wetland and river systems which are classified as National Freshwater Priority Areas. The aim of the project was to improve water security, while addressing fire risk, and creating jobs.

The projects were implemented in partnership with the Nuwejaars Wetland Special Management Area.

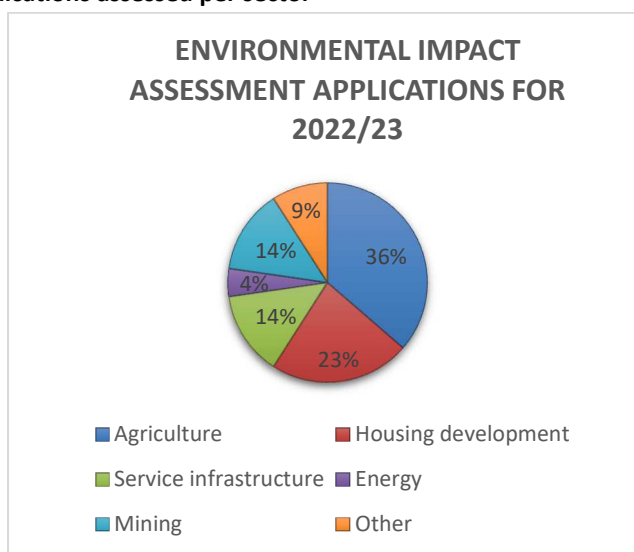
Table 38: Environmental Management – EPWP alien vegetation clearing project

Project Name	Project Description	Project period	Number of work opportunities
River and wetland rehabilitation.	Removal of alien vegetation within the Nuwejaars River and wetland systems	85 days	10

2. Evaluation of land- use applications and environmental impact assessments

The Municipality continues to act as a commenting authority for any development application within its area of jurisdiction. The Spatial Development Framework together with a set criterion, based on the principles of sustainability (which includes the protection and conservation of endangered/threatened ecosystems, Critical Biodiversity Areas and Ecological Support Areas) is used to ensure consistency.

Figure 15: Development applications assessed per sector



COASTAL AND CATCHMENT MANAGEMENT

The Overberg District Municipality facilitates the Municipal Coastal Committee (MCC) to integrate coastal management and promote discussion between all role-players. The MCC reports on a quarterly basis to the Community Services Portfolio Committee in order to keep Council informed of the discussion. The Municipality is represented on the Provincial Coastal Committee, Estuary Advisory Forums, and Erosion Task Team. The Municipality will be represented on the newly established National Coastal Committee. All matters strategic of nature or with high priority is escalated to the abovementioned platforms.

The Municipality continues to play an oversight and co-ordination role and perform coastal and catchment monitoring, in order to inform and advise the Municipality and role-players on required actions.

The Municipality investigated the promulgation of Coastal Access By-laws and the matter was referred for legal review.

Service delivery highlights for 2022/23

- Gap analysis conducted for the review of the Coastal Management Programme.
- A coastal clean-up job creation project was rolled out in Arniston supporting five individuals from the local community.
- The municipality was successful with a grant application for the establishment of GIS system for various departments.

Service delivery challenges for 2022/23

Sufficient resource (personnel and budget) allocation remains a challenge in relation to the area covered and various disciplines attended to, in terms of National legislation.

The main challenge to the environment is the continuous pressure on natural resources that affect the quality of services that support local communities

Table 39: Employees: Environmental Management

Employees: Environmental Management				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	1	0	1	100.00%
10 - 12	1	1	0	0.00%
13 - 15	1	1	0	0.00%
16 - 18	1	1	0	0.00%
19 - 20	0	0	0	0.00%
Total	4	3	1	25.00%

Table 40: Financial performance: Environmental Management

Financial Performance 2022/23: Environmental Management						
R'000						
Details	2021/22	2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue		114	121	37	-70%	(84)
Expenditure:						
Employees	2 451	2 794	2 820	2 672	-5%	(148)
Repairs and Maintenance						
Other	473	458	690	379	-45%	(311)
Total Operational Expenditure	2 924	3 252	3 510	3 051	-13%	(459)
Net Operational Surplus/(Deficit)	(2 924)	(3 138)	(3 389)	(3 014)	-11%	374
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>						

Table 41: Capital expenditure: Environmental Management

Capital Expenditure 2022/23: Environmental Management						
R' 000						
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	4 952	63	62	-1%		(.47)

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management performed their functions within their prescribed operational budget. The largest cost factor remains the employee cost in the department due to the nature of the service. Revenue is budgeted for ad-hoc occurrences for inspections rendered to the roads agency which was less than anticipated.

3.8 MUNICIPAL HEALTH SERVICES (HEALTH INSPECTION)

INTRODUCTION TO HEALTH

In terms of the Constitution of the Republic of South Africa, 1996, the Local Government: Municipal Structures Act (Act 117 of 1998) and the National Health Act (Act 61 of 2003), it is the statutory responsibility of the district municipality to render Municipal Health Services in terms of Government Notice No. 826 of 13 June 2003.

Municipal Health Services (MHS) renders effective and sufficient services to improve quality of life through an integrated approach. Skilled professionals deliver the following services in collaboration with stakeholders from offices in **Swellendam, Bredasdorp, Struisbaai, Hermanus, Kleinmond, Caledon and Grabouw.**

1. Water quality monitoring
2. Disposal of the dead
3. Food safety monitoring
4. Environmental pollution
5. Chemical safety
6. Vector control
7. Communicable diseases surveillance
8. Surveillance of premises
9. Waste management monitoring

Registration and training of environmental health practitioners

Environmental Health Practitioners (EHPs) are focused on prevention, consultation, investigation, and education of the community regarding health risks and maintaining a safe environment. The legal mandate assigned to the municipality in terms of the National Health Act (Act 61 of 2003) was provide by EHPs to all areas within its jurisdiction.

- EHPs are all registered with the Health Professions Council of South Africa (HPCSA)
- EHPs undergo online training. It is compulsory for all EHPs to comply with Continued Professional Development (CPD) in order to maintain their registration with the HPCSA. The EHPs completed their CPD training online.



*Municipal Health & Air Quality Services Department
(Municipal Health Services Managers, Environmental Health Practitioners & Administrative support officials)*

Table 42: List of activities in which Municipal Health Services plays a role in the district

Tourism	Monitoring hygiene standards at cafes, shops, restaurants, accommodation facilities, parks, recreation facilities and festivals. Monitoring the quality of drinking water and sewage, activities at milking sheds and air quality management to create acceptable and safe facilities and environments in the district.
Agriculture	Subsistence facilities on farms. The monitoring of hygiene standards at milking sheds (R 961) and pollution control are services rendered on an ongoing basis on farms.
Industry	Chemical safety. Air quality monitoring and licensing of listed activities as well as general pollution control are attended to in this sector.
Education	Health certificates issued to crèches, schools and childcare facilities to ensure the facilities are compliant with municipal health legislation/by-laws and standards, and to create a healthy environment for learners.

Service delivery highlights for 2022/23

Municipal Health & Air Quality department celebrated World Environmental Health Day, in Swellendam. The aim of the day was to promote health and hygiene at Early Child Development Centers. Identified centers received soap holders and handwashing soap. The facilities will ensure children practice hand washing, as a measure to diseases prevention.



World Environmental Health Day Celebration Swellendam (Overberg & Swellendam Council joined hands together with Environmental Health Practitioners)

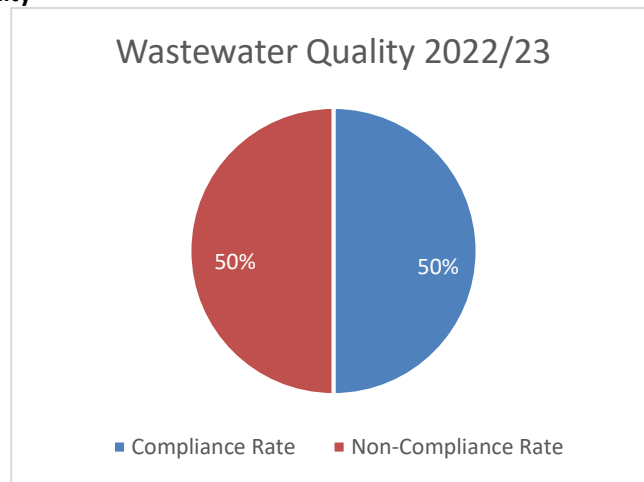
Wastewater Quality Monitoring

Municipal Health Services conduct monthly wastewater monitoring program to determine compliance of final effluent from waste water treatment plants or ponds. The annual Compliance rate for Wastewater is 50% with 50% of treatment plants final effluent failed to comply with waste water standards.

The LOW compliance rate for, wastewater quality standards is concerning. With the quality of wastewater standards compromised and E. coli detected in samples tested throughout the district, this increases the risk of Environmental Pollution in rivers, grassing land & sea, this can lead to community diseases outbreak due to high level of pollution discharge to open environment. The highest non-compliance rate recorded are in Swellendam and Theewaterskloof Sub-district Area.

B-Municipalities were informed regarding the non-compliance rate and to implement corrective measures. Unfortunately, with already compromised infrastructure & implemented loadshedding, which has a direct impact into the effectiveness of the treatment works. Alternative measures must be sourced to ensure back-up power is secured, to ensure system runs during Loadshedding.

Figure 16: Wastewater quality

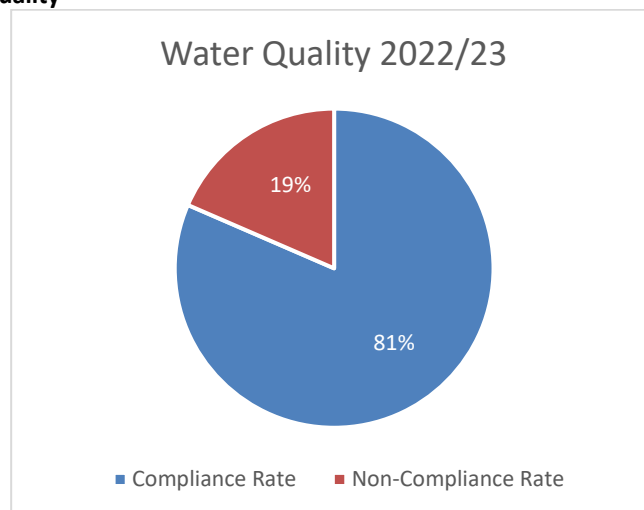


Water Quality Monitoring

Municipal Health Services monitor the quality of drinking water on monthly basis to ascertain compliance with drinking water standards, throughout the ODM Region. During July 2022 – June 2023 Overberg DM water compliance rate is 81% with 19% non-compliance rate.

All B-Municipalities are issued with results to investigate non-compliance and implement corrective measures. The testing is done to ensure water supplied to communities including businesses is fit for human consumption. This is done as a preventative measure to determine contamination & implement corrective measure to avoid waterborne diseases outbreak.

Figure 17: Drinking water quality



Food Safety

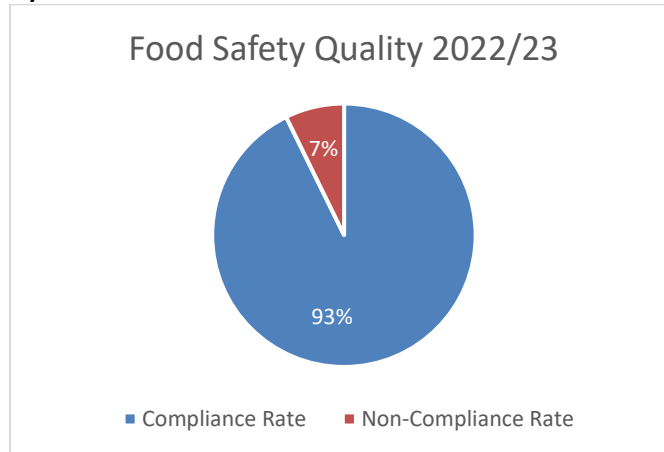
Environmental Health Practitioners continue to monitor food safety within various food establishments such as restaurants, schools feeding schemes, manufacturing facilities including exports packing houses. Food Safety compliance rate for 2022/2023 is 93% based on food samples sampled, with food safety standards non-compliance rate at 7%.

Foodstuff samples taken are from different establishments such as, schools feeding schemes, day care centers, old age homes, hospitals & private businesses such restaurants. Various type of food products was tested such as prepared salads at restaurants, cheese, ice cream, yoghurt, bottled water & others. Premises found with non-compliant products encouraged to improve cleaning & disinfection technics including better cleaning frequency & Environmental Health Practitioners provided various food safety trainings.

Total of 1864 food premises inspected, during the reporting period, with 434 Certificate of Acceptability Issued (COA) to complying food premises, COA's certificates for milking sheds, Export certificates, certificates of disposal of unsound foodstuff.

Environmental Health Practitioners as a methodology to prevent food contamination and avoid food poisoning. Various food establishments food handlers, across the district received food safety training, with a total of 46 food safety trainings conducted & the food handlers received food safety certificates. The main aim is to raise awareness on safe food preparation as preventative methodology to food poisoning for food premises owners, to ensure they provide the necessary tools to their workers to avoid food contamination. Total of 287 food handlers were trained within the Overberg region by Environmental Health Practitioners.

Figure 18: Food Safety Quality



Food Safety Training provided to food handlers from shops, schools and ECD centers to raise awareness on safety procedures during food preparation.

Health Surveillance of Premises

Total of 1034 premises inspected, during the reporting period, with 406 Health Certificate Issued (HC) to complying premises. The total number of premises range from Schools, Early childhood development centers, health facilities were inspected to ascertain compliance with Municipal Health Services requirements. During inspections various non-compliance issues were identified, with facilities issued with inspection reports with recommendation for implementation.

Environmental Health Practitioners on the ground

During the year, our Environmental Health Practitioners embarked on various community outreach programs and compliance inspections, with an aim to educate community members as a model to prevent diseases.



Air Quality Compliance Inspection

Service delivery challenges for 2022/23

Municipal Health & Air Quality Services major challenge is shortage of officials. Due to shortage of officials the department is unable to deliver a comprehensive service to Overberg Community and businesses. The current vacancy backlog is 17 Environmental Health Practitioners.

Table 43: Employees: Municipal Health

Employees: Municipal Health				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	3	1	2	66.67%
7 - 9	6	4	2	33.33%
10 - 12	25	12	13	52.00%
13 - 15	5	5	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	39	22	17	43.59%

Table 44: Financial performance: Municipal Health Services

Financial Performance 2022/23: Municipal Health Services						
						R'000
Details	2021/22	2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue	408	4 132	1 232	902	-27%	(329)
Expenditure:						
Employees	13 471	18 513	15 957	15 367	-4%	(591)
Repairs and Maintenance						
Other	2 101	2 259	2 293	2 118	-8%	(175)
Total Operational Expenditure	15 572	20 773	18 251	17 484	-4%	(766)
Net Operational Surplus/(Deficit)	(15 164)	(16 641)	(17 019)	(16 582)	-3%	437
<i>Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>						

Table 45: Capital expenditure: Municipal Health Services

Capital Expenditure 2022/23: Municipal Health Services						
						R' 000
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	40	60	56	-6.45%		(4)

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS OVERALL

Municipal Health Services managed to perform within its allocated operational budget. According to norms and standards for municipal health, the service is not fully capacitated, however performing the function to the best of their

ability. The expenditure on capital projects acquisition was closely aligned to the adjustment budget allocated to the department.

COMPONENT G: SECURITY AND SAFETY

The Overberg District Municipality performs a fire and disaster management function in the district. The functions of fire and disaster management are performed jointly by the Emergency Department of the municipality, and are controlled by the regional control centre in Bredasdorp.

3.9 EMERGENCY SERVICES (FIRE SERVICES)

INTRODUCTION TO FIRE SERVICES



The Overberg District Municipality provides a full fire service as per the Fire Brigade Service Act (Act 99 of 1987) to the Cape Agulhas, Theewaterskloof and Swellendam municipalities. An agreement with regard to the level of fire services rendered exists with Cape Agulhas, Theewaterskloof and Swellendam municipalities, and a cooperation agreement exists between Overstrand Municipality and the ODM.

The service responds from the different stations situated in Swellendam, Caledon, Bredasdorp, Grabouw, Villiersdorp and Barrydale. Satellite stations are staffed by volunteers in Greyton, Riviersonderend, Struisbaai and Suurbraak. The closest resources to emergency calls are activated from the control centre situated in Bredasdorp.

With the implementation of twenty-four-hour shifts at our four main stations this year we have managed to address our top priority to bring down after-hours response time.

The two top priorities for the unit that remain are:

- Providing enough adequately trained staff to respond to incidents
- To ensure the safety of the Overberg communities and visitors.

The Training Centre was again well utilized during the year to address our remaining priorities. Various external courses were held at the center together with our EMS partners. A full three-day Veldfire Safety course was again held for all staff. This was done according to the Provincial Veldfire Training curriculum.

Together with Overberg FPA, landowners and their staff received Basic Fire Safety training.

The municipality again managed to secure aerial support for the district for the five months of the fire season. Aerial resources operated very effectively. This year saw an early end to the fire season with extensive rain in March through April 2023.

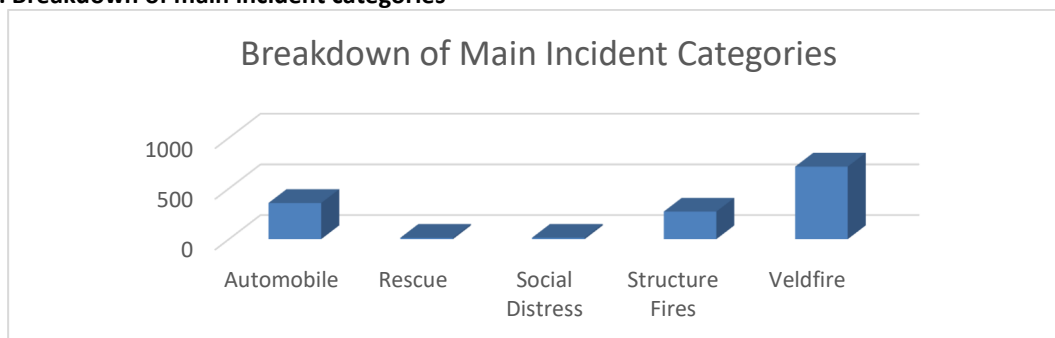


Landowner involvement with fires remained constant during the year. ODM received support from landowners, which was coordinated by the Greater Overberg Fire Protection Association.

Table 46: Fire Services data

Details	2021/22	2022/23
	Actual Number	Actual Number
Total incidents attended to in the year	1 747	1988
Average *turnout time – urban areas	Office hours: 7 minutes. After hours: 15 minutes. Grabouw and Swellendam: 4 minutes (all hours)	Turnout time for all calls -4 minutes
Average *turnout time – rural areas	15 to 30 minutes	Turnout time for all calls -4 minutes (Travel time to the incident will depend on distance from stations)
Number of firefighters at year-end	55	54
Total number of fire vehicles at year-end	34	36
Average number of appliances off the road during the year	2	3
<i>*Turnout – From Call received to leaving station</i>		

Figure 19: Breakdown of main incident categories



Service delivery highlights for 2022/23

- Implementation of 24-hour shift systems
- Gradual replacement of vehicle fleet

Service delivery challenges for 2022/23

- Budget constraints
- Service delivery protest putting staff at risk.

Table 47: Employees: Emergency Services

Employees: Emergency Services (Fire and Disaster Management)				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0.00%
4 - 6	38	22	16	42.11%
7 - 9	57	34	23	40.35%
10 - 12	4	2	2	50.00%
13 - 15	2	2	0	0.00%
16 - 18	1	1	0	0.00%
19 - 20	0	0	0	0.00%
Total	103	62	41	39.81%

Table 48: Financial performance: Emergency Services

Financial Performance 2022/23: Emergency Services (Fire and Disaster Management)							R'000
Details	2021/22	2022/23					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance Adjustment Budget (R)	
Total Operational Revenue	5 265	5 850	4 850	5 854	21%	1 004	
Expenditure:							
Employee	25 474	28 296	27 242	26 125	-4%	(1 117)	
Repairs and Maintenance							
Other	9 375	7 871	10 988	11 529	5%	542	
Total Operational Expenditure	34 848	36 168	38 229	37 655	-2%	(575)	
Net Operational Surplus/(Deficit)	(29 583)	(30 318)	(33 380)	(31 801)	-5%	1 579	

Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.

Table 49: Capital expenditure: Emergency Services

Capital Expenditure 2022/23: Emergency Services (Fire and Disaster Management)							R' 000
Capital Projects	2022/23						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	2 600	5 285	3 953	-25.19%		(1 332)	

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

Fire services are rendered to the region through agreements signed between ODM and Theewaterskloof, Cape Agulhas and Swellendam Municipalities. Disaster management services form part of this budget. Operational expenditure was higher during the financial period due to fuel hikes and continuous loadshedding.

Capital projects funding increased significantly during the year and grant funding contributed towards the total budget approved (roll-over and current funding). Fleet expansion and upgrades contributed largely to the capital acquisitions.

3.10 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT



Disaster management is performed in the district in terms of the requirements of the applicable Act and framework. The mandatory administrative part of the function, as described in the Act, is adhered to as financial resources allow. However, it should be noted that Disaster Management is still an unfunded mandate, and it remains very difficult to perform the full function with the limited budget. Due to these constraints, the disaster management continuum is not fully addressed, and the division is more focused on reaction than on prevention.

Loadshedding

Loadshedding remains a constant risk. Disaster Management played a coordinating role with municipalities and through regular Disaster Management Advisory Forum meetings.

Xenophobia

Incidents of xenophobia occurred, and disaster management had to step in to provide humanitarian relief.

Overberg District Safety Forum

Established in 2018 after severe protest actions and riots in the district in partnership with Department of Police Oversight and Community Safety. It is an all-inclusive platform managing a business plan with clear projects and execution:

- Mediation Teams
- Emergency Communication
- Safety Support
- GBV Coordination
- Strengthening Farm watches and Neighborhood structures

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL

The budget allocation of Disaster Management forms part of the Emergency Services budget and causes similar constraints and staff shortages making it difficult to adequately address the disaster management needs in the region.

COMPONENT H: SPORTS AND RECREATION

3.11 RESORTS

INTRODUCTION TO RESORTS

The municipality has two functional resorts under its control, namely Uilenkraalsmond and Die Dam.

Uilenkraalsmond is managed by the municipality under a management agreement with the Department of Public Works and Infrastructure (DPWI). Die Dam is owned and managed by the municipality.

Uilenkraalsmond

Construction of pipeline - Uilenkraalsmond

The project focused on the restoration and protection of infrastructure that has suffered damage over recent years due to coastal erosion. The outlet of the stormwater pipe is in the mouth of the Uilkraalsrivier, which results in a lot of erosion and must withstand constant wave and tidal action. The upgrade of the stormwater pipeline was monitored by an external Environmental Control Officer who ensured that all conditions set by the Environmental Impact Assessment (EIA) were met. The projects were successfully completed with the help of an external contractor as well as the ODM's own maintenance team who were responsible for the construction of the stairs.

Conversion of diesel boiler to gas

The municipality is in the process to convert the diesel boiler water heating system to gas.

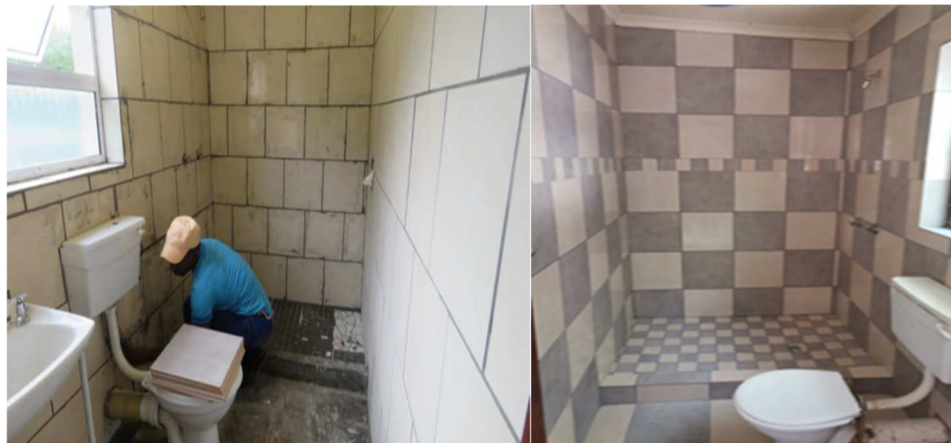


Upgrading of stormwater pipe and wooden steps at Uilenkraalsmond

Service delivery highlights for 2022/23

- Refurbishing of Chalets - Uilenkraalsmond

In keeping with the resort’s focus on renovation and renewal to ensure that meets high standards, the resort is also undergoing upgrades to its chalets. The chalets are being repainted, bathrooms re-tiled and the kitchens revamped.



Upgrading of chalets at Uilenkraalsmond

- A project was launched by the Department of Environmental Management for the clearing of alien vegetation at the Uilenkraalsmond resort.

Die Dam Resort:

- Bund walls were built for the four diesel tanks for the four Ablution Blocks and two diesel tanks were replaced with new diesel tanks.
- The two chalets were repainted inside and fitted with new curtains.
- Solar lights were installed at the entrance and at all four ablution blocks to create better visibility and safer conditions, especially during load shedding.

EPWP participants were appointed at both resorts for maintenance activities prior to the festive period and for cleaning activities during the festive and easter period.

Service delivery challenges for 2022/23

Ownership of Uilenkraalsmond – The municipality engaged with DPWI in respect of the ownership and expecting clarity in the next financial year.

Table 50: Employees: LED, Tourism, Resorts and EPWP

Employees: LED, Tourism, Resorts and EPWP				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	10	4	6	60.00%
4 - 6	18	11	7	38.89%
7 - 9	4	4	0	0.00%
10 - 12	3	2	1	33.33%
13 - 15	1	0	1	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	36	21	15	41.67%

Table 51: Financial performance: LED, Tourism and Resorts

Financial Performance 2022/23: LED, Tourism and Resorts							R'000
Details	2021/22	2022/23					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	16 771	18 274	18 778	18 889	1%	111	
Expenditure:							
Employees	5 056	5 902	6 386	5 455	-15%	(931)	
Repairs and Maintenance							
Other	10 666	10 720	11 587	11 146	-4%	(442)	
Total Operational Expenditure	15 722	16 623	17 974	16 601	-8%	(1 372)	
Net Operational Surplus/(Deficit)	1 049	1 651	804	2 288	185%	1 484	

Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.

Table 52: Capital expenditure: LED, Tourism and Resorts

Capital Expenditure: LED, Tourism and Resorts							R' 000
Capital Projects	2022/23						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	1 420	2 653	1 743	-34.31%		(910)	

COMMENT ON THE PERFORMANCE OF LED, TOURISM, RESORTS AND EPWP OVERALL

The financial figures in the tables above included Resorts, LED & Tourism. Revenue received was close to the budget and was predominantly collected from rentals at the resorts. Capital projects consisted of upgrading of infrastructure and upgrading of facilities.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES

The corporate policy offices include the executive and Council, financial services, human resources, information and communication services, support services, property, legal and risk management, communication and internal audit.

3.12 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

This component includes Executive Office (Executive Mayor, Councillors, Municipal Manager, Directors) and Internal Audit)

Throughout the year, Council performs its oversight responsibility regarding financial and performance reporting, compliance and related internal controls. The following committees are functional: Section 80, Municipal Public Account Committee (MPAC), Audit and Performance Audit Committee (APAC) and Fraud and Risk Management Committee (FARMCO).

A healthy and constructive working relationship exists between the governing party and the opposition, which proves to be extremely beneficial to the administration as well as communities in the Overberg. Regular performance reports were provided to Council and its committees to provide them with information and progress against targets, the implementation of the budget, and policies.

Council reviewed and approved various policies to strengthen the municipality's decision making and management.

On 5 December 2022, Council awarded a certificate of excellence to Mr Nigel Klaasen, a junior production manager on a farm in Elgin, who received the award for Western Cape Prestige Agri-Worker of the year 2022. Council also presented certificates in recognition of long service to the municipality for 30 years or more to officials who have reached these milestones.

During a council meeting held on 22 August 2022, the Executive Mayor present Cllr Archie Klaas with a Certificate of Appreciation received from the President of South Africa for his outstanding effort in protecting the people of South Africa through the Covid-19 vaccination programme.

Councillors participated in various initiatives rolled out in the district, internally or by government departments, for example: Environmental Health Day awareness, Anti- Gender-Base Violence and Femicide and the Premier's Safety Cycle Tour promoting cycle safety in the Overberg region.

Audit and Performance Audit Committee meetings were held to fulfil their role as an oversight committee. Continued DCF and DCF Tech Committee meetings were held to ensure sound intergovernmental relations and cooperative interaction between the municipalities in the district. A District Energy Board was established as a subcommittee of the DCF with the mayor as chairperson to address the challenges of load shedding.

Challenges: The primary challenge the municipality is facing is financial sustainability, which places a limitation on fulfilling its constitutional mandate, optimising service delivery and ensuring the ongoing sustainability of the municipality for the future.

Table 53 Employees: Executive and Council

Employees: Executive and Council				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	0	0	0	0.00%
10 - 12	1	1	0	0.00%
13 - 15	1	0	1	100.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Contract	4	3	1	25.00%
Total	6	4	2	33.33%

Table 54: Financial performance: Executive and Council

Financial Performance: Executive and Council							R'000
Details	2021/22	2022/23					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	23 225	14 651	12 506	12 247	-2%	(259)	
Expenditure:							
Employees	1 906	2 290	2 032	2 016	-1%	(16)	
Repairs and Maintenance							
Other	10 496	8 117	8 825	8 422	-5%	(403)	
Total Operational Expenditure	12 403	10 407	10 856	10 438	-4%	(419)	
Net Operational Surplus/(Deficit)	10 823	4 244	1 649	1 810	10%	160	

Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.

Table 55: Capital expenditure: Executive and Council

Capital Expenditure: Executive and Council						
R' 000						
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	0	20	7	-65.01%		(13)

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Revenue relates predominantly to the sale of properties. The department stayed well within their budgeted parameters.

Table 56: Employees: Internal Audit

Employees: Internal Audit				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	0	0	0	0.00%
10 - 12	2	1	1	50.00%
13 - 15	1	1	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	3	2	1	33.33%

Table 57: Financial performance: Internal Audit

Financial Performance: Internal Audit						
R'000						
Details	2021/22	2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)
Total Operational Revenue						
Expenditure:						
Employees	1 482	1 575	1 571	1 559	-1%	(12)
Repairs and Maintenance						
Other	39	306	309	36	-88%	(273)
Total Operational Expenditure	1 520	1 880	1 880	1 595	-15%	(285)
Net Operational Revenue/(Expenditure)	(1 520)	(1 880)	(1 880)	(1 595)	-15%	285
<i>Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>						

Table 58: Capital expenditure: Internal Audit

Capital Expenditure: Internal Audit						
R' 000						
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	0	0	0	0%		0

COMMENTS ON THE PERFORMANCE OF INTERNAL AUDIT

Internal Audit managed to stay within its allocated operational budget. No capital projects were listed on the procurement plan for the fiscal period.

3.13 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

The Directorate Finance consists of the following departments: Finance, Supply Chain Management and Assets, Payroll, Bank and Cash Investment.

Although the municipality is experiencing limited financial resources to fulfil its mandatory functions to its full capacity, the SCM court ruling also resulted in several challenges for the municipality during the year. The ruling had a negative impact, especially on ensuring that service delivery was rendered effectively, efficiently and economically. Due to the uncertainty that remains, capital projects and larger tender products and services were at risk. The outcome of the ruling was obtained, and business could continue as usual after the new regulations was published in January 2023.

Notwithstanding the challenges as indicated, all compliance reports in terms of the Municipal Finance Management Act were submitted as required and all creditors were paid timeously.

To promote regional economic development in the district, suppliers were encouraged to register on the municipality's database. The focus is to enhance local economic development by using local suppliers.

The Medium-Term Revenue and Expenditure Framework was approved, and budget controls were executed. In-year monitoring reports were compiled and submitted to all stakeholders within legislative timeframes.

It must be highlighted that the municipality is operating a very successful and interactive Finance Portfolio Committee with open sessions to jointly seek solutions and innovative best practices. All financial- and budget-related policies were reviewed, including the Cost Containment Policy. An inclusive process was followed in compiling the 2023/24-2025/26 MTREF Budget with the involvement of all departments as well as the Budget Steering Committee.

The municipality is in the process of migrating its current financial system to a web-based system in order to be fully mSCOA compliant on reporting. Further focus areas include SCM Contract Management, Procurement and Expenditure Management. A Financial Management Capability Grant allocation had been received to co-fund the expenditure towards the migration.

Bi-monthly Project Coordinating meetings were initiated by the Financial Services Department and were attended by all relevant user departments to monitor the implementation of the budget, with capital projects as one of the focus areas.

As part of the organizational review of ODM, the Finance directorate was restructured to ensure optimal utilisation of staff resources. This was approved by Council in February 2023, TASK job evaluations were performed on all job descriptions and implemented accordingly to the results received.

Service delivery highlights for 2022/23

- The successful review of the 2021/22 audit to receive a clean audit after a dispute was ruled in favor of the municipality.
- Positive response received from National Treasury on ODM's submission of Equitable Share shortfall and undertakings, that resulted in the 2023 DORA explanatory memorandum of the Budget review, to address the underfunding of Municipal Health, Disaster and Fire Services in the formular review.
- Managed to close of the financial year on an actual surplus, whiles a deficit was budgeted.

Service delivery challenges for 2022/23

- Adjustment of revenue sources that did not realize and management of actual expenditures to prevent ending the financial year on a deficit.
- Various abnormal increases in fuel prices and other commodities that place pressure on the already under budgeted expenses to ensure delivery of services that are up to standard.
- Delay in the SCM Constitutional Court ruling on the Preferential Procurement Regulations, which hampered capital spending on larger projects in the municipality as well as the renewal of all multi-year tenders before year-end.

Table 59: Debt recovery

Debt Recovery									R' 000
Details of the types of accounts raised and recovered	2020/21		2021/22			2022/23			
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in year	Actual outturn for accounts billed in year	Actual proportion of accounts billed that were collected %	
Municipal and other services	30 365	118.40%	29 535	29 534	100.00%	33 996	32 941	96.90%	

Table 60: Employees: Finance

Employee: Finance				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	14	10	4	28.57%
10 - 12	8	6	2	25.00%
13 - 15	0	0	0	0.00%
16 - 18	3	3	0	0.00%
19 - 20	0	0	0	0.00%
Total	25	19	6	24.00%

Table 61: Financial performance: Financial Services

Financial Performance: Financial Services							R'000
Details	2021/22	2022/23					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	92 114	89 709	96 864	98 921	2%	2 056	
Expenditure:							
Employees	9 383	10 364	10 707	10 702	0%	(6)	
Repairs and Maintenance							
Other	14 212	14 982	19 409	15 328	-21%	(4 081)	
Total Operational Expenditure	23 596	25 346	30 116	26 030	-14%	(4 087)	
Net Operational Surplus/(Deficit)	68 518	64 363	66 748	72 891	9%	6 143	

Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.

Table 62: Capital expenditure: Financial Services

Capital Expenditure: Financial Services						
R' 000						
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All	27	3	3			

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Financial Services, as the custodian department of selected grants received by the municipality, underspent on their budget due to a few grant projects that did not materialise. Those projects for which approval had been received from National and Provincial Treasury will be applied for roll-overs to the next financial year. Some of the JDMA grants of which the local municipalities in the district were not spent, will not be able to be roll over again and must be refunded to the province. In addition, vacancy savings also contributed to the significant reduction in expenditure for the period.

The capital project was well met towards the capital adjustment budget.

3.14 HUMAN RESOURCE SERVICES**INTRODUCTION TO HUMAN RESOURCE SERVICES**

Human Resource Services (or simply **HR**) is primarily concerned with the management of people within the organization, focusing on policies and systems, including employee benefits, employee recruitment and selection, training and development, organizational change and industrial relations, that is, the balancing of organizational practices with requirements arising from collective bargaining and from governmental laws.

The Human Resources Department of the Municipality resides over the following functions and duties:

- Human Resources Administration
- Labour Relations
- Occupational Health & Safety
- Employee Assistance Programme
- Recruitment and Selection
- Employment Equity
- Expanded Public Works Programme
- Training and Skills Development
- Leave Management

An update as well as progress with regard the above functions are reported on various platforms, viz. Local Labour Forum (LLF), Employment Equity Committee, Training Committee, Occupational Health & Safety Committee, Corporate Services Portfolio Committee, and Council. Consultations are held with IMATU and SAMWU Representatives to ensure transparency and promote and enhance good governance.

The Human Resources Department plays an active role in the alignment of the IDP and staff to ensure that the municipality reaches its strategic goals. The activities of this section are detailed under Organisational Performance (Chapter 4).

HUMAN RESOURCES POLICIES

HR policies provide guidelines on employer-employee relationships, which impart information on acceptable norms of behavior, health and safety measures, employment laws, conflict resolution and disciplinary measures. Policies on the rights, duties and responsibilities of employees create a suitable working environment and promote healthy workplace relationships.

The following HR-related policies were work-shopped with Labour, Management and Council, prior to Council adoption during 2022/23:

Table 63: Human Resources Policies adopted

Policy / Framework	Adopted
Recruitment and Selection	22 August 2022
Induction and Orientation	22 August 2022
Exit Interview	22 August 2022
External Bursary	22 August 2022
Grievance Procedure	22 August 2022
Education, Training and Development	22 August 2022
Integrated Human Resources Framework	22 August 2022
Employment Equity	22 August 2022
Housing Subsidy	5 December 2022
Acting, Additional and Secondment Allowance	29 May 2023

Organisational development highlights for 2022/23

- HR Roadshows conducted to workshop the new Municipal Staff Regulations with all staff;
- All HR-related policies adopted and aligned to Municipal Staff Regulations;
- Efficient implementation of the Municipal Staff Regulations and Guidelines within required timeframe;
- Adopted MSR Implementation Plan;
- Competencies included in all job descriptions (except for 3 due to absence of competencies in the MSR);
- Staff Establishment reviewed and adopted in accordance with the MSR;
- Draft Human Resources Strategy and Plan;
- Draft Succession Planning and Career Pathing Implementation Plan; and
- New Leave System successfully implemented.

Organisational development challenges for 2022/23

- Due to a lack of capacity, job descriptions with competencies finalized in staggered approach; some job descriptions yet to be finalized.
- Because of the delay with finalization of the Organisational Design Project by Agitominds, a service provider appointed by Department Local Government, no further restructuring could be affected. This impacted on some departments.
- Former Leave System unable to differentiate between compulsory and non-compulsory leave, hence the procurement of a new Leave System as from March 2023.

Table 64: Employees: Human Resource Services

Employees: Human Resource Services				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	3	2	1	33.33%
10 - 12	3	2	1	33.33%
13 - 15	0	0	0	0.00%
16 - 18	1	1	0	0.00%
19-20	0	0	0	0.00%
Total	7	5	2	28.57%

Table 65: Financial performance: Human Resource Services

Financial Performance: Human Resource Services						
R'000						
Details	2021/22	2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)
Total Operational Revenue						
Expenditure:						
Employees	1 637	2 153	2 898	2 815	-2.88%	(83)
Repairs and Maintenance						
Other	1 109	1 228	1 319	1 043	-20.98%	(277)
Total Operational Expenditure	2 746	3 381	4 218	3 858	-8.54%	(360)
Net Operational Surplus/(Deficit)	(2 746)	(3 381)	(4 218)	(3 858)	-8.54%	360
<i>Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>						

Table 66: Capital expenditure: Human Resource Services

Capital Expenditure: Human Resource Services						
R' 000						
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All	0	0	0	0		0

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

Human Resources managed to perform their duties within their operational budget and spent all the grant funding on bursaries and capacity building (internship). No capital projects were identified for the fiscal period.

3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

The ICT Department is situated in the Corporate Directorate and is capacitated with two permanent employees. The unit is responsible for the ICT infrastructure at 19 premises with a total of 175 end-users. The effectiveness of technology and information management is monitored by regularly reporting to the ICT Steering Committee. The ICT Steering Committee Terms of Reference was adopted on 1 March 2023.

The top priorities of the unit includes the financial system, cyber security, e-mails and internet access. Backups for all data are performed daily. The financial programme, performance management and the information management system of roads are maintained by outside organisations.

ICT Remediation Plan

To address the ICT challenges the municipality embarked on a section 88(2)(b) process in terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998). It enables a local municipality, on request of a district municipality in whose area that local municipality falls to provide technical and administrative support services to that district municipality to the extent that local municipality has the capacity to provide those support services.

On 8 November 2022, the Overberg District Municipality concluded a Cooperative Agreement with Cape Agulhas Municipality (CAM) for ICT-related assistance. Through this agreement, DFA Solutions, a service provider appointed by CAM, assists the ODM by way of an IT Remote Monitoring and Asset Management cloud solution. Following various penetration tests, DFA developed a Draft ICT Remediation Plan. This Plan was discussed and further refined during December 2022 and February 2023, respectively, to include realistic timeframes, responsible persons, resource

availability, budget requirements, etc. The ICT Remediation Plan was approved by the ICT Steering Committee on 1 March 2023, for monitoring by and to the Committee and Council on a quarterly basis.

ICT Policies

ICT policies are developed to provide a framework for ensuring that the municipality's ICT systems and infrastructure are secure and protected. Policies and frameworks are used to govern how we use all aspects of ICT to conduct business and to ensure Users understand and follow procedures to ensure the safe and appropriate use of ICT resources.

The following ICT-related policies and frameworks were work-shopped with Labour, Management and Council, prior to Council adoption in 2022/23:

Table 67: List of ICT policies

Policy / Framework	Adopted
ICT Migration Disaster Recovery Plan	22 August 2022
ICT Performance Plan	22 August 2022
ICT Strategic Plan	22 August 2022
ICT Change Management Policy	5 December 2022
ICT User Access Management Policy	5 December 2022
ICT Operating System Security Controls Policy	5 December 2022
ICT Security Controls Policy	5 December 2022
Municipal Corporate Governance of ICT Policy	5 December 2022

Service delivery highlights for 2022/23

- Assisted with the implementation of a new web-based Human Resources Leave Module.
- The municipality implemented alternative energy to address loadshedding to provide internet connectivity to optimise service delivery.

Service delivery challenges for 2022/23

- More personnel are required to resolve problems in an adequate time period to properly assist departments with ICT challenges.
- To keep abreast of the ongoing development in the ICT environment.

Table 68: Employees: ICT

Employees: ICT				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	2	1	1	50.00%
10 - 12	1	1	0	0.00%
13 - 15	0	0	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	3	2	1	33.33%

Table 69: Financial performance: ICT

Financial Performance: ICT							R'000
Details	2021/22	2022/23					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	924	1 019	1 005	973	-3.22%	(32)	
Repairs and Maintenance							
Other	2 229	2 280	2 468	2 431	-1.52%	(38)	
Total Operational Expenditure	3 154	3 298	3 473	3 404	-2.01%	(70)	
Net Operational Surplus/(Deficit)	(3 154)	(3 298)	(3 473)	(3 404)	32%	(105)	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>							

Table 70: Capital expenditure: ICT

Capital Expenditure: ICT							R' 000
Capital Projects	2022/23						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	473	812	665	-18%		(148)	

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The department managed to stay within their allocated operational budget. Uncompleted capital projects will be rolled over to the new financial year due to the service providers having delays in supplying products.

3.16 SUPPORT SERVICES

INTRODUCTION TO SUPPORT SERVICES

Support Services includes Committee Services, Record Management, Legal, Property Management, Risk and Performance Management. Procurement Services forms part of Financial Services.

COMMITTEE SERVICES, RECORD MANAGEMENT AND COUNCILLOR SUPPORT

The Department focused on the following top priorities during the year under review.

Provided administrative and secretariate services to Council and Committees, which included the compilation and circulation of agendas, taking of minutes and logistic arrangements during the meetings. Support was provided for 66 statutory meetings. Provided administrative support and assistance to Councillors on Council’s day-to-day activities.

Committee Services rendered an administrative support service to Council and its political structures and ensures quality administrative service delivery by managing standing committees and ad-hoc committee meetings by ensuring effective coordination and secretariate support. The circulation of agendas for standing committee meetings is ensured five (5) calendar days prior to meetings. This resulted in Councillors having sufficient time to prepare for meetings. All agendas are distributed electronically which contribute to a reduction in costs.

RECORDS MANAGEMENT

The Records and Archives Division managed the implementation of procedures and systems associated with document flow, such as the archiving and keeping of records systems (in accordance with statutory prescriptions) and the establishment, evaluation and maintenance of registry procedures for the operating of the main registry office and for regulating record keeping. The division also oversees compliance with statutory requirements regarding control over

the maintenance and application of the filing system and records control schedule. All records of Overberg District Municipality are kept and managed in accordance with the Provincial Archives and Record Services of the Western Cape Act, 2005 (Act 3 of 2005). The approved Records Management Policy has subsequently been amended to align with the provisions of the Protection of Personal Information Act, 2013, and to ODMs POPIA Policy that was adopted by Council on 05 December 2022.

Overberg District Municipality applied for a Western Cape Financial Management Support Grant and a Western Cape Financial Management Capacity Building Grant to purchase an Electronic Document Management System. An amount was received to procure Collaborator as an Electronic Document Management System. A formal application to Western Cape Archives and Record Services was submitted for the approval of Collaborator as an Electronic Document Management system for the municipality, and approval has subsequently been received.

Service delivery highlights for 2022/2023

Implementation of Collaborator as the document management system to facilitate effective circulation, response, storage and retrieval of documents.

Service delivery challenges for 2022/2023

Network connectivity and unpredictable loadshedding during meetings.

PROPERTY MANAGEMENT

Municipal properties are listed in either the Final Asset Register when utilised for service delivery purposes or in the Investment Asset Register when held for capital growth or revenue opportunities, depending on their classification, location, value, etc.

During the 2022/23 financial year, no investment properties were sold. A risk assessment regarding the condition and activities on the properties were conducted and frequent monitoring of properties implemented to ensure that illegal occupancy and unauthorised use are monitored.

Going forward the municipality anticipate selling or availing the investment properties for opportunities which will benefit the municipality in service delivery enhancement and assist in economic growth in the region. Optimizing these resources will not only benefit the municipality's financial sustainability but also assist the communicates it serve.

The municipality established a division to assist with the maintenance to the properties which are used for service delivery.

LEGAL SERVICES

The municipality has no internal legal capacity and makes use of external legal assistance from a panel of legal firms. A directive was developed for the use of the legal panel for internal control. A Labour Court review application related to TASK job evaluations is in process. A claim was instituted for fire damage against Overstrand Municipality & 3 others (ODM included), that occurred in the Overstrand jurisdictional area.

RISK MANAGEMENT

The following activities and actions were performed by the Performance and Risk management department during the year:

- Coordinated quarterly FARMCO meetings, chairing by an independent Audit and Performance Audit Committee member.
- Comprehensive annual departmental risk assessments involving the heads of department, which contributed to the compilation of the most detailed risk register to date.
- Strategic risk assessment with management and the Executive Mayoral Committee for approval by Council.
- Continuous emphasis on possible fraud and corruption risks and the related risk action plans.
- Monitoring of the risk management implementation plan.
- Engaging and involving all levels of management with the risk management activities.
- Compilation of quarterly Combined Assurance reports based on the Combined Assurance Policy Framework adopted by Council.
- Improved cooperation between the Risk Management Unit and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Audit's independence.
- Risk management is a standing agenda item at the Audit and Performance Audit Committee meetings, where feedback regarding the function is provided.
- Quarterly risk reports were submitted to portfolio committee meetings (and if required to Council).

- The following documents were reviewed by the FARMCO:
 - FARMCO Terms of Reference
 - Anti-Corruption & Fraud Prevention Plan
 - Anti-Corruption, Fraud and Financial Misconduct Policy
 - Combined Assurance Policy Framework
 - Code of Ethics
 - Risk Management Policy
 - Risk Management Strategy
 - Risk Management Annual Implementation Plan for 2023/24

PERFORMANCE MANAGEMENT

The municipality has a functional Performance Management System in place, which includes the Service Delivery Budget and Implementation Plan (SDBIP) and individual performance management. Individual performance agreements were concluded with employees in line with the SDBIP and jobdescription. The unit is also responsible for the compilation of the Annual Report and to facilitate the performance assessments of the Municipal Manager and directors. Performance bonuses were paid to the two directors based on the 2020/21 performance assessment. The Municipal Manager decided not to take up his bonus as part of his contribution to cost containment.

Performance assessments were done biannually with staff and the performance assessment of the Municipal Manager and directors took place in terms of their performance contracts. To give effect to the performance results on the SDBIP, the quarterly performance report is combined with the Section 52(d) report in terms of the MFMA. The mid-year budget and performance report, compiled in collaboration with the Budget and Treasury Office, resulted in the adjustment of the budget and SDBIP.

No formal evaluation was done by Council of its own performance and that of its committees, the Speaker and its individual members. Performance evaluations may be implemented in the future.

PROCUREMENT SERVICES – Part of Financial Services – point 3.13

Table 71: Employees: Committee Services, Records Management and Councillor Support Services

Employees: Committee Services, Records Management and Council Support Services				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	2	1	1	50.00%
10 - 12	2	2	0	0.00%
13 - 15	1	1	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	5	4	1	20.00%

Table 72: Employees: Contract, Legal, ICT and Building Management

Employees: Contract, Legal and Building Management				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	5	3	2	40.00%
4 - 6	1	1	0	0.00%
7 - 9	3	0	3	100.00%
10 - 12	0	0	0	0.00%
13 - 15	1	0	1	100.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	10	4	6	60.00%

Table 73: Employees: Performance and Risk Management

Employees: Performance and Risk Management				
Job Level	2022/23			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	2	0	2	100.00%
10 - 12	0	0	0	0.00%
13 - 15	2	1	1	50.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	4	1	3	75.00%

Table 74: Financial performance: Support Services

Financial Performance: Support Services						
R'000						
Details	2021/22	2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)
Total Operational Revenue	265	30	25	33	29.00%	7
Expenditure:						
Employees	6 949	9 905	8 160	7 139	-12.51%	(1 021)
Repairs and Maintenance						
Other	2 526	3 105	4 035	3 392	-15.95%	(644)
Total Operational Expenditure	9 475	13 009	12 195	10 531	-13.65%	(1 664)
Net Operational Surplus/(Deficit)	(9 210)	(12 979)	(12 170)	(10 498)	-13.74%	1 672
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.</i>						

Table 75: Capital expenditure: Support Services

Capital Expenditure: Support Services						
R' 000						
Capital Projects	2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All	762	1 659	802	-51.66%		(857)

COMMENT ON THE PERFORMANCE OF SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT, PROPERTY MANAGEMENT, LEGAL AND PERFORMANCE AND RISK MANAGEMENT OVERALL

Support Services managed to perform their functions within the allocated operating budget. Capital projects consisted predominantly of acquiring backup power (loadshedding mitigation) systems to ensure service delivery. The adjustment budget increase was due to building upgrades and generators capacity.

Please note that Social Development Services and supporting staff cost also form part of this division's cost.

COMPONENT J: ORGANISATIONAL PERFORMANCE

DETAILED PERFORMANCE REPORT FOR 2022/2023 PER STRATEGIC OBJECTIVE/GOALS

Strategic Goal 1 (SG1)

To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL26	Take domestic drinking water samples in towns and communities to monitor water quality. (SAN 241 as amended)	Number of samples taken per annum.	All	433	576	576	680	G2	680 Samples were taken. Additional samples were taken to mitigate the impact of higher levels of loadshedding (Stage 6) and the non-compliance of water quality .	None required
TL27	Take food samples to monitor the quality of Food into the FCD Act and legislative requirements.	Number of samples taken per annum.	All	444	400	400	483	G2	482 Samples were taken. Additional request for sampling resulted in overperformance, e.g. export market and the non-compliance of samples .	None required
TL28	Take water sample at Sewerage Final Outflow to monitor water quality. (National Water Act: General Standards)	Number of samples taken per annum.	All	162	160	160	173	G2	173 Samples were taken. Extra monitoring was needed due to non-compliance of water quality.	None required
TL29	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee.	Number of reports submitted per annum.	All	3	4	4	4	G	Reports were tabled on: 19/09/2022 14/11/2022 06/03/2023 12/06/2023	None required
TL30	Report annually to the Community Services Portfolio Committee on the outcome of Karwyderskraal Landfill site adherence to the permit conditions.	Report submitted to the Community Portfolio Committee per annum.	All	1	1	1	1	G	The outcome of Karwyderkraal Landfill site's adherence to permit conditions was reported to the Community Services Portfolio Committee on 12/06/2023.	None required

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL31	Report quarterly to the Community Services Portfolio Committee on the activities of the Regional Waste Forum.	Number of reports submitted per annum.	All	3	4	4	4	G	Reports were tabled on: 19/09/2022 14/11/2022 06/03/2023 12/06/2023	None required
TL32	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Climate Change & Biodiversity Forum.	Number of reports submitted per annum.	All	3	4	4	4	G	Reports were tabled on: 19/09/2022 14/11/2022 06/03/2023 12/06/2023	None required
TL33	Table the revised Disaster Risk Management Plan to Council by June.	Revised Disaster Risk Management plan tabled to Council.	All	1	1	1	1	G	The revised Disaster Risk Management Plan was tabled to Council on 23/06/2023, Item A94.	None required
TL34	Table to Council the revised Disaster Management Framework by June.	Revised Disaster Management Framework tabled to Council.	All	1	1	1	1	G	The revised Disaster Management Framework was tabled to Council on 23/06/2023, Item A95.	None required
TL35	Revise annually Safer Community Project Plan and table to the Community Services Portfolio Committee by June.	Number of Revised Safer Community Project Plan tabled per annum.	All	1	1	1	1	G	The plan was tabled to the Community Services Portfolio Committee meeting held on 12/06/2023, Item 9.4	None required
TL36	Present annually the revised Festive and Fire Season Readiness Plan to DCFTech.	Number of revised Festive and Fire Season readiness plan presented per annum.	All	1	1	1	1	G	Plan presented to DCFTech on 23/11/2022.	None required
TL37	Upgrade roads to permanent surface by 30 June. (MR 276) ¹	Number of kilometres road upgraded per annum.	All	1.34	2.42	2.42	2.42	G	Phase 2 of MR276 was completed in March 2023.	None required

¹Project commence in March 2022.

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL38	Kilometres of gravel roads to be regravelled.	Number of kilometres road regravelled per annum.	All	48.18	43.32	43.32	42.19	O	42.19 Km of roads were regravelled during the year. Underperformance was due to the re-deployment of teams to repair flood damages.	Backlog to be addressed in next financial year.
TL39	Kilometres of gravel roads to be bladed.	Number of kilometres roads bladed per annum.	All	7677.9	6 500	6 500	6 862.61	G2	6862.61 Km of roads were bladed during the year. Due to the availability of plant, more kilometers of roads were bladed.	None required
TL40	Submit annually the Business Plan for Provincial Roads budget allocation to Department of Transport and Public Works by 31 March.	Annual Business Plan submitted.	All	1	1	1	1	G	Business plan was submitted and signed off by Department of Infrastructure (Dept Transport and Public Works) on 09/03/2023.	None required

Strategic Goal 2 (SG2)

To promote regional economic development by supporting initiatives in the district for the development of a sustainable district economy

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL25	Invite service providers to register on the suppliers database by 30 June.	Invitation placed on ODM website and in external media.	All	1	1	1	1	G	Advert placed on ODM website and external media in June 2023.	None required
TL41	Review Municipal EPWP policy and submit to Corporate Services Portfolio Committee by June.	Revised Municipal EPWP policy submitted.	All	0	1	1	0	R	The policy was reviewed, but not tabled to the Corporate Portfolio Committee as required. However, the policy was approved by Council on 29/05/2023, Item A81 as part of the budget related policies.	That the policy in future form part of the budget related policies and that the same process be followed as the financial policies.

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL42	Report quarterly to the Community Portfolio committee on the progress of planned deliverables in RED & Tourism Strategy.	Number of progress reports tabled per annum.	All	3	4	4	4	G	Reports tabled on: 19/09/2022 14/11/2022 06/03/2023 12/06/2023	None required
TL43	Coordinate open day for SMMEs and Local Municipalities in the district.	Number of open days coordinated per annum.	All	2	1	1	1	G	Open day held on 12/13 October 2022 in Hermanus (Overberg Tourism Capacity Building Workshop) in partnership with Dept. of Tourism, Overstrand and Theewaterskloof Municipality.	None required
TL44	Create temporary work opportunities through the municipality's EPWP programme by 30 June.	Number of temporary EPWP work opportunities created per annum.	All	251	161	161	207	G2	207 Temporary work opportunities were created through the municipal EPWP programme. The availability of additional own funding resulted in more opportunities be created.	None required
TL45	Report Bi-annually on the progress in respect of social development Implementation Plan to the Community Services Portfolio Committee.	Number of progress reports tabled per annum.	All	3	2	2	2	G	Reports tabled on: 14/11/2023 12/06/2023	None required
TL46	Submit quarterly progress report to the Community Services Portfolio Committee on the application for ownership (Uilenkraalsmond).	Number of progress reports submitted per annum.	All	0	4	4	3	O	Progress reported on: 19/09/2022 14/11/2022 06/03/2023 The 4th quarter report was not submitted as the municipality requested the provincial department to assist with the ownership, waiting the response.	KPI to be roll-over to next financial year.

Strategic Goal 3 (SG3)

To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL1	People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan. (Reg)	Number of people employed in the three highest levels of management per annum.	All	3	2	2	3	B	Director: Corporate Services - 01/07/2022 Manager: IDP and Communications - 01/07/2022 Director: Community Services - 01/01/2023	None required
TL12	Coordinate Local Labour Forum (LLF) meetings accordance with the Main Collective Agreement.	Number of LLF meetings held per annum.	All	10	10	10	11	G2	11 Local Labour Forum meetings were held, of which 1 meeting was a special meeting (29/11/2022), to discussed staff related policies.	None required
TL13	Compilation and submission of Workplace Skills Plan (WSP) by 30 April in accordance with LGSETA requirements.	Number of WSP submitted.	All	1	1	1	1	G	Workplace Skills Plan was submitted on 26/04/2023.	None required
TL14	Coordinate OH&S evacuation drills at ODM workstations as per OH&S Act.	Number of evacuation drills coordinated.	All	2	2	2	2	G	Evacuation drills were held on: 15/12/2022 22/06/2022	None required
TL15	Percentage of Municipal budget actually spend on the implementation of the Workplace Skills Plan by 30 June. (Reg)	% of budget spent on the WSP per annum (Actual spent on Training/Total Budget).	All	0.29%	0.39%	0.39%	0.44%	G2	Unaudited AFS (all WSP related line items as per recon) Total spent: R1 204 858 Total Municipal Budget: R271 395 326 = 0.44% Overperformance included the roads departments training which was not part of the annual target.	None required
TL16	Compilation and submission of EE Plan by 15 January to Department of Labour.	Number of plans submitted.	All	1	1	1	1	G	Employment Equity plan was submitted on 04/01/2023.	None required

Strategic Goal 4 (SG4)

To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL19	Measured financial viability in terms of the municipality's ability to meet its service debt obligations by 30 June. (Debt coverage) (Reg)	The number of times the municipality was able to meet its Debt obligation ((Total operating revenue received - operating grants)/debt service payments).	All	7.6	7	7	11.2	B	AFS (SFPerf) R269 401 517 - R90 234 463 - R116 243 175 = R62 923 879/ R467 596.70 x 12 =R5 611 160.40 = 11.2 Loan obligation remains static as no new loans are taken up while operational own revenue increase annually.	None required
TL20	Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June. (Cost coverage) (Reg)	Number of months cash were available to cover fixed operating expenditure ((All available cash at a particular time + investments)/monthly fixed operating expenditure).	All	2.25	2	2	4.12	B	AFS (SFPos & SFPerf) R87 936 406/ R256 134 068 /12 = R21 344 505 = 4.12 months Additional cash is as a result of Roads Agency Input VAT claims.	None required
TL21	Measured financial viability in terms of percentage outstanding service debtors by 30 June. (Service Debtors) (Reg)	% Outstanding service debtors per annum (Total outstanding service debtors/annual revenue received for services).	All	14.10%	20%	20%	13.00%	B	AFS (Notes 3, 25, 26 & 28): R4 421 202/ R12 335 228 (service charges) + R16 057 252 (Resorts) + R5 543 643 (Fire service) = R33 936 123 =13.03% Actual outstanding Service debtors were less than estimated.	None required (Target will be reviewed in the 2023/2024 financial year)

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL22	Report on Percentage Capital budget actually spend on capital projects by 30 June. (Reg)	% of capital budget actually spent on capital projects for the annum (Actual spent on capital projects/Total capital budget).	All	78.20%	80%	80%	47%	R	AFS (Note 46.1) Actual R7 283 967/ Budget 15 469 950 = 47.08% Of the R8 185 983 unspent, an amount of R7 537 054.00 (92.07%) had been approved as roll-over adjustments for the 2023/24 fin year. The main reason for the uncomplete projects, is the PFFF Regulation that was only approved in January 2023 and the main projects could only commence in April 2023 for execution after the SCM procurement processes had been completed. One major project is the KWK Landfill site access road and infrastructure upgrades which represent 60% of the roll over amount, which is R4 536 100. If this amount is subtrated from the budget amount.	Demand Capital program be adjusted to start with planning in June 2024.
TL23	Percentage of financial policies reviewed and submitted to Council by 31 May.	% Financial policies submitted to Council (Number financial policies reviewed Policies/Number of existing financial policies).	All	91%	100%	100%	91%	O	20/22 financial policies submitted to Council on 29/05/2023, Item A81.	2 Outstanding policies to be reviewed with all financial policies by March 2024.
TL24	Report bi-annually to Council on the performance of service providers for quotations and tenders above R30000.	Number of reports submitted to Council per annum.	All	2	2	2	2	G	Reports were submitted on: 05/12/2022 23/06/2023	None required

²Project commence on 29/05/2023.

Strategic Goal 5 (SG5)

To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through IGR Structures

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL2	Coordinate quarterly Audit & Performance Audit Committee meetings.	Number of meetings held per annum.	All	4	4	4	4	G	4 Quarterly meetings were held.	None required
TL3	Develop a Risk-based Audit Plan for the next financial year and table to the Audit & Performance Audit Committee by 30 June.	Risk-based audit plan developed and tabled.	All	1	1	1	1	G	RBAP tabled on 30/06/2023, Item O64.	None required
TL4	Execute audit projects in terms of the Risk Base Audit Plan (RBAP).	Number of audit projects executed per annum.	All	33	18	18	22	G2	22 Audits were executed. Additional requests for audits resulted in overperformance.	None required
TL5	Facilitate IDP Awareness initiatives in the district.	Number of IDP awareness initiatives facilitated per annum.	All	0	2	2	2	G	IDP Awareness initiatives were held on: 28/11/2022 30/06/2023	None required
TL6	Facilitate District IGR (IDP Managers & PPSComm) engagement with Local Municipalities.	Number of engagements coordinated per annum.	All	9	8	8	8	G	8 Engagements were held.	None required
TL7	Publishing of bi-annual External Newsletter to stakeholders.	Number of External Newsletters published per annum.	All	2	2	2	2	G	2 External newsletters were published.	None required
TL8	Prepare Top Layer Service Delivery budget implementation plan for approval by the Mayor within 28 days after the adoption of the Budget.	Top Layer SDBIP Submitted to the Mayor for approval.	All	1	1	1	1	G	Budget was approved on 29/05/2023. Mayor approved the 2023/2024 Top Layer SDBIP on 23/06/2023.	None required
TL9	Review annually the TL SDBIP to inform Council should a revised TL SDBIP be necessary and table the report to Council.	Report (Sec 72) tabled to Council by January.	All	1	1	1	1	G	Tabled report to Council on 30/01/2023, Item A48.	None required
TL10	Compilation and submission of Draft Annual Performance Report to the AG by 31 August.	Annual Performance Report submitted.	All	1	1	1	1	G	The 2021/2022 Annual Performance Report was submitted on 31/08/2022 to the Auditor-General.	None required

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2022 to Quarter ending June 2023				
						Target	Actual	R	Comments	Corrective measures
TL10	Compilation and submission of Draft Annual Performance Report to the AG by 31 August.	Annual Performance Report submitted.	All	1	1	1	1	G	The 2021/2022 Annual Performance Report was submitted on 31/08/2021 to the Auditor-General.	None required
TL11	Coordinate quarterly Fraud and Risk Management Committee meetings.	Number of quarterly meetings coordinated.	All	4	4	4	4	G	4 Quarterly Fraud and Risk Management Committee meetings were held.	None required
TL17	Coordinate quarterly Ordinary Council Meetings.	Number of Ordinary Council meetings coordinated per annum.	All	7	4	4	6	B	6 Ordinary Council meetings were held.	None required
TL18	Review Records Management Policy and table to Council by December.	Reviewed Records Management Policy tabled to Council.	All	0	1	1	1	G	Records Management Policy was tabled to Council on 05/12/2022, Item A42.	None required

COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS

Performance assessments were done throughout the 2022/23 financial year on providers who tendered or quoted on various tenders or quotations or provided a service or product through other SCM processes (all expenditure above R30 000).

Table 76: Service providers assessed during the year

Name of Service Provider	Goods and Services Supplied
Nedbank	Banking Services
Enviroserve Waste Management (Pty) Ltd	Operating cell 4 at Karwyderskraal landfill site
Vida E Sport	Protective Clothing and Footwear
Startune (Pty) Ltd	
TWK Communication CC	VOIP Telephone System
Altimax	Accounting Services
Siyanda Business Solutions	Accounting Services
Solvem	SLA – SAMRAS System
Ignite Advisory Services	SLA – Performance Management and Compliance System
Sleba Enterprises (Pty) Ltd	Annual Tender – Fuel
Masimatse Holdings (Pty) Ltd	
Piston Power Chemicals (Pty) Ltd	
Process Business Systems (Pty) Ltd	Annual Tender – Oils and Grease
Moov Fuel (Pty) Ltd	
AWV Project Management	
Startune (Pty) Ltd	Annual Tender – Grader Blades
Bokamoso Mining Supplies (Pty) Ltd	Annual Tender – Filters for Implements / Vehicles
Diesel Electric Worcester	
Eurojap Truck Parts (Pty) Ltd	
AVW Project Management	Annual Tender – Cleaning Agents
Kleen-It Factory Shop	
Startune (Pty) Ltd	
Memotek Trading CC	
Releens Services	
Kwapele Basadi - Cleanit CC	
Argon Steel (Pty) Ltd	Annual Tender – Black Refuse Bags
Startune (Pty) Ltd	
TVM Konstruksie (Pty) Ltd	Annual Tender – Hire of Road Implements
F.G. Jacobs Transport CC	
Uitkyk Diggers CC	
Lelieblom Grondverskuiwing	
Ithuba Industries	Annual Tender – Reinforced Concrete Pipes, Concrete Channels, Box Culverts and Manholes
TVM Konstruksie (Pty) Ltd	Annual Tender – Road Surfacing Material
F.G. Jacobs Transport CC	
Uitkyk Diggers CC	
Afrimat Aggregates (Operations) (Pty) Ltd	

Name of Service Provider	Goods and Services Supplied
Colas South Africa (Pty) Ltd	Annual Tender – Supply of Bitumen, Bitumen Emulsion and Primer
Memotek Trading CC	
Tosas (Pty) Ltd	
Worldwide Spares	Supply and delivery of spare parts and service or replacement of components of motor vehicles, earthmoving, and road construction equipment
L.A. Cranes & Hydraulics	
Hydrafix CC	
Gansbaai Engine Rebuilders	
ELB Equipment Holdings	
Kani Motors Repairs and Spares	
High Power Equipment	
Crawford & Pheiffers Services and Supplies (Pty) Ltd	Security Services
Swift Siliker (Pty) Ltd t/a Merieux Nutrisciences	Food and water sample analysis
Mbele Electrical CC	Generators & UPS bundles
Kishugu Aviation (Pty) Ltd	Adhoc Aerial firefighting
Fantastic Investments 456 CC t/a Hi – Q Bredasdorp	Annual Tender – Tyres: New, Retreads, Tubes and Repairs
Caledon Retreading Factory (Pty) Ltd t/a Supa Quick Caledon	
Imvusa Trading 1411 CC t/a AJ Bandediens	
Soetmuis Vier BK/CK t/a Kwik 'N Go Bredasdorp	
Langeberg Bande t/a Supa Quick Swellendam	
Bokamoso Mining Supplies (Pty) Ltd	Annual Tender – Supply of Cement
Memotek Trading CC	
Brand Universe Pty Ltd	
Dense Seal (Pty) Ltd	Annual Tender – Supply Bags with Tar Products
Startune (Pty) Ltd	Annual Tender – Road Sign and Fencing Poles
Sukuma Distributors (Pty) Ltd	Annual Tender – Herbicide
Brima Logistics	Annual Tender – Courier Services
AC Airconditioning (Pty) Ltd	Annual Tender – Servicing and Installation of Aircon
Gansbaai Aircon & Refrigeration	
Brand Universe Pty Ltd	
Arina Wilson	Annual Tender – Translations and Editing
Arina Wilson	Annual Tender – Advertisements
Lithotech PE / George (A Division of Bidvest Paperplus (Pty) Ltd)	Annual Tender – Forms
Bidvest Waltons	Annual Tender – Printing and Eycline Paper
Brand Universe Pty Ltd	
Bidvest Waltons	Annual Tender – Printer Ribbons
Hermanus Extinguisher Services	Annual Tender – Supply, Servicing and Refilling of Fire Extinguishers and Hose Reels
Hermanus Extinguisher Services	Annual Tender – Hoses Nozzles and Foam for the Fire Department
Caledon Retreading Factory (Pty) Ltd t/a Supa Quick Caledon	Annual Tender – Supply of Batteries (Vehicles)
Soetmuis Vier BK/CK t/a Kwik 'N Go Bredasdorp	
Langeberg Bande t/a Supa Quick Swellendam	
Diesel Electric Worcester	

Name of Service Provider	Goods and Services Supplied
Ubuntu BM Holdings (Pty)	Annual Tender – Supply of Welding Rods
Startune (Pty) Ltd	
Brand Universe Pty Ltd	
Nashua Breede Vallei	Rental of Printers
The Grail Centre Trust	Office Rental Space for the period ending November 2018
Johannes De Villiers De Kock t/a Sunjomar Accountants	Lease of Office Space in Hermanus for a Three (3) Year Period
Silver Lake Trading 305 (Pty) Ltd t/a Opulentia Financial Services	Short-Term Insurance
JPCE (Pty) Ltd	Karwyderskraal Landfill, Solid Waste
Delta Built Environment Consultants (Pty) Ltd	
Spinning Your Web (Pty) Ltd	Fire Station Web-Based Application
Zana Manzi Services (Pty) Ltd	Pumps – Resorts
RTC Control Systems (Pty) Ltd	Water Treatment: Chemicals – Eoxide LQ 85%
AA Solwandle Attorneys	Appointment of a Legal Panel
A. Adriaans Inc t/a Adriaans Attorneys	
Brasika Consulting (Pty) Ltd	
Bradley Conradie Halton Cheadle	
Enderstein Van Der Merwe Inc	
Fairbridges Arderne & Lawton t/a Fairbridge Wertheim Becke	
John Macrobert Attorneys	
Kruger & Blignaut Attorneys	
Le Minnie Attorneys	
Levendaal Attorneys	
Lizel Venter Attorneys	
Maserumule Attorneys	
N. Maharaj Attorneys	
Rossouw & Du Plessis	
Schoeman Law Inc	
Siyathemba Sokutu Attorneys	
Ukuqedwa Consultants (Pty) Ltd	
Van Der Spuy & Partners	
Webber Wentzel	
Yvette Cloete t/a Yvette Cloete and Assoc	
Worldwide Spares (Pty) Ltd	Appointment of Panel of Accredited Service Providers for the Supply and Delivery of Spare Parts and Service or Replacement of Components of Motor Vehicles, Earthmoving and Road Construction Equipment for the period ending 30 June 2023.
S & U Truck Parts	
Hydrafix	
ELB Equipment Holdings (Pty) Ltd	
High Power Equipment Africa (Pty) Ltd	
Gansbaai Engine Rebuilders	
Bakkie Engine Centre	
Kani Motor Repairs	
LA Cranes & Hydraulics CC	
Nupower Automative Engineering	

Name of Service Provider	Goods and Services Supplied
AAD Truck & Bus (Pty) Ltd	Appointment of a panel of accredited service providers for the supply and delivery of spare parts and service, refurbishing and/or replacement of components of motor vehicles and firefighting vehicles for the period ending 30 June 2022.
Worldwide Spares	
Draaiberg General Services	
Rodney Jacobs Holdings (Pty) Ltd t/a Auto Electro Dynamics	
Du Toit Dienssentrum	
Gansbaai Engen Rebuilders	
Grabow Auto Electrical and Spares	
Groenland Auto Electrical CC	
Hein's Auto Electrical CC	
Metsy Motors	
Ramcom Cape (Pty) Ltd	
Silverrock Projects t/a Overberg Trekker en Motor Onderdele- O.T.M	
V du Toit	Services – Ferry at Malgas for a three (3) year period.
NCC Environmental Services (Pty) Ltd	Provision of Ground Firefighting Resources
Enviro Wildfire (Pty) Ltd	
Henley Air (Pty) Ltd	
NCC Environment Services (Pty) Ltd	Ad hoc Aerial Firefighting Services – Overberg District Municipality
Working on Fire (Pty) Ltd	
NCC Environmental Services (Pty) Ltd	Provision of a Strike Team / Taskforce
Metro City Protection Services	Guarding and Security Services at the Overberg District Municipality's Bredasdorp and Caledon premises for the period ending 30 June 2021
Tourvest Travel Services	Provision of travel agency services for a period of three years
Enviroserv Waste Management	Operation of Cell 4 at Karwyderskraal Landfill
BLT Boiler Services CC	Supply, service and repairs to boilers, burners, hot water tanks, heat exchangers, circulation pumps and all other parts pertaining to hot water system
Pro Heat & Energy Electrical CC	
L.A. Cranes & Hydraulics	Inspection and Testing of Lifting Equipment and Compressors at the Roads Department for three (3) year period until June 2023
BLT Electrical, Mechanical & Consulting Services	Hiring, Servicing, Repairs and Supplies
Simons Electric	
Juno Corp (Pty) Ltd	
Genadendal Jackies Bazaar CC	
Controlab South Africa (Pty) Ltd	Rendering of Laboratory Test Services for Civil Work for the period ending June 2022
Roadlab Laboratories Pty Ltd	
SGS Matrocast t/a Matrocast Laboratories	
Startune (Pty) Ltd	Supply and Delivery of Protective Clothing and Footwear for the period ending 30 June 2022
Vida E Sport (Pty) Ltd	
MC Agri (Pty) Ltd	Appointment of panel of accredited service providers for the supply and delivery of spare parts, service and repairs of motor vehicles, earthmoving and road construction equipment for the period ending 30 June 2023.
Barloworld Equipment	
Synerlytic Services (Pty) Ltd / Wearcheck	
Rodney Jacobs Holdings	
HD Transmissions (Pty) Ltd	

Name of Service Provider	Goods and Services Supplied
Altron Nexus Pty Limited – Altron Nexus Solutions	Supply, Installation and Commissioning of a wide Area ETSI DMR Two-Way Radio Network.
Invuyani Safety	Corporate Attire for the Fire Department
Stepahead Manufacturing	
Integrum Global Solutions Pty Ltd	
Stevenridge CC	Personal Protective Gear and Various Articles of Human Protective Equipment for the Fire Department
OHSCARE CC	Medical certificate of fitness for fire services, resorts, environmental management services, municipal health services and roads (maintenance, construction and workshop) employees of the Overberg District Municipality for the period ending 30 June 2022
Central Road Products (Pty) Lt	Supply of Road Signs with Road Sign Bolts and Nuts, Bolts, Nuts and Washers for Road Signs, Bolts and Nuts for Grader and Guardrail Sheets and Poles
Setlatlapi Business Enterprises (Pty) Ltd	
Western Cape Signs	
Southern Ambition	
Through It All Signs & Markings (Pty) Ltd	
Crawford and Pheiffers Uyathembeka Services and Supplies (Pty) Ltd t/a Uyathembeka Security Services	Guarding and Security Services at the Overberg District Municipality's Bredasdorp, Caledon and Swellendam premises for the period ending 30 June 2023
CAB Holdings (Pty) Ltd	Printing and Distribution of Municipal Accounts for the period ending 30 June 2022
Cities Landscape & Projects	Control and Eradication of Alien and Invasive Vegetation
JHH Civils	
DS Alien Plant Clearing Services	
Denza's Alien Clearing	
Rimpi Wire (Pty) Ltd	Supply and Delivery of Guardrail Sheets and Poles
Potts Devco (Pty) Ltd	Supply, Delivery, and Installation of Two (2) Walkways at Die Dam Holiday Resort
Riel Hugo & Associates	Recruitment and Selection Process of Two Management Posts
Grants Contracting (Pty) Ltd	Supply and Delivery of Free-Standing Steel Lockers
TWK Communications (Pty) Ltd	Housing, Powering and Data linking Of Four VHF Repeaters
Enviro Wildfire (Pty) Ltd	Veldfire Cause and Origin Investigation
Gray Security Solutions (Pty) Ltd	Guarding and Security Services at the ODM Resorts
Lukhozi Consulting Engineers (Pty) Ltd	Appointment of an Environmental Assessment Practitioner to Undertake a Basic Assessment Process
Potts Devco (Pty) Ltd	Supply and Delivery of Guardrail Sheets, Poles, Bullnoses, Bolts and Nuts, Spacer Blocks and Reflectors
Ithuba Industries	Supply and Delivery of Guardrail Baseplates or Supports
Altron Nexus Solution	Supply and Programming of a Portable Digital Mobile Radio Repeater
Ignite Advisory Services	Electronic Programme (SDBIP)
SMEC South Africa (Pty) Ltd	The Management and Implementation of the Rural Road Asset Management System within the Overberg District Municipal area for a period of three years
Potts Devco (Pty) Ltd	Supply and delivery of resin Molded Fiberglass Grating Panels
TTR 080914 PTY LTD T/A ATA 080914	Supply, Delivery and Installation of Aluminum Window Frames and Windows at the Overberg District Municipality's Roads Department, Caledon

Name of Service Provider	Goods and Services Supplied
TTR 080914 PTY LTD T/A ATA 080914	Supply, Delivery, and Installation of Roll Up Garage Doors at the Overberg District Municipality's Roads Department, Caledon
Savannah Helicopters (Pty) Ltd	Ad hoc Aerial Firefighting Services Overberg District Municipality
Henley Air (Pty) Ltd	
Working On Fire (Pty) Ltd	
Startune (Pty) Ltd	Supply and Delivery of High Visible Clothing "Bunny Jackets"
BFECT (Pty) Ltd	Supply and Delivery of Tiles and Materials at Uilenkraalsmond Resort
Inново Networks	Supply and Delivery of Three Drones
Blueline Industries	
Pro Heat and Energy Electrical Cc	Supply, Service and Repairs to Boilers, Burners, Hot and Cold-Water Tanks, Heat Exchangers, Circulation Pumps and all other parts pertaining to the Hot Water System at Overberg District Municipality's Resorts
Komatsu	Servicing of Vehicles: PA 65018 And PA 35139
First Technology Western Cape (Pty) Ltd	Office 365
Simons Electric	Hiring (Services), Servicing, Maintenance and Repairs and Supplies
Juno Corp (Pty) Ltd	
Nasionale See en Sand Instituut	
Premium Consulting	Rendering of Professional (Psychology) Counselling Services for a period of three years
The Grail Centre Trust (It 1981 / 2004)	Office Space in Kleinmond for one Environmental Health Practitioner – Three (3) Year Period
African Online Scientific Information Systems (Pty) Ltd t/a AOSIS (Pty) Ltd	Electronic CPD Points (ECPD) for Environmental Health Practitioners – three (3) year period
Acu - Chron (Pty) Ltd	Asbestos Services
KFC Engineering & Industrial Supplies	Supply and Delivery of Hardox 500 Steel Sheets.
Kobua Industrial Valves	Supply and Delivery of Three (3) Centrifugal and Self-Priming Pumps
Swift Silliker (Pty) Ltd t/a Merieux Nutrisciences	Food and water sample analysis for the period ending June 2025
Tech Alliance (Pty) Ltd	Backup Server Software for a three-year period ending 30 June 2025
INCA Portfolio Managers	Update Long-term Financial Plan
Biddulphs International	Relocation of Household Furniture

Results: All performance ratings done on service providers were positive and services and goods rendered to the municipality were satisfactory and of an acceptable standard.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

The municipality's organisational structure is as follows:

Office of the Municipal Manager		
<ul style="list-style-type: none"> • Internal Audit • IDP and Communication • Performance and Risk Management 		
Directorate Finance <ul style="list-style-type: none"> • Finance • Payroll, Bank and Cash Investment • Supply Chain Management and Assets 	Directorate Corporate Services <ul style="list-style-type: none"> • Human Resources • Committee Services, Records Management and Councillor Support • Contract, Legal, ICT and Building Management 	Directorate Community Services <ul style="list-style-type: none"> • Municipal Health Services • Environmental Management • Social Development • Emergency Services • Roads Services • LED, Tourism and Resorts

The Overberg District Municipality employs 363 (excluding temporary employees) officials who individually and collectively contribute to the achievement of the municipality's objectives.

Employees are appointed through a recruitment and selection process. Qualifications and experience are matched with the job requirements to ensure that the employees have the necessary skills, knowledge and competencies to fulfil their duties.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS: TURNOVER AND VACANCIES

Table 77: Employees total

Description	Employees				
	2021/22	2022/23			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Roads Services	188	239	211	28	12%
Planning (IDP/Communications)	2	3	2	1	33%
Environmental Management	4	4	3	1	25%
Municipal Health Services	19	39	22	17	44%
Emergency (Fire and Disaster Management) Services	52	103	62	41	40%
Social Development	0	3	1	2	67%
LED, Tourism and Resorts	17	36	21	15	42%
Office of Municipal Manager/Executives	4	6	4	2	33%
Internal Audit	2	3	2	1	33%
Finance	16	25	19	6	24%
Human Resources	2	7	5	2	29%
Contract, Legal and Building Management	0	10	4	6	60%
Support Services, Committee Services, Records Management & Council Support	8	5	4	1	20%
ICT Services	2	3	2	1	33%
Performance Management & Risk Management	1	4	1	3	75%
No position / Org structure not clear	0	0	0	0	0%
Totals	317	490	363	127	26%
<i>Calculation: Employees and approved posts on 30 June 2023</i>					

Occupational levels

The total number of **employees (including employees with disabilities)** in each of the following **occupational levels**.
Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Table 78: Occupational levels

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management (Level 23-26)	0	1	0	1	0	1	0	0	0	0	3
Senior Management (Level 16-22)	0	1	0	5	1	1	0	0	0	0	8
Professionally qualified and experienced specialists and mid-management (Level 14-15)	0	2	0	5	2	1	0	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	4	23	0	10	5	18	0	6	0	0	66
Semi-skilled and discretionary decision making (Level 4-8)	55	58	0	12	13	19	0	3	0	0	160
Unskilled and defined decision making (Level 1-3)	26	35	0	4	21	27	0	3	0	0	116
TOTAL PERMANENT	85	120	0	37	42	67	0	12	0	0	363
*Temporary employees	11	50	0	7	19	23	0	2	0	0	112
GRAND TOTAL	96	170	0	44	61	90	0	14	0	0	475
<i>*The number of EPWP and intern programs employees on 30 June 2023 forms part of the temporary employees.</i>											

Table 79: Turnover rate

Turnover Rate			
Year	Number of employees at yearend	Number of terminations during the year	Turnover Rate*
2020/21	317	28	8.83%
2021/22	340	17	5.00%
2022/23	363	14	3.86%
<i>* Calculation: Terminations/by total number of permanent employees on 30 June 2023</i>			

COMMENT ON VACANCIES AND TURNOVER

The turnover rate experienced was the result of retirements, ill health, death and resignations.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Local Labour Forum serves as a tool to ensure working relations between the workforce, management and Council. The workforce is represented by trade union members who serve on various committees. The workforce is also governed by collective agreements.

4.2 POLICIES

Table 80: Human Resources policies and plans

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted/reviewed by council or comment on failure to adopt
1	Bursary Policy	100.00%	100.00%	28 June 2021
2	Cellular Phones, Tablet and Data Card Policy	100.00%	100.00%	27 July 2015
3	Dress Code Policy	100.00%	100.00%	28 June 2021
4	Study Aid Policy	100.00%	100.00%	28 June 2021
5	Employee Assistants Programme	100.00%	100.00%	27 July 2015
6	Education, Training & Development Policy	100.00%	100.00%	22 August 2022
7	Employment Equity Policy	100.00%	100.00%	22 August 2022
8	Exit Interview Policy	100.00%	100.00%	22 August 2022
9	External Bursary Aid Policy	100.00%	100.00%	22 August 2022
10	Grievance Procedure Policy	100.00%	100.00%	22 August 2022
11	Induction & Orientation Policy	100.00%	100.00%	22 August 2022
12	Human Resources Policy Framework	100.00%	100.00%	22 August 2022
13	Financial Support for Driving Lesson	100.00%	100.00%	5 December 2017
14	HIV/Aids Policy	100.00%	100.00%	18 June 2012
15	Occupational Health & Safety	100.00%	100.00%	28 June 2021
16	Overtime Policy	100.00%	100.00%	18 July 2018
17	Recruitment and Selection Policy	100.00%	100.00%	02 August 2022
18	Sexual Harassment Policy	100.00%	100.00%	6 December 2019
19	Skill Retention Policy	100.00%	100.00%	27 July 2015
20	Smoking Policy	100.00%	100.00%	27 July 2015
21	Substance Abuse Policy	100.00%	100.00%	6 December 2019
22	Task Job Evaluation Policy	100.00%	100.00%	3 December 2012
23	Travel & Subsistence Policy	100.00%	100.00%	5 December 2022
24	Private work (Employees)	100.00%	100.00%	5 December 2017
25	Performance Management Framework Policy	100.00%	100.00%	22 August 2022
26	Time-off to attend funerals	100.00%	100.00%	24 May 2021
27	Remuneration Policy	100.00%	100.00%	28 May 2018
28	Acting, Secondment and Additional Allowance Policy	100.00%	100.00%	29 May 2023
29	COVID-19 Policy	100.00%	100.00%	24 May 2021
30	Housing Subsidy Policy	100.00%	New	5 December 2022

COMMENT ON WORKFORCE POLICY DEVELOPMENT

The Human Resource policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the management of staff. The Department of Human Resources reviewed Human Resources policies and also developed new policies to align with the Local Government: Staff Regulations.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

COMMENT ON INJURY AND SICK LEAVE

Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. The occupational injury will influence the loss of person hours and therefore financial and productivity performance. During the year, 34 injuries on duty were reported, with no fatalities.

Table 81: Number of days of Sick Leave (excluding injuries on duty)

Number of days of Sick Leave (excluding injuries on duty)				
Salary band	Total sick leave	Proportion of sick leave without medical certification	Total employees in post	Average sick leave per Employees
	Days	%	No.	Days
Unskilled and Defined Decision making (Levels 1-3)	1323	2.87%	116	11.41
Semi-Skilled and Discretionary Decision making (Levels 4-8)	781	4.74%	160	4.88
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	304	3.29%	66	4.61
Professionally Qualified and Experience Specialists / Mid Management (Levels 14-15)	57	7.02%	10	5.70
Senior Management (Level 16-22)	11	9.09%	8	1.38
Top Management/ Executive (Level 23-26)	0	0.00%	3	0.00
Total	2476	4.50%	363	4.66

Table 82: Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Status of Case	Date Finalised
1	Assault	November 2022	Not yet finalised	-
1	Gross insubordination	November 2022	Not yet finalised	-

Table 83: Disciplinary action taken in cases of financial misconduct

Disciplinary Action Taken in Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date Finalised
None	-	-	-

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS

There is no performance incentive system in place for employees. However, the Performance Agreements of the Municipal Manager and directors specify whether a performance bonus is payable. Performance bonuses were paid to the directors based on their 2021/22 performance outcome.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Skills Development Act (Act 81 of 1998) and the Local Government: Municipal Systems Act (Act 32 of 2000) require employers to provide employees with the necessary training in order to develop their human resource capacity. Section 55(1)(f) of the Municipal Systems Act states that, as the Head of Administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

4.5 SKILLS DEVELOPMENT AND TRAINING

The table below indicates the number of employees who received training in the year under review.

Table 84: Skills matrix

Skills Matrix										
Management level	Gender	Employees in post on 30 June 2023	Number of skilled employees required and actual as of 30 June 2023							
			Learnerships		Skills programmes and other short courses		Other forms of training Unemployed		Total	
			No.	Actual: End of 2023	Target	Actual: End of 2023	Target	Actual: End of 2023	Target	Actual: End of 2023
MM and s57	Female	1	0	0	0	0	0	0	0	0
	Male	2	0	0	1	1	0	0	1	1
Councillors	Female	7	0	0	0	5	0	0	0	5
	Male	16	0	0	1	11	0	0	1	11
Middle managers	Female	8	0	0	4	7	0		4	7
	Male	10	0	0	7	11	0	0	7	11
Professionals	Female	16	0	0	12	16	4	4	16	20
	Male	9	0	0	5	7	3	3	8	10
Technicians and associate professionals	Female	7	0	0	3	5	0	0	3	5
	Male	14	0	0	3	14	0	0	3	14
Clerical support workers	Female	22	0	0	9	21	0	11	9	32
	Male	13	0	0	6	13	0	11	6	24
Services and sales workers	Female	9	0	0	1	6	0	0	1	6
	Male	49	0	0	7	43	0	0	7	43
Plant and Machine Operators and Assemblers	Female	6	0	0	1	3	0	0	1	3
	Male	52	0	0	29	52	0	0	29	52
Elementary Occupations	Female	53	0	0	42	46		0	42	46
	Male	92	0	0	55	93		0	55	93
Subtotal	Female	129	0	0	72	109	4	15	76	124
	Male	257	0	0	114	245	3	14	117	259
Total		386	0	0	186	354	7	29	193	383

Table 85: Financial Competency Development: Progress Report

Financial Competency Development: Progress Report 30 June 2023						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	1	0	1	1	1	1
Any other financial officials	14	0	14	10	0	10
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
Total	18	0	18	14	3	14

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

In terms of sections 83 (1) and 119 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice R493 dated 15 June 2007, as amended.

A total of an amount of R1 204 858 was spent on training during the financial year.

During the 2022/23 financial year, a total of 193 employed beneficiaries and 7 unemployed beneficiaries participated in various training and skills development programmes, including but not limited to structured skills programmes, internal and short courses. A formal skills gap process was followed during the year under review. However, where gaps were identified, the municipality addressed these gaps through the Workplace Skills Plan.

The ODM reported on its Workplace Skills Plan to LGSETA on 26 April 2023, which includes the training plan for 2023/24.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**INTRODUCTION TO WORKFORCE EXPENDITURE**

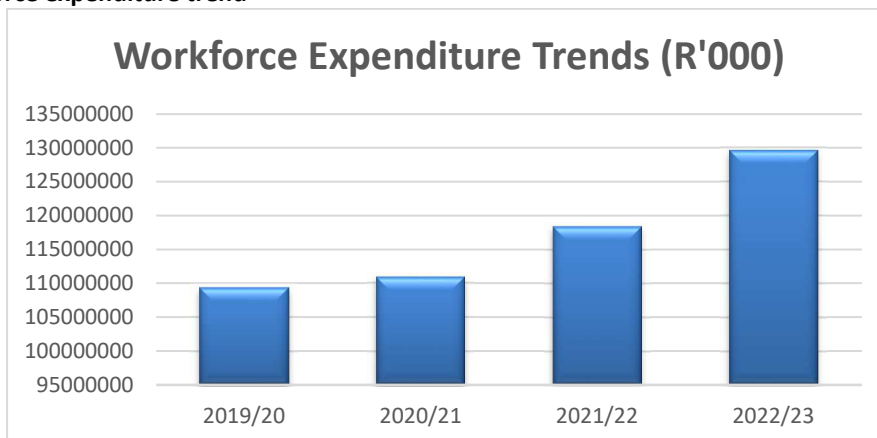
The workforce expenditure is controlled by means of an approved staff establishment and a salary budget. Internal factors that influenced remuneration are the organisational structure, job evaluation system and policies. Salaries are controlled by Bargaining Council Collective Agreements, legislation and a ministerial determination on the payment of Expanded Public Works Programme (EPWP) participants. The ODM also has a grant funding directive in place for EPWP. The Human Resource policies do not allow variable remuneration incentive schemes.

In the general course of business, Council does not need to vote on the remuneration policy, the implementation report and the measures taken in response thereto. Consultants were not used for matters relating to remuneration. Detailed disclosure of the remuneration of Council and executive management is included in the annual financial statements.

Council adopted a remuneration policy and relied on legislation and Bargaining Council Collective Agreements. Salaries of the Municipal Manager, CFO and directors are regulated by legislation.

4.6 EMPLOYEE EXPENDITURE

Figure 20: Workforce expenditure trend



COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure for the year under review amounted to 50.59% of the total operating revenue, which is above the norm of 25 – 40%. The reason for the high percentage is that most of the functions are labour intensive, e.g., the roads function, emergency services and municipal health.

Table 86: 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 exists
None				

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

No permanent appointments were made to posts not approved.

DISCLOSURES OF FINANCIAL INTERESTS

Financial disclosures were made by the Municipal Manager, CFO, Directors and Councillors. See **Appendix H**.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

During the period under review, the municipality had challenges to stay within the approved budget. However, the cash position enables the municipality to deliver on operational commitments. The municipality closed the year with a positive working capital surplus, however not all provisions are fully cash-backed. The cash balance increase with R44 million mainly due to investment property sales that were registered and the VAT input claims that was paid for the Roads Agency.

The municipality is mainly dependent on government grants. Any fluctuations in the Equitable Share and allocations per the Division of Revenue Act will impact directly on service delivery requirements from a perspective that nearly 60% of the revenue source is funded from grants and transfer (excluding roads maintenance services) funding. The municipality made a submission to National Treasury to motivate that the formula according to which the equitable share is calculated (especially the RSC levy portion), is not sufficient to cover the expenses of Fire, Disaster & Emergency as well as Municipal Health services. National Treasury responded that the Equitable Share formula will be reviewed as directed by the Financial and Fiscal Commission and in the latest 2023 Budget review documents, it was confirmed as such.

The total assets of the municipality amount to R205.6 million with the current assets amounting to R97.9 million and the non-current assets amounting to R107,7 million respectively. The overall status of the financial health for the municipality continues to reflect positively. This is largely due to the cash balances at yearend, the net surplus, favorable liquidity and solvency positions as well as the municipality's ability to effectively manage its working capital.

The total liabilities of the municipality amount to R105.4 million with the current position amounting to R44.4 million and the long-term liabilities amount to R61 million. Assets, both current and non-current, exceed liabilities, indicating that the municipality will be able to cover all liabilities.

Consultant performing services and functions to the municipality need to comply with skills transfer specifications as stipulated in the tender documentation, hence, to support the cost containment regulations and to enhance the reduction in consultant strategy, while upskilling the staff complement.

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

INTRODUCTION TO FINANCIAL STATEMENTS

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 (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.

The main reason for the financial position of the municipality is that limited significant own revenue source(s) has been developed or approved for district municipalities. The municipality is predominantly dependent on government grants. The municipality is still experiencing challenges in cash-back provisions and depreciation. This will continue as the Equitable Share allocations for the MTREF remains insufficient to cover mentioned areas.

Statements of Revenue Collection Performance by vote and by source are included in **Appendix I**.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Table 87: Financial summary

Financial Summary							R' 000
Description	2021/22	Current Year: 2022/23			2022/23 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Financial Performance							
Service charges	10 091	13 572	14 072	12 335	-9.11%	-12.34%	
Investment revenue	2 558	2 000	4 900	5 904	195.20%	20.49%	
Transfers recognised - operational	202 470	197 193	212 712	206 478	4.71%	-2.93%	
Other own revenue	52 775	40 675	34 877	43 380	6.65%	24.38%	
Total Revenue (excluding capital transfers and contributions)	267 893	253 440	266 561	268 097	5.78%	0.58%	
Employee costs	122 709	135 932	130 989	134 415	-1.12%	2.62%	
Remuneration of councillors	5 872	6 166	6 426	6 195	0.48%	-3.58%	
Debt impairment	67	200	100	76	-61.88%	-23.76%	
Depreciation & asset impairment	3 732	3 626	3 626	3 920	8.12%	8.12%	
Finance charges	3 492	3 329	3 289	3 006	-9.73%	-8.63%	
Bulk Purchases	329	400	250	456	13.89%	82.22%	
Inventory Consumed	50 561	46 462	61 671	52 978	14.02%	-14.10%	
Contracted Services	23 797	23 792	28 160	23 877	0.36%	-15.21%	
Transfers and grants	1 393	-	3 449	1 159	100.00%	-66.38%	
Other expenditure	31 858	33 440	33 436	29 441	-11.96%	-11.95%	
Loss on disposal of PPE	807	-	-	611	100.00%	100.00%	
Total Expenditure	244 617	253 346	271 395	256 134	1.10%	-5.62%	
Surplus/(Deficit)	23 276	94	(4 834)	11 963	12599.05%	-347.47%	
Transfers recognised - capital	1 116	-	2 250	1 219	100.00%	-45.80%	
Contributions recognised - capital & contributed assets	980	-	-	85	100.00%	100.00%	
Surplus/(Deficit) after capital transfers & contributions	25 371	94	(2 584)	13 267	13983.86%	-613.42%	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	
Surplus/(Deficit) for the year	25 371	94	(2 584)	13 267	13983.86%	-613.42%	
Capital expenditure & funds sources							
Capital expenditure							
Transfers recognised - capital	1 116	-	2 250	1 219	100.00%	-45.80%	
Public contributions & donations	980	-	-	85	100.00%	100.00%	
Borrowing	2 948	39	4 900	364	833.07%	-92.57%	
Internally generated funds	4 494	10 235	8 320	6 002	-41.35%	-27.85%	
Total sources of capital funds	9 537	10 274	15 470	7 671	-25.33%	-50.41%	
Financial position							
Total current assets	77 878	58 057	58 854	97 929	68.68%	66.39%	
Total non current assets	106 441	115 234	119 584	107 685	-6.55%	-9.95%	
Total current liabilities	27 056	42 780	25 527	44 410	3.81%	73.97%	
Total non current liabilities	70 399	75 591	68 699	61 074	-19.21%	-11.10%	
Community wealth/Equity	86 863	54 919	84 212	100 131	82.32%	18.90%	
Cash flows							
Net cash from (used) operating	(2 899)	3 958	7 065	44 783	1031.51%	533.89%	
Net cash from (used) investing	(4 305)	(7 774)	(3 470)	2 852	-136.69%	-182.19%	
Net cash from (used) financing	(3 939)	(3 684)	(4 631)	(4 631)	25.71%	0.00%	
Cash/cash equivalents at the year end	44 932	44 880	43 896	87 936	95.94%	100.33%	
Cash backing/surplus reconciliation							
Cash and investments available	44 932	44 880	43 896	87 936	95.94%	100.33%	
Application of cash and investments	23 753	29 215	16 587	45 552	55.92%	174.63%	
Balance - surplus (shortfall)	21 179	15 664	27 309	42 384	170.58%	55.20%	
Asset management							
Asset register summary (WDV)	84 249	90 339	82 283	87 388	-3.27%	6.20%	
Depreciation & asset impairment	3 732	3 626	3 626	3 920	8.12%	8.12%	
Renewal of Existing Assets	1 665	5 155	7 034	1 783	-65.42%	-74.66%	
Repairs and Maintenance	10 063	8 451	9 134	9 733	15.17%	6.57%	

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

Table 88: Financial performance of operational services

Financial Performance of Operational Services							R '000
Description	2020/21	2022/23			2022/23 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Waste Management	10 062	9 037	9 550	9 283	2.65%	-2.88%	
Component A: sub-total	10 062	9 037	9 550	9 283	2.65%	-2.88%	
Roads	111 867	108 781	119 586	114 791	-4.18%	-4.18%	
Component B: sub-total	111 867	108 781	119 586	114 791	5.24%	-4.18%	
Planning	729	1 391	1 557	1 415	1.73%	-10.00%	
Component C: sub-total	729	1 391	1 557	1 415	1.73%	-10.00%	
Human Development	-	-	-	-	-	-	
Component D: sub-total	-	-	-	-	-	-	
Environmental Mangement	2 924	3 252	3 510	3 051	-6.59%	-15.03%	
Component E: sub-total	2 924	3 252	3 510	3 051	-6.59%	-15.03%	
Health	15 572	20 773	18 251	17 484	-18.81%	-4.38%	
Component F: sub-total	15 572	20 773	18 251	17 484	-18.81%	-4.38%	
Fire Services and Disaster Management	34 848	36 168	38 229	37 655	3.95%	-1.53%	
Component G: sub-total	34 848	36 168	38 229	37 655	3.95%	-1.53%	
Sport and Recreation	15 722	16 623	17 974	16 601	-0.13%	-8.27%	
Component H: sub-total	15 722	16 623	17 974	16 601	-0.13%	-8.27%	
Executive & Council	12 403	10 407	10 856	10 438	0.29%	-4.01%	
Internal Audit	1 520	1 880	1 880	1 595	-17.88%	-17.86%	
Financial Services	23 596	25 346	30 116	26 030	2.63%	-15.70%	
Human Resource Services	2 746	3 381	4 218	3 858	12.35%	-9.34%	
Support Services	9 475	13 009	12 195	10 531	-23.53%	-15.80%	
Performance Management	-	-	-	-	-	-	
ICT Services	3 154	3 298	3 473	3 404	3.09%	-2.05%	
Component G: sub-total	52 893	57 322	62 739	55 854	-2.63%	-12.33%	
Total Expenditure	244 617	253 346	271 395	256 134	1.09%	-5.96%	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>							

5.2 GRANTS

Table 89: Grant performance

Grant Performance							R'000
Description	2021/22	2022/23			2022/23 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget	
Operating Transfers and Grants							
National Government:	83 233	86 444	86 444	86 431	-0.02%	-0.02%	
Local Government Equitable Share	78 560	81 486	81 486	81 486	0.00%	0.00%	
Finance Management	1 000	1 000	1 000	1 000	0.00%	0.00%	
EPWP Incentive	1 053	1 123	1 123	1 123	0.00%	0.00%	
Rural Roads Asset Management Grant	2 619	2 835	2 835	2 822	-0.46%	-0.46%	
Provincial Government:	119 237	110 749	123 653	120 047	8.40%	-2.92%	
Roads Subsidy	116 170	108 781	119 586	116 243	6.86%	-2.80%	
Seta	303	230	230	354	54.07%	54.07%	
Health Subsidy	183	182	182	157	-13.84%	-13.84%	
Financial Management Support Grant	-	-	-	-	-	-	
Fire Safety Plan	1 905	1 500	1 500	1 385	-7.66%	-7.66%	
Municipal Finance Improvement Program - Resorts	-	-	-	-	-	-	
Municipal Service Delivery and Capacity Building Grant - Fire	-	-	-	-	-	-	
CDW Operational Support Grant	76	56	56	113	101.79%	101.79%	
Load Shedding Mitigation Grant	-	-	-	99	100.00%	100.00%	
Joint District and Metro Approach Grant	-	-	1 000	883	100.00%	-11.67%	
Grant WCFMC Capability	-	-	800	688	100.00%	-14.00%	
Grant Intervention	200	-	300	124	100.00%	-58.52%	
Human Capacity Building Grant	399	-	-	-	-	-	
Total Operating Transfers and Grants	202 470	197 193	210 097	206 478	4.71%	-1.72%	

Variances are calculated by comparing the actual and the original/adjustment budget

COMMENT ON OPERATING TRANSFERS AND GRANTS

The municipality received grants from the National and Provincial Government during the 2022/23 fiscal year. When funding is not spent or committed at yearend, the funding (outstanding balance) needs to be repaid to the various treasuries. Funding that is, however, already committed will form part of the roll-over applications submitted to the treasuries respectively and, when approved, will form part of the next adjustment budget in the new fiscal period.

Appendix J indicates conditional grants received.

Table 90: Grants received from sources other than Division of Revenue Act

Grants Received from Sources Other Than Division of Revenue Act (DoRA)				
Details of Donor	Actual Grant	Actual Grant	Date Grant terminates	Nature and benefit from the grant received, include description of any contributions in kind
	2021/22	2022/23		
Parastatals				
SETA	230 169.00	253 033.00	On-going	Training as per WSP
Municipal Capacity Building	2 549 000.00	1 000 000.00	Once-off	Provincial allocation for capacity building and JDMA
CDW Operational Support	57 000.00	56 000.00	Once-off	Provincial allocation for community development workers
Human Capacity Grant	-	300 000.00	Once-off	Provincial Allocation for External Bursaries
Financial Management Capacity Grant	-	500 000.00	Once-off	Provincial Allocation for WEB and External bursaries
WOSA Safety Plan	2 323 000.00	1 500 000.00	Once-off	Provincial Allocation for Disaster and Fire Management - Fire Safety Plan
Load Shedding Mitigation Grant	-	1 600 000.00	Once-off	Provincial allocation for the installation of Generators
Municipal Intervention Grant	-	300 000.00	Once-off	Provincial Allocation for GIS system and Disaster Intern

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

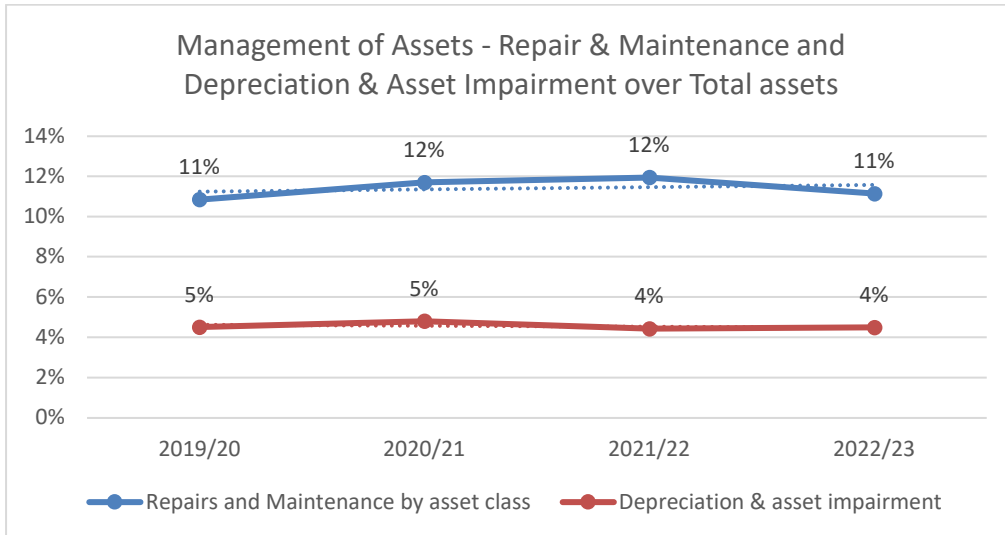
Funding from LG SETA is ongoing and based on a portion of the Skills Development levies the municipality contributes annually. This informs the amount of LG SETA allocation that is paid on a quarterly basis and contributes towards training costs and related expenditure. A few grant allocations were only made within the financial year, however the municipality was able to commit the funds optimally.

5.3 ASSET MANAGEMENT

Table 91: Asset management

Asset Management 2022/23							R'000
R thousands	2019/20	2020/21	2021/22	2022/23			
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjustment budget	Audited outcome	
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	-	-	-	-	-	-	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Electricity	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Sanitation	-	-	-	-	-	-	
Infrastructure - Other	-	-	-	-	-	-	
Community	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	
Other assets	1 869	4 584	7 873	5 113	8 436	5 888	
Agricultural assets	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	
Intangibles	-	-	-	6	-	-	
TOTAL CAPITAL EXPENDITURE ON NEW ASSETS	1 869	4 584	7 873	5 119	8 436	5 888	
Capital expenditure on renewal/upgrading of existing assets by Asset Class/Sub-class							
Infrastructure	22 421	-	-	39	4 900	367	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Electricity	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Sanitation	105	-	-	-	-	-	
Infrastructure - Other	22 316	-	-	39	4 900	367	
Community	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	
Other assets	11 852	452	1 665	5 116	2 134	1 416	
Agricultural assets	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	
Intangibles	-	-	-	-	-	-	
Total capital expenditure on renewal/upgrading of existing assets	34 273	452	1 665	5 155	7 034	1 783	
Total capital expenditure							
Infrastructure	22 421	-	-	39	4 900	367	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Sanitation	105	-	-	-	-	-	
Infrastructure - Other	22 316	-	-	39	4 900	367	
Community	-	-	-	-	-	-	
Other assets	13 722	5 036	9 537	10 229	10 570	7 304	
Intangibles	-	-	-	6	-	-	
Total capital expenditure - asset class	36 143	5 036	9 537	10 274	15 470	7 671	
Asset register summary							
Infrastructure	31 818	30 044	29 162	30 783	34 628	28 656	
Infrastructure - Road transport	1 985	1 927	1 871	1 406	1 370	1 815	
Infrastructure - Electricity	323	314	305	191	186	296	
Infrastructure - Water	863	837	813	2 077	2 023	788	
Infrastructure - Sanitation	2 623	2 547	2 472	1 380	1 344	2 398	
Infrastructure - Other	26 024	24 418	23 702	25 729	29 706	23 359	
Community	12	11	11	11	11	10	
Investment properties	12 811	12 811	12 797	12 781	12 783	12 797	
Other assets	34 179	36 840	42 271	46 750	48 826	45 920	
Intangibles	18	12	8	13	6	5	
TOTAL ASSET REGISTER SUMMARY	78 838	79 718	84 249	90 339	96 254	87 388	
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment	3 558	3 831	3 732	3 626	3 626	3 920	
Repairs and Maintenance by asset class	8 550	9 324	10 063	8 451	9 134	9 733	
Infrastructure	-	-	-	-	-	-	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Electricity	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Other	-	-	-	-	-	-	
Community	-	-	-	-	-	-	
Other assets	8 550	9 324	10 063	8 451	9 134	9 733	
TOTAL EXPENDITURE OTHER ITEMS	12 109	13 155	13 796	12 077	12 759	13 653	

Figure 21: Management of assets – Repairs and maintenance and depreciation and asset impairment over total assets



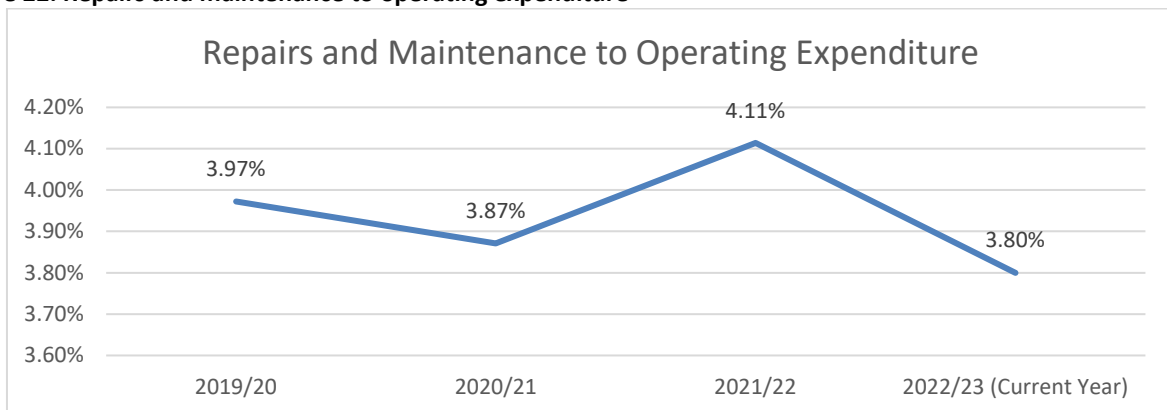
COMMENT ON ASSET MANAGEMENT

The above figure illustrates the percentage spent on repairs and maintenance, showing a slight decrease in repair and maintenance costs – these do not only relate to the actual assets, but also indirect costs such as fuel cost surges and older assets requiring more repairs and maintenance. Depreciation and asset impairment remained stable, as the total asset value did not increase significantly over the last two financial years. Infrastructure assets of Roads Department are excluded from the budget and actual figures, as these assets do not belong to ODM.

Table 92: Repairs and maintenance expenditure

Repair and Maintenance Expenditure: 2022/23				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	8 451	9 134	9 733	15.17%

Figure 22: Repairs and maintenance to operating expenditure



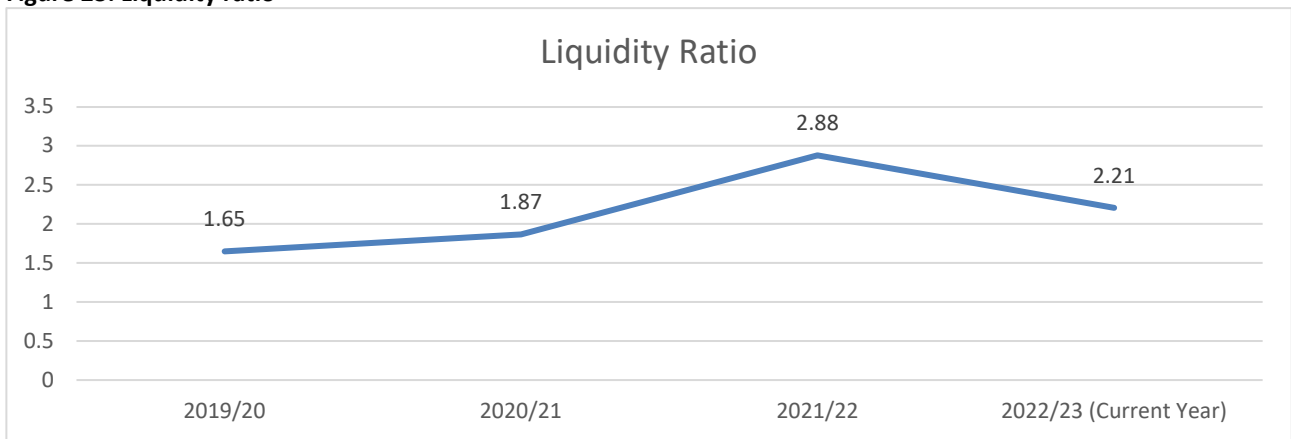
Repairs and maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance by total operating expenditure.

COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE

As previously mentioned under the Financial Health Overview, the ratio had been recalculated by excluding the Roads operation expenditure from the base, as the Roads Department is not included in the repair and maintenance figure.

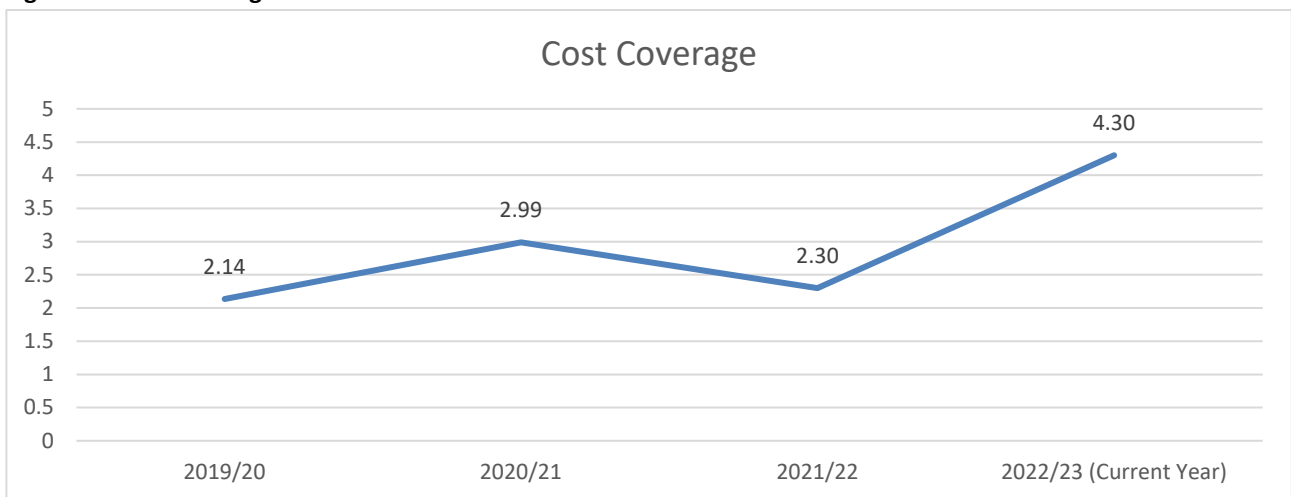
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Figure 23: Liquidity ratio



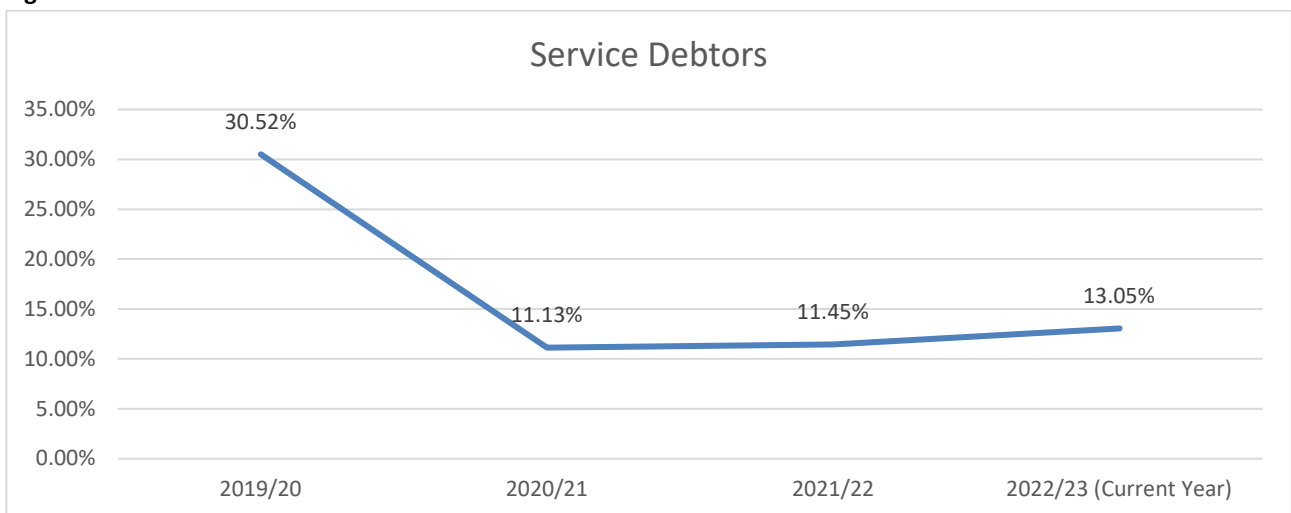
Liquidity ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality’s current liabilities. A higher ratio is better.

Figure 24: Cost coverage ratio



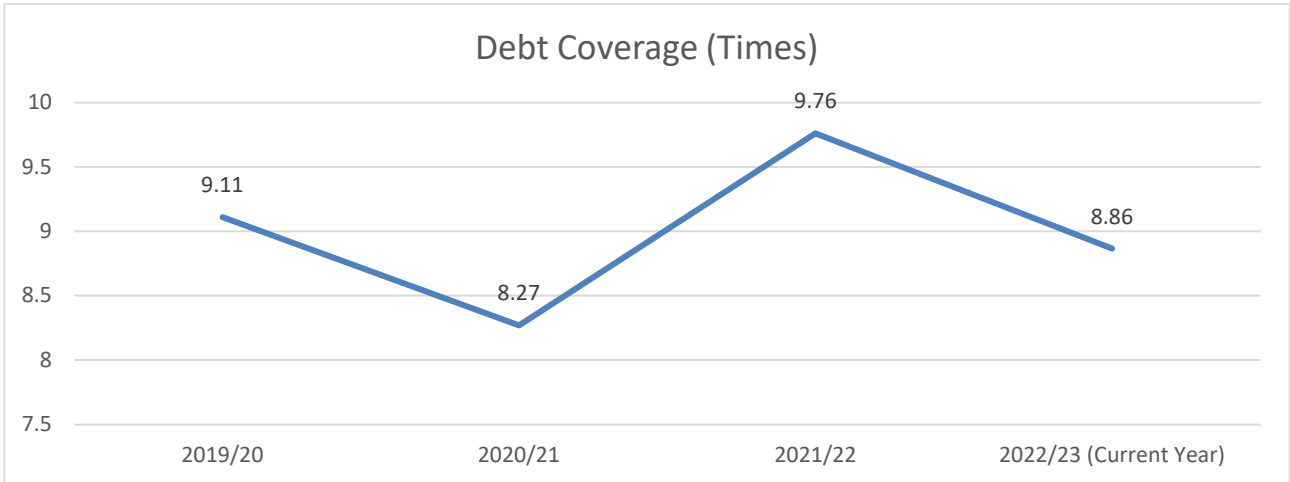
Cost coverage ratio – Explains how many months expenditure can be covered by the cash and other liquid assets available to the municipality, excluding utilisation of grants.

Figure 25: Service debtors ratio



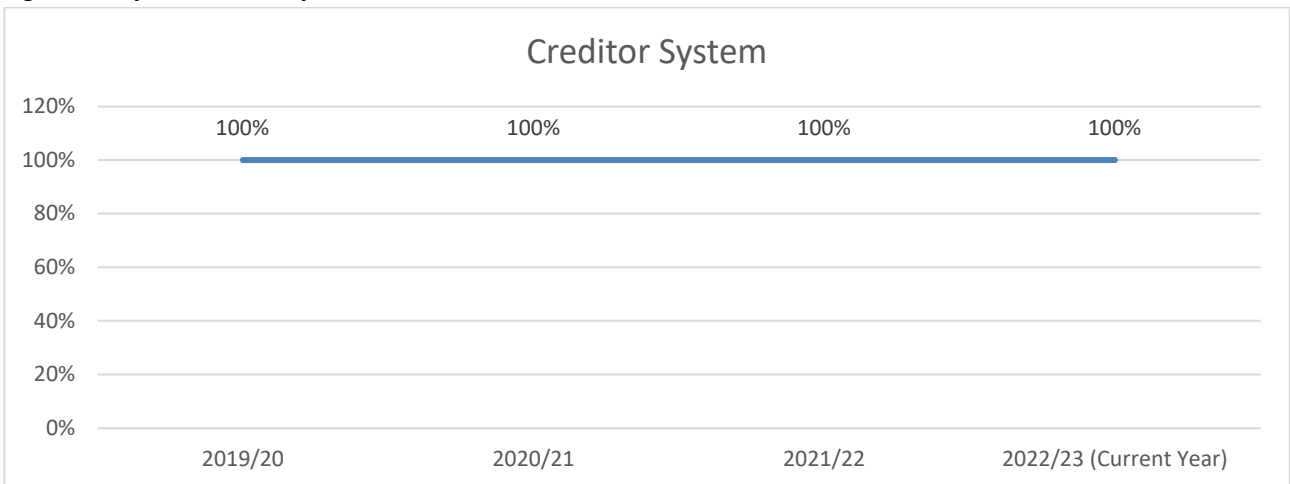
Total outstanding service debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Figure 26: Debt coverage ratio



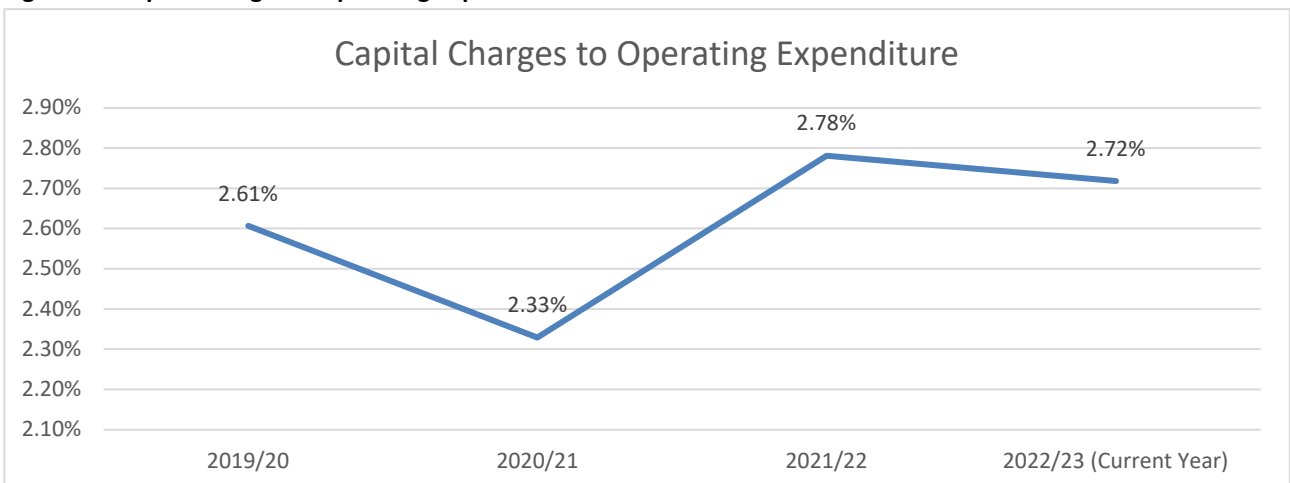
Debt coverage – The number of times debt payments can be accommodated within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality.

Figure 27: System efficiency ratio



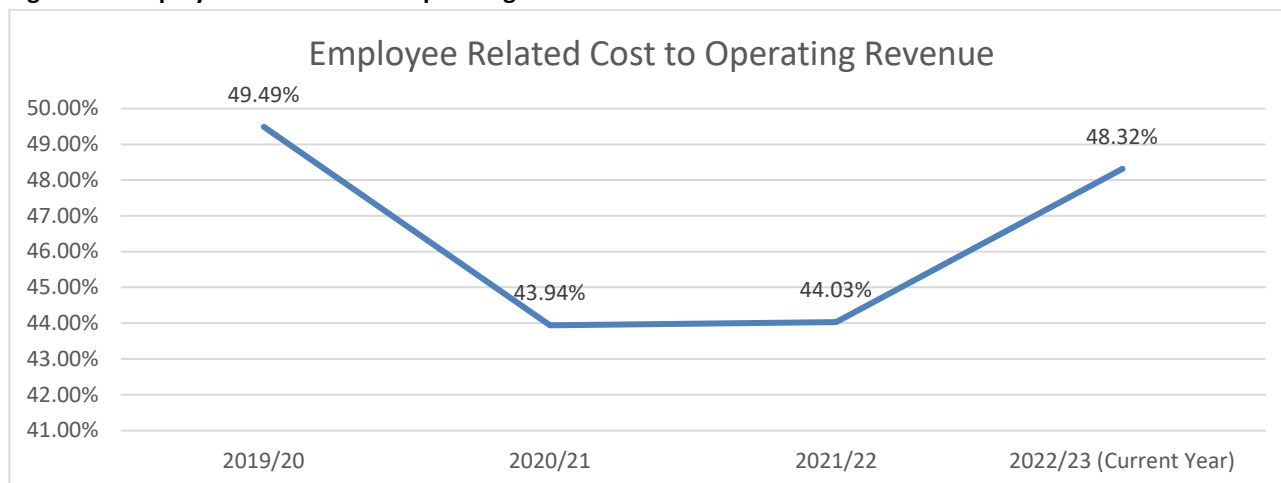
Creditor system efficiency – The proportion of creditors paid within terms (i.e., 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.

Figure 28: Capital charges to operating expenditure ratio



Capital charges to operating expenditure ratio is calculated by dividing the sum of capital interest and principal paid by the total operating expenditure.

Figure 29: Employee-related cost to operating revenue



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

COMMENT ON FINANCIAL RATIOS

The liquidity ratio decreased slightly from the previous financial year. The ratio remains above the norm. The cash position improved during the past few years, due to VAT claims submitted to SARS relating to the Roads Agency function, which was paid out during the fiscal periods. In effect, the uncommitted cash position of the municipality remained satisfactory.

The services debtors' ratio increased slightly due to the amounts owed at yearend for fire services, since one large incident had a significant impact on the downward trend in outstanding debtors anticipated. Other outstanding debtors consist of rental properties at the resorts and waste management services provided to local municipalities.

The cost coverage ratio decreased slightly due to revenue being less than the previous year having property sales.

Capital charges decreased slightly due to the redemption of the outstanding loans and no new loans were taken up during this financial year. However, this is still below the norm of 6%.

The municipality manages to pay its creditors within 30 days resulting in a 100% creditor system efficiency ratio.

The employee-related cost ratio increased slightly due to critical funded vacancies that were filled during the budget year.

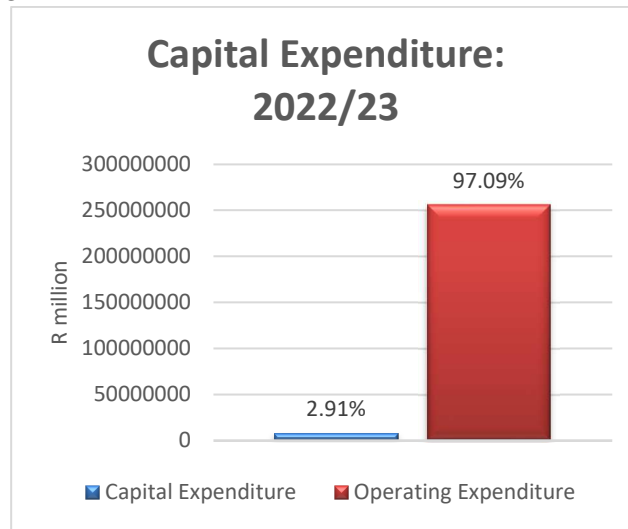
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Council envisaged that proceeds from the sale of properties would contribute towards the capital replacement reserve to fund essential capital expenditure in order to reduce the maintenance cost spend on old and redundant vehicles.

5.5 CAPITAL EXPENDITURE

Figure 30: Capital expenditure



5.6 SOURCES OF FINANCE

Table 93: Capital expenditure – Funding sources

Capital Expenditure - Funding Sources Year 2021/22 to 2022/23						
R' 000						
Details	2021/22	2022/23				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	2 948	39	4 900	364	12464.10%	833.07%
Public contributions and donations	980			85	0.00%	100.00%
Grants and subsidies	1 116		2 250	1 219	0.00%	100.00%
Other	4 494	10 235	8 320	6 002	-18.71%	-41.35%
Total	9 537	10 274	15 470	7 671	50.58%	-25.33%
Percentage of finance						
External loans	30.91%	0.38%	31.67%	4.74%	24641.81%	-3288.46%
Public contributions and donations	10.27%	0.00%	0.00%	1.11%	0.00%	-394.74%
Grants and subsidies	11.70%	0.00%	14.54%	15.90%	0.00%	-394.74%
Other	47.12%	99.62%	53.78%	78.25%	-36.98%	163.23%
Capital expenditure						
Water and sanitation					0.00%	0.00%
Electricity					0.00%	0.00%
Housing					0.00%	0.00%
Roads and storm water	358				0.00%	0.00%
Other	9 179	10 274	15 470	7 671	50.58%	-25.33%
Total	9 537	10 274	15 470	7 671	50.58%	-25.33%
Percentage of expenditure						
Water and sanitation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Electricity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roads and storm water	3.75%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	96.25%	100.00%	100.00%	100.00%	100.00%	100.00%

COMMENT ON SOURCES OF FUNDING

All projects were funded either from own funding, donations, conditional grants received or borrowings.

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Table 94: Capital expenditure on five largest projects

Capital Expenditure on five largest projects*			
R'000			
Name of Project	2022/23		
	Original Budget	Adjustment Budget	Actual Expenditure
Fire Truck (Emergency Services)	2 150	2 298	2 251
Honeysucker (Resorts)	1000	1800	1087
Loadshedding Mitigation	0	1600	657
Karwyderskraal Infrastructure Project	0	4900	363
Power Generators and UPS backup	500	1234	579

* Projects with the highest capital expenditure in 2022/23

COMMENT ON CAPITAL PROJECTS

Various capital projects commenced in the financial period, however some of the larger ones are to be rolled over to the new financial year. Loadshedding mitigation projects could not be finalized due to suppliers being on backlog with providing stock in the current power crisis the country finds itself in.

Appendix L refers to the procurement of other capital assets as per the capital programme per department.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Not applicable.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Although the financial position has improved, it is still not satisfactory, and the municipality will have to maintain strong financial management and discipline due to grant dependency.

5.9 CASH FLOW

Table 95: Cash flow outcomes

Cash Flow Outcomes					R'000
Description	2021/22	2022/23			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Service charges	10 333	13 572	13 972	12 132	
Other revenue	30 258	37 775	34 877	36 125	
Government - operating	190 057	197 193	210 097	221 272	
Government - capital	1 950	–	1 600	2 063	
Interest	2 529	2 200	4 900	5 449	
Dividends			–		
Payments					
Suppliers and employees	(234 001)	(244 467)	(252 617)	(228 927)	
Finance charges	(2 632)	(2 315)	(2 315)	(2 172)	
Transfers and Grants	(1 393)	–	(3 449)	(1 159)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	(2 899)	3 958	7 065	44 783	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	1 304	2 500	12 000	10 435	
Decrease (Increase) in non-current debtors	–	–	–	–	
Decrease (increase) other non-current receivables	–	–	–	–	
Decrease (increase) in non-current investments	–	–	–	–	
Payments					
Capital assets	(5 609)	(10 274)	(15 470)	(7 583)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 305)	(7 774)	(3 470)	2 852	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	–	–	–	–	
Borrowing long term/refinancing	–	–	–	–	
Increase (decrease) in consumer deposits	–	–	–	–	
Payments					
Repayment of borrowing	(3 939)	(3 684)	(4 631)	(4 631)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 939)	(3 684)	(4 631)	(4 631)	
NET INCREASE/ (DECREASE) IN CASH HELD	(11 144)	(7 499)	(1 036)	43 005	
Cash/cash equivalents at the year begin:	56 076	52 379	44 932	44 932	
Cash/cash equivalents at the year end:	44 932	44 880	43 896	87 936	

COMMENT ON CASH FLOW OUTCOMES

The cash flow position of the municipality increased since the previous financial year as the sale of property for R12 million was received and VAT claims paid to ODM.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowing consists of an annuity loan of R25 million for the construction of cell 4 at Karwyderskraal Regional Landfill site. R4,9 million of the loan taken up still needs to be spent on identified projects in the 2022/23 financial year.

Table 96: Actual borrowings: Year 2020/21 – 2023/23

Actual Borrowings Year 2020/21 to 2022/23			
	R' 000		
Instrument	2020/21	2021/22	2022/23
Municipality			
Long-Term Loans (annuity/reducing balance)	18 916	15 232	11 112
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	-	1 357	112
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Municipality Total	25 161	22 211	11 225

Figure 31: Actual borrowing

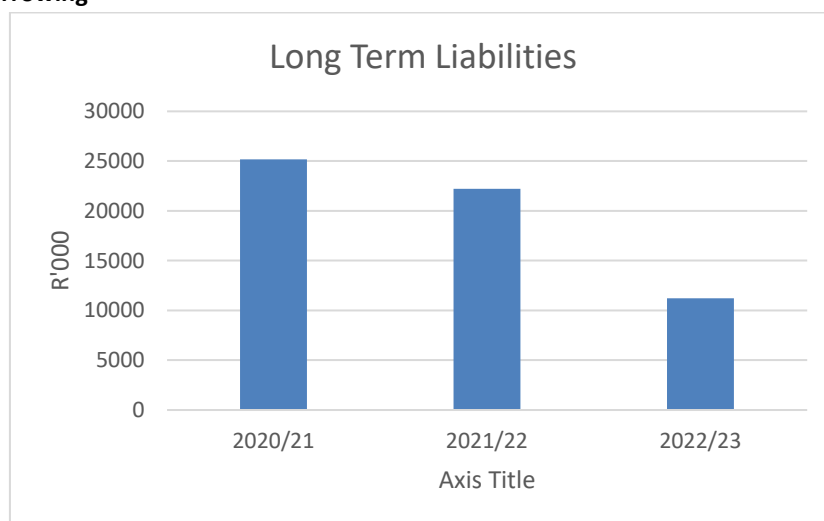


Table 97: Municipal investments

Municipal Investments			
			R' 000
Investment type	2020/21	2021/22	2022/23
	Actual	Actual	Actual
Municipality			
Deposits - Bank	56 074	44 930	87 936
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	56 074	44 930	87 936
Consolidated total:	56 074	44 930	87 936

COMMENT ON BORROWING AND INVESTMENTS

The deposits included all bank balances and investments as detailed in note 2 of the Annual Financial Statements.

5.11 PUBLIC-PRIVATE PARTNERSHIPS

PUBLIC-PRIVATE PARTNERSHIPS

The municipality has no Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

All Supply Chain Management (SCM)-related policies were reviewed, and the unit is functioning effectively. Monthly, quarterly and annual SCM reports were submitted. The performance of service providers was evaluated informally on a monthly basis, formal evaluations were done bi-annually, and a report were submitted after them bi-annual evaluations.

After the Constitutional Court case, the Preferential Procurement Policy was retracted for a few months but reinstated once the judgement of the Constitution Court was received on the implementation timelines of the new revised Regulations.

All SCM employees reached the prescribed levels required for their positions by completing all the necessary MMC unit standards. No Councillor forms part of the bid process.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

The municipality has fully implemented GRAP. The financial statements are compiled according to GRAP standards, as prescribed by the MFMA, and are audited as such.

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

In terms of section 188 (1)(b) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the functions of the Auditor-General include auditing of and reporting on the accounts, financial statements and financial management of all municipalities. Section 45 of the Local Government: Municipal Systems Act (Act 32 of 2000) stipulates that the results of performance management must be audited annually by the Auditor-General.

The Auditor-General conducted the audit of this municipality. The financial statements were submitted within the prescribed timeframes as determined by Section 126 (1)(a) of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2021/22

6.1 AUDITOR-GENERAL REPORT 2021/22

Table 98: Auditor-General Report on financial performance year 2021/22

Auditor-General Report on Financial Performance Year 2021/22	
Audit Report Status	Unqualified Audit with no findings (Clean)
Non-Compliance Issues	Remedial Action Taken
The municipality has no material findings on compliance with specific matters in key legislation as set out in the general notice issued in terms of the Public Audit Act.	None
Internal Control Deficiencies	Remedial Action Taken
No significant deficiencies in internal controls were identified.	None
Emphasis of matters	Remedial Action Taken
<u>Restatement of corresponding figures</u> As disclosed in note 44 to the financial statements, the accounting figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality for the year ended 30 June 2022.	This was rectified in the adjusted annual financial statements

Table 99: Auditor-General Report on service delivery performance 2021/22

Auditor-General Report on Service Delivery Performance 2021/22	
Audit Report Status	Unqualified (Clean)
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the usefulness and reliability of the reported performance information for the selected strategic goal (Strategic goal 1).	

COMPONENT B: AUDITOR-GENERAL OPINION 2022/23

6.2 AUDITOR-GENERAL REPORT 2022/23

Table 100: Auditor-General Report on financial performance year 2022/23

Auditor-General Report on Financial Performance Year 2022/23	
Audit Report Status*	Unqualified Audit with no findings (Clean)
Non-Compliance Issues	Remedial Action Taken
No material non-compliance with selected legislative requirements were identified.	None
Internal Control Deficiencies	Remedial Action Taken
No significant deficiencies in internal controls were identified.	None
Emphasis of matters	Remedial Action Taken
<u>Restatement of correspondence figures</u> As disclosed in not 43 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023.	This was rectified in the adjusted annual financial statements.

Table 101: Auditor-General Report on service delivery performance 2022/23

Auditor-General Report on Service Delivery Performance 2022/23	
Audit Report Status	Unqualified Audit with no findings
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the reported performance information for the selected strategic goal (Strategic goal 1).	
(Achievements of planned targets – Refer to the annual performance report on pages 80-82 for information on the achievement of audited planned targets for the year.	

AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2022/23

*See Auditor-General Report in the Annual Financial Statements (Volume II)

COMMENTS ON AUDITOR-GENERAL'S OPINION 2022/23

The Municipality received an unqualified audit outcome with no findings (clean). This recognition indicates to the citizens of the Overberg, that the municipality is well managed. The clean administration entails good leadership assurance levels and effective teamwork amongst all departments and keeping people accountable for their area of responsibility. Political stability, effective leadership, good governance and accountability form the foundation of the municipality.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to Provincial and National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets were returned according to the reporting requirements.

Appendix O - Declaration of returns not made in due time.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by the council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life for citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Include 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.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. These include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National key performance areas	<ul style="list-style-type: none"> • Service delivery and infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “ <i>what we wish to achieve</i> ”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “ <i>what we produce or deliver</i> ”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service

	level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and their employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a vote as: <i>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</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i>

APPENDICES

APPENDIX A (I) – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Fulltime/ Part-time	Committees Allocated	Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Andries Erwee Franken (Executive Mayor) (Alderman)	FT	Mayoral Committee	DA	100%	0
Lincoln Milton de Bruyn (Speaker) (Alderman)	FT	Council - Speaker	DA	100%	0
Helen Coetzee (Deputy Mayor) (Councillor)	FT	Chairperson: Strategic Services Portfolio / MAYCO Member	DA	90%	10%
Johan Nieuwoudt (Alderman)	FT	MAYCO Member / Chairperson: Finance Portfolio	DA	100%	0
Steven Hendrikus Fourie (Councillor)	FT	MAYCO Member / Chairperson: Community Services Portfolio	DA	100%	0
Archibald Gabriel Klaas (Councillor)	PT	MAYCO Member / Chairperson: Corporate Services Portfolio	DA	100%	0
Msa Nomatiti (Councillor)	PT	Member: Finance Portfolio	DA	100%	0
Theresa Els (Councillor)	PT	Member: Community Services Portfolio	DA	100%	0
Ronald Brinkhuys (Alderman)	PT	Member: Community Services Portfolio	DA	100%	0
Petrus Jacobus Stander (Councillor)	PT	Member: Finance Services Portfolio	DA	100%	0
Yvonne Marie van Tonder (Councillor)	PT	Member: Corporate Services Portfolio and Strategic Services Portfolio	DA	100%	0
Dawid Julies (Councillor)	PT	Member: Strategic Services	DA	100%	0
Mlamleli Raymond Mokowotana (Councillor)	PT	Member: Corporate Services Portfolio	ANC	90%	10%
Melanie Gertrude du Plessis (Councillor)	PT	Council	ANC	100%	0
Ntombizine Michell Sapepa (Alderman)	PT	Member: Community Services Portfolio	ANC	75%	25%
Roland Theo Olivier (Alderman)	PT	Member: Finance Services Portfolio	ANC	90%	10%
Constancy Connie Tafu-Nwonkwo (Councillor)	PT	Member: Strategic Services Portfolio	ANC	100%	0
Mbogeni Alfred Nomkoko (Councillor)	PT	Member: Corporate Services Portfolio	ANC	100%	0
Bongiwe Blossom Mkhwibiso (Alderman)	PT	Member: Finance Services Portfolio	ANC	100%	0
Jennifer Mckenzie (Councillor)	PT	Member: Strategic Services Portfolio	GOOD	75%	25%
Martin Mathews (Councillor)	PT	Member: Community Services Portfolio	GOOD	90%	10%
Cuan Hedley Elgin (Councillor)	PT	Council	VF+	100%	0
Jacobus Adriaan van Staden (Councillor)	PT	Council	VF+	100%	0

Number of meetings held during the year:

Executive Mayoral Committee meetings: 9

Council meetings (Ordinary and Special meetings): 12

Section 80 Committees (Strategic, Finance, Corporate and IGR and Community Services) meetings: 16

APPENDIX A (II) – COUNCILLORS PRESENTING COUNCIL ON STATUTORY COMMITTEES AND OTHER GOVERNING BODIES

Councillors Presenting Council on Statutory Committees and other governing bodies	
Council Members	Present Council on Statutory Committees and other governing bodies
Andries Erwee Franken (Executive Mayor)	SALGA: Governance and IGR Member: Provincial Health Council Member: WESGRO
Lincoln Milton de Bruyn (Speaker)	Speaker of Council
Helen Coetzee (Deputy Mayor)	Chairperson: Alleged Breached Committee Representative: Economic Development and Job Creation Representative: Development Planning and Rural Development
Johan Nieuwoudt	SALGA: Municipal Finance and Fiscal Policy
Archibald Gabriel Klaas	Member: Training Committee / Local Labour Forum / Employment Equity
Dawid Julius	None
Theresa Els	None
Steven Hendrikus Fourie	Alleged Breached Committee SALGA: Environmental Planning and Employment Creation SALGA: Community Development and Social Services Member: Fire Work Group Member: Regional Waste Committee Member: Karwyderskraal Monitoring Committee
Msa Nomatiti	SALGA: Capacity Building and Institutional Resilience SALGA: Municipal Innovations and Information Technology
Petrus Jacobus Stander	Member: MPAC
Yvonne Marie van Tonder	Member: Training Committee Member: Local Labour Forum Member: Employment Equity Member: Caledon Museum
Mlamleli Raymond Mokotwana	Member: Local Labour Forum / Employment Equity / Bredasdorp Shipwreck Museum
Melanie Gertrude du Plessis	Member: Training Committee / Drostday Museum Swellendam
Ntombizine Michell Sapepa	None
Roland Theo Olivier	Member: Alleged Breaches Committee
Constancy Connie Tafu-Nwonkwo	Member: Old Harbor Museum
Mbogeni Alfred Nomkoko	None
Bongiwe Blossom Mkhwibiso	None
Jennifer Mckenzie	Member: Genadendal Museum
Martin Mathews	None
Cuan Hedley Elgin	Chairperson: Municipal Public Accounts (MPAC) Member: Biodiversity and Climate Change Forum Member: Koggelberg Biosphere Reserve Company
Jacobus Adriaan van Staden	Member: MPAC
Ronald Brinkhuys	Representative: Water Sanitation and Waste Management Representative: Western Cape Provincial Transport

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees			
Municipal Committees	Purpose of Committee	Composition	Number of meetings held during the year
Section 80 Committee	The Section 80 Committees assist the Executive Mayor and Executive Mayoral Committee in respect of Community Services, Financial Services, Corporate & IGR Services and Financial Services. This Committee has no statutory powers and reports to the Executive Mayoral Committee.	Councillors	16
Audit & Performance Audit Committee	In terms of section 166 of the MFMA. To advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality relating to matters listed in the MFMA, section 166.	Independent members	5
Municipal Public Accounts Committee (MPAC)	In assisting the council with its oversight function, a Municipal Public Accounts and Oversight Committee was established in terms of section 79 of the Municipal Structures Act (Act 117 of 1998). Section 129(4)(b) of the MFMA. The MPAC also serves as the Oversight Committee of the Annual Report.	Councillors and invitees	2
Training Committee	In terms of the Skills Development Act (Act 97 of 1998). To promote skills development in the workplace.	Councillors, Management and Union member	4
Employment Equity	In terms of the Employment Equity Act. To promote equal opportunities and fair treatment to all in the workplace.	Councillors, Management and Union member	4
Local Labour Forum	According to the SALGBC Main Collective Agreement to promote sound Labour Relations.	Councillors, Management and Union member	10
Health & Safety Committee	In terms of the Occupational Health and Safety Act (Act 85 of 1993). To promote a healthy and safe working environment for employee and community	Officials	4
Alleged Breaches Committee	It is a special committee established by Council to assist in the discipline of Councillors.	Councillors	0
Fraud and Risk Management Committee	The Fraud and Risk Management Committee serves as a forum to assist the accounting officer in addressing its oversight requirements of fraud and risk management and evaluating and monitoring the Municipality's performance with regards to risk management.	Directors, IDP Manager, Performance Management, Member of the Audit and Performance Audit Committee Invitees: Internal Audit and CRO, Municipal Manager	4
Disciplinary Board	It is an ad hoc committee established in accordance with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings	Head Internal Audit, Chairperson of Audit and Performance Audit Committee, Senior official Responsible for legal, Representation of Provincial and National Treasury	0
Budget Steering Committee	To provide technical assistance to the mayor in discharging the Responsibilities set out in section 53 of the Act (MFMA)	Chairperson Finance Portfolio Committee, Municipal Manager, CFO, Director Community Services, Senior Manager: Corporate Services, Head: Financial Services and Head: IDP & Communication	2

APPENDIX C – THIRD-TIER ADMINISTRATIVE STRUCTURE

Third-tier Structure on 30 June 2023	
Office of the Municipal Manager	<i>Manager: Internal Auditor – W P Coetzee</i>
	<i>Manager: IDP and Communication – F Ruiters</i>
	<i>Coordinator Performance Management – M Dunn</i>
Directorate: Finance	<i>Manager: Payroll, Banking & Investments – S Zikmann</i>
	<i>Senior Manager: Finance – Mr W Crafford</i>
	<i>Manager: SCM & Assets – Mrs D Kapot-Witbooi</i>
Directorate: Corporate Services	<i>Manager: Contract, Legal, ICT and Building Management - Vacant</i>
	<i>Senior Manager: Human Resources – Mrs S Mdewu</i>
	<i>Manager: Council Support & Records – Mrs A Thompson-Rossouw</i>
Directorate: Community Services	<i>Manager: Municipal Health – Mrs M Mukoma</i>
	<i>Manager: Environmental Management - Mr F Kotze</i>
	<i>Manager Social Development – Vacant</i>
	<i>Manager: Emergency Services - Mr R Geldenhuys</i>
	<i>Senior Manager: Roads Services - Mr A van Eeden</i>
	<i>Manager: LED, Tourism and Resorts - Vacant</i>

APPENDIX D – FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes / No)	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	Not applicable
Building regulations (Fire and Municipal Health)	Yes	
Childcare facilities (Environmental Health Certificate to the application of the facility)	Yes	
Electricity and gas reticulation	No	
Firefighting services	Yes	
Local tourism (Regional)	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	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	Integrated Transport Plan for the District	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes, only a ferry at Malgas	
Stormwater management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Only related to Road's agency function	
Cemeteries, funeral parlours and crematoria	No	
Cleansing	No	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	Only related to Road's agency function	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities (Uilenkraalsmond and Die Dam resorts)	Yes	
Local sports facilities	No	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	No	
Municipal roads	Only related to Road's agency function	
Noise pollution	Yes	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	No	
Street lighting	No	
Traffic and parking	No	

OVERBERG DISTRICT MUNICIPALITY: ANNUAL OVERSIGHT REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

INTRODUCTION

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2023 in terms of its responsibilities and duties set out in the relevant legislation and the Audit Committee Charter.

The Committee serves as both the Audit Committee in accordance with Section 166 of the *Municipal Finance Management Act, 2003* and the Performance Audit Committee in terms of the *Municipal Planning and Performance Management Regulations, 2001*. In terms of regulation 14(4)(a)(iii) of the same Regulations a Performance Audit Committee must at least twice during the financial year submit an audit report to the municipal council concerned. This report is submitted also in compliance with that requirement.

AUDIT COMMITTEE MEMBERS

The following independent persons served as members of the Audit and Performance Audit Committee during the year:

- Mr. PAL Strauss – Chairperson
- Mr. CCC Pieterse.
- Mr. T Blok
- Mr. D Smith

MEETINGS

Committee meetings	
<u>Date</u>	<u>Reason</u>
26/8/2022	Review Annual Financial Statements for 2021/2022 and AGSA plan
18/11/2022	Quarterly APAC meeting
12/12/2022	Discussion of Auditor-General Audit Report for 2021/2022
18/1/2023	Quarterly APAC meeting
23/1/2023	Meeting with AGSA
31/3/2023	Quarterly APAC meeting
30/6/2023	Quarterly APAC meeting

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee has complied with its responsibilities in terms of section 166(2) of the MFMA and Regulation 121(4)(g) of the Performance Management Regulations respectively.

The following internal audit engagements were conducted and reviewed by the Audit Committee:

- OPCAR as at 5 October for 2020/2021 audit;
- Supply Chain Management – Formal written price quotations;
- Year-end stock count;
- New tariffs;
- Implementation of POPI Act;
- Ad-Hoc work performed on behalf of AGSA;
- Performance Management 4th quarter of 2021/2022;
- Performance Management 1st quarter of 2022/2023;
- MFMA Eunomia compliance – Finance;
- Asset Reconciliation for period 1 July 2022 - 30 November 2022;
- Follow up on records management;
- Karwyderskraal Ring fenced account for period 1 July 2022 to 30 November 2022;
- Follow up Karwyderskraal business processes;
- Performance management 2nd quarter of 2022/2023;
- OPCAR as at 28 April 2023 for 2021/2022;
- Supply Chain Management compliance on formal written price quotations;
- DoRA; and

➤ Performance Management 3rd quarter for 2022/2023

The Audit Committee also attended to the following matters during the year:

- Review of 2021/2022 draft Annual Financial Statements on 26 August 2022;
- Minutes of quarterly APAC meetings;
- New financial web-based system;
- Roads Agency function VAT situation;
- Municipal Structures Amendments Act: MPAC Term of Reference;
- Uilenkraalsmond ownership;
- Quarterly Risk Management Committee meetings minutes and feedback on activities;
- Combined assurance;
- Quarterly Financial reports;
- ICT Shared service;
- Quarterly Internal Audit Findings Register;
- APAC mid-year Report;
- Annual Report;
- Municipal Staff Regulations;
- Internal Audit's assistance to Swellendam Municipality;
- Mid-year Budget and Performance Assessment Report;
- Internal self evaluations;
- Audit readiness;
- Progress reports on Risk Based Audit Plan;
- Annual Internal Audit Opinion;
- Review Internal Audit Charter;
- Approval of Risk Based Internal Audit Plan for 2023/2024

The Audit Committee regulated its affairs in compliance with the Audit Committee Charter and has performed its responsibilities as described therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

In accordance with the MFMA and the King IV Reports on Corporate Governance and Reporting requirements, Internal Audit provides the Audit Committee and management with assurance regarding the effectiveness of internal controls. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested improvements to the controls and processes.

PERFORMANCE MANAGEMENT AUDIT

General

As the Council's Performance Audit Committee, the Committee executed its responsibilities in terms of the approved Charter. Quarterly reports, conducted by the Internal Audit Unit on performance information and predetermined objectives were reviewed and the necessary recommendations were made to management in order to improve the adequacy and effectiveness of the internal control environment and corrective measures.

Performance evaluation of Section 56/57 employees

The annual performance appraisal of the Municipal Manager and the officials directly accountable to him, as well as a mid-year evaluation is carried out annually in accordance with the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, R805 of 2006 as amended by Government Notice no 21 dated 17 January 2014.

The annual appraisal of the Director: Community Services and CFO for 2021/2022, was carried out by a properly constituted panel on 03/02/2023 and attended by Mr. T Blok (secundi of the chairperson). The mid-year appraisal of both the Municipal Manager, CFO and Director: Corporate Services 2022/2023 was carried out on 14/03/2023 and attended by the chairperson, Mr. P Strauss. The member of the Performance Audit Committee served on the panels with the purpose of evaluating the process.

The appraisal sessions were conducted in a professional manner, ably chaired by the Executive Mayor and the Municipal Manager respectively.

PAL STRAUSS
CHAIRPERSON

APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE AUDIT COMMITTEE 2022/23

Municipal Audit and Performance Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2022/23	Recommendations adopted (enter Yes) If not adopted (provide explanation)
18 November 2022	SCM Formal written price quotations	Yes
18 November 2022	Year-end stock count	Yes
18 November 2022	Implementation of PoPI Act	Yes
18 November 2022	Performance management 4 th quarter for 2021/2022	Yes
18 January 2023	Follow up Records Management	Yes
31 March 2023	Karwyderskraal rehabilitation fund	Yes
31 March 2023	Follow up Karwyderskraal business processes	Yes
31 March 2023	Performance management for 2 nd quarter of 2022/2023	Yes
30 June 2023	Performance Management Report 3 rd quarter of 2022/2023	Yes

APPENDIX G – LONG-TERM CONTRACTS (LARGEST CONTRACTS)

Long-term Contracts (Largest Contracts Entered into 2022/23)					
Name of service provider	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager	Estimated monetary value R
Delta Build Environment Consultants (Pty) Ltd	Appointment of Consulting Engineers for Solid Waste for the Overberg District Municipality for a contract period ending 30 June 2025	8 December 2022	30 June 2025	F Kotze	R1 000 000
JPCE					R1 000 000
Kishugu Aviation (Pty) Ltd	Ad hoc aerial firefighting services at the Overberg District Municipality for the period ending 30 November 2024	01 November 2023	31 October 2024	R Goldenhuys	R1 200 000
Kohler Signs (Pty) Ltd	Road signs with road sign bolts and nuts; bolts, nuts and washers for road signs; bolts and nuts for grader and guardrail sheets and poles.	15 November 2022	30 June 2025	J Leonard	R915 859
Southern Ambition 1281 t/a Nu Way Enterprises CC					
Startune (Pty) Ltd					
YBT & Associates (Pty) Ltd					
Potts Devco (Pty) Ltd					
Through it all signs & Markings (Pty) Ltd					

APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests 2022/2023		
Position	Name	Description of Financial interests (Nil / or details)
Executive Mayor	Andries Franken	Property, Livestock, Trustee, Shares, Directorship, Business
Deputy Mayor	Helen Coetzee	Property
Speaker	Lincoln de Bruyn	Property, Pension
Member of Mayco	Johan Nieuwoudt	Property
Member of Mayco	Steven Fourie	Nil
Member of Mayco	Archibald Klaas	Shareholder
Councillor	Ronald Brinkhuys	Shareholder, Business
Councillor	Theresa Els	Nil
Councillor	Petrus Jacobus Stander	Property, Trustee
Councillor	Yvonne van Tonder	Property
Councillor	Msa Nomatiti	Shareholder, Business
Councillor	Dawid Julius	Nil
Councillor	Roland Theo Olivier	Trustee
Councillor	Mlamleli Raymond Mokotwana	Property, Shareholder
Councillor	Ntombizine Michelle Sapepa	Shareholder, Property
Councillor	Melanie du Plessis	Shareholder
Councillor	Constancy Tafu-Nwonkwo	Nil
Councillor	Mbongeni Nomkoko	Nil
Councillor	Bongiwe Mkwibiso	Business, property
Councillor	Jennifer Mckenzie	Shareholder, business partner
Councillor	Mark Matthews	Property, Directorship
Councillor	Cuan Elgin	Investment, Property, Pension, Employment salary
Councillor	Jacobus van Staden	Shareholder, Trustee, Directorship, Property, Investment, Employment salary
Municipal Manager	R Bosman	Investment, Property
Chief Financial Officer	N L Kruger	Investment, Property
Director Corporate Services	V S Zeeman	Investment, Property

APPENDIX I – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE
APPENDIX I (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	2021/22	2022/23			2022/23 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Service charges	10 091	13 572	14 072	12 335	-10.03%	-14.08%	
Rental of facilities and equipment	12 458	12 730	12 925	12 849	0.93%	-0.59%	
Interest earned - external investments	2 558	2 000	4 900	5 904	66.13%	17.01%	
Interest earned - outstanding debtors	–	200	–	–	0.00%	0.00%	
Licences and permits	225	2 500	1 000	746	-235.24%	-34.09%	
Agency services	11 501	11 351	12 006	12 006	5.45%	0.00%	
Government Grants and Subsidies - Opera	202 470	197 193	212 712	206 478	4.50%	-3.02%	
Other revenue	11 040	11 394	8 946	10 625	-7.23%	15.81%	
Gains on disposal of PPE	17 551	2 500	–	7 154	0.00%	0.00%	
Total Revenue (excluding capital transfers and contributions)	267 893	253 440	266 561	268 097	5.47%	0.57%	

APPENDIX I (I) – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Manager	23 460	14 651	12 506	12 247	-19.63%	-2.11%
Corporate Services	30	30	25	33	7.10%	22.48%
Finance	93 230	89 709	99 114	100 140	10.42%	1.02%
Community Services	153 269	149 050	157 166	156 982	5.05%	-0.12%
Total Revenue by Vote	269 988	253 440	268 811	269 402	5.92%	0.22%

APPENDIX J – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments	
Local Government Equitable Share	81 486	81 486	81 486	0.00%	0.00%	Division of Revenue Act
Finance Management	1 000	1 000	1 000	0.00%	0.00%	Interns and Financial Management Program
EPWP Incentive	1 123	1 123	1 123	0.00%	0.00%	Extended Public Works Program
Rural Roads Asset Management Grant	2 124	2 874	2 471	116.34%	-14.02%	Assessment on roads in the district
Seta	230	537	354	153.91%	-51.69%	Training
Health Subsidy	157	157	157	100.00%	100.00%	Comprehensive Health Services
CDW Operational Support Grant	56	113	113	100.00%	100.00%	Provincial allocation for community development workers
Fire Safety Plan Grant	1 500	2 163	1 947	100.00%	-9.99%	Safety Plan Implementation (WOSA)
Municipal Service Delivery and Capacity Building Grant		500	388	0.00%	-22%	Financial systems, Administrative and Human Resource System migration
Joint District and Metro Approach Grant (Sanitation)	1000	1 000	0	0.00%	0.00%	Sanitation facilities in local municipal areas (Theewaterskloof and Swellendam Municipality) Phase 2
Joint District and Metro Approach Grant(Sanitation)		1 799	569	0.00%	-68.37%	Sanitation facilities in local municipal areas (Theewaterskloof and Swellendam Municipality) Phase 1
Joint District and Metro Approach Grant (Animal Pound)		350	314	0.00%	-10.29%	Animal pound in Swellendam Municipality
Local Government Public Employment Support Grant		300	300	0.00%	0.00%	Project coordination administration fee for District reporting and monitoring
Loadshedding Mitigation Grant		1600	756	0.00%	-52.75%	Project for the mitigation of loadshedding for purchasing generators
Human Capacity Building Grant		300	300	0.00%	0%	External Bursaries
Municipal Intervention Grant		300	124	0.00%	-59%	GIS system R200 000 and R100 000 Disaster Management Intern
Total	88 676	95 602	91 402	3.07%	-4.60%	

APPENDIX K – CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROGRAMMES

APPENDIX K (I) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
R '000							
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-
Infrastructure: Water - Total	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
Community - Total	-	-	-	-	-	-	-
<i>Parks & gardens</i>	-	-	-	-	-	-	-
<i>Sportsfields & stadia</i>	-	-	-	-	-	-	-
<i>Swimming pools</i>	-	-	-	-	-	-	-
<i>Community halls</i>	-	-	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-	-	-
<i>Recreational facilities</i>	-	-	-	-	-	-	-
<i>Fire, safety & emergency</i>	-	-	-	-	-	-	-
<i>Security and policing</i>	-	-	-	-	-	-	-
<i>Buses</i>	-	-	-	-	-	-	-
<i>Clinics</i>	-	-	-	-	-	-	-
<i>Museums & Art Galleries</i>	-	-	-	-	-	-	-
<i>Cemeteries</i>	-	-	-	-	-	-	-
<i>Social rental housing</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-

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Capital Expenditure - New Assets Programme								R '000
Description	2021/22	2022/23			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25	
Capital expenditure by Asset Class								
Heritage assets - Total	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Investment properties - Total	-	-	-	-	-	-	-	
Housing development	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Other assets	7 873	5 113	8 436	5 888	2 630	320	2 275	
General vehicles	2 880	7	4 379	3 952	2 500	250	2 200	
Specialised vehicles	-	-	-	-	-	-	-	
Plant & equipment	1 871	403	3 583	1 363	100	50	75	
Computers - hardware/equipment	240	4 500	429	520	-	-	-	
Furniture and other office equipment	2 821	203	45	54	30	20	-	
Abattoirs	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	
Civic Land and Buildings	-	-	-	-	-	-	-	
Other Buildings	60	-	-	-	-	-	-	
Other Land	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Agricultural assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Biological assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Intangibles	-	6	-	-	-	-	-	
Computers - software & programming	-	6	-	-	-	-	-	
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	7 873	5 119	8 436	5 888	2 630	320	2 275	
Specialised vehicles	-	-	-	-	-	-	-	
Refuse	-	-	-	-	-	-	-	
Fire	-	-	-	-	-	-	-	
Conservancy	-	-	-	-	-	-	-	
Ambulances	-	-	-	-	-	-	-	

APPENDIX K (II) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMMES

Capital Expenditure - Upgrade/Renewal Programme							R '000
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
Capital expenditure by Asset Class							
Infrastructure - Total	-	39	4 900	367	-	-	-
Infrastructure: Road transport -Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>		-	-				
<i>Water purification</i>		-	-				
<i>Reticulation</i>		-	-		-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	39	4 900	367	-	-	-
<i>Waste Management</i>	-	39	4 900	367	-	-	-
<i>Transportation</i>					-	-	-
<i>Gas</i>					-	-	-
<i>Other</i>					-	-	-
Community	-	-	-	-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-	-	-	-	-	-
Buildings							
Other							

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Capital Expenditure - Upgrade/Renewal Programme							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	1 665	5 116	2 134	1 416	3 725	1 356	1 026
General vehicles	1 032	2 250	276	90	500	500	500
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	121	-	40	8	900	-	-
Computers - hardware/equipment	33	450	350	341	794	100	100
Furniture and other office equipment	305	2 057	465	406	991	116	176
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	173	359	1 003	572	540	640	250
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	-
Computers - software & programming	-			-			
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	1 665	5 155	7 034	1 783	3 725	1 356	1 026
Specialised vehicles	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2022/23

Capital Programme by Project: 2022/23					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - OB) %	Variance (Act - Adj) %
Biodiversity and Landscape	4 952	63	62	-98.75%	-0.75%
Budget and Treasury Office	27	3	3	-89.13%	-2.21%
Corporate Wide Strategic Planning (IDPs, LEDs)		15	13	100.00%	-13.10%
Executive and council		20	7	100.00%	-65.01%
Fire Fighting and Protection	2 600	5 285	3 953	52.06%	-25.19%
Health Services	40	60	56	39.39%	-6.45%
Information Technology	473	812	665	40.69%	-18.16%
Recreational Facilities	1 420	2 653	1 743	22.74%	-34.31%
Solid Waste Disposal (Landfill Sites)		4 900	367	100.00%	-92.52%
Support Services	762	1 659	802	5.27%	-51.66%

APPENDIX M – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2022/2023				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2022/2023 R' 000	Total Amount committed over previous and future years
None				

* Loans/Grants - whether in cash or in kind

APPENDIX N – AUDITOR-GENERAL REPORT ON FINANCIAL STATEMENTS AND PERFORMANCE REPORT 2022/23

Auditor-General report forms part of the Annual Financial Statements – Volume II to the Annual Report.

APPENDIX O – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During Year 2022/23 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
None	N/A

APPENDIX P – 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.	Do not rendered basic services, e.g. water and electricity. See Annual Reports of local municipalities.	N/A
Output: Implementation of the Community Work Programme (CWP).	The municipality only implemented EPWP programmes and has not participated in the CWP.	N/A
Output: Deepen democracy through a refined Ward Committee model.	Only applicable to local municipalities. See Annual Reports of local municipalities.	N/A
Output: Administrative and financial capability.	Continuous improvement of administrative and financial capabilities and systems have been carried out.	Not measured or quantifiable

VOLUME II: ANNUAL FINANCIAL STATEMENTS 2022/23

Annual Financial Statements 2022/23 – Volume II of Annual Report