

2022/23

# Annual Report



<b>MAYOR'S MESSAGE</b> .....	4
<b>MUNICIPAL MANAGER OVERVIEW</b> .....	5
<b>CHAPTER 1</b> .....	8
<b>EXECUTIVE SUMMARY</b> .....	8
1.1 Municipal Overview .....	8
1.2 Municipal Functions, Population and Environmental Overview .....	9
1.3 Service Delivery Overview .....	16
1.4 Financial Health Overview .....	18
1.5 Auditor-General Report.....	20
1.6 2022/23 IDP/Budget Process .....	21
<b>CHAPTER 2</b> .....	26
<b>COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE</b> .....	26
2.1 National Key Performance Indicators - Good Governance and Public Participation .....	26
2.2 Performance Highlights - Good Governance and Public Participation .....	26
2.3 Challenges - Good Governance and Public Participation ..	27
2.4 Governance Structure .....	27
<b>COMPONENT B: INTERGOVERNMENTAL RELATIONS</b> .....	31
2.5 Intergovernmental Relations .....	31
<b>COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION</b> .....	33
2.6 Public Meetings.....	33
<b>COMPONENT D: CORPORATE GOVERNANCE</b> .....	37
2.7 Risk Management .....	37
2.8 Anti-Corruption and Anti-Fraud .....	39
2.9 Audit Committee .....	40
2.10 Performance Audit Committee .....	41
2.11 Communication .....	42
2.12 Website .....	44
<b>CHAPTER 3</b> .....	46
3.1 Overview of Performance within Organisation .....	46
3.2 Strategic and Municipal Performance for 2022/23 .....	52
<b>COMPONENT A: BASIC SERVICES</b> .....	65
3.3 Water Provision.....	65
3.4 Waste Water (Sanitation) Provision .....	68
3.5 Electricity .....	71
3.6 Waste Management (Refuse collections, waste disposal, street cleaning and recycling) .....	74
3.7 Housing.....	76
3.8 Free Basic Services and Indigent Support.....	81
<b>COMPONENT B: ROAD TRANSPORT</b> .....	83
3.9 Roads and Stormwater .....	83
<b>COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)</b> .....	87
3.10 Planning.....	87
3.11 Local Economic Development (including tourism and market places) .....	90
3.12 Tourism .....	91
<b>COMPONENT D: COMMUNITY AND SOCIAL SERVICES</b> .....	94
3.13 Libraries .....	94
3.14 Cemeteries.....	96
<b>COMPONENT G: SECURITY AND SAFETY</b> .....	97
3.15 Law Enforcement .....	97
3.16 Traffic Services.....	99
3.17 Fire Services and Disaster Management .....	102
<b>COMPONENT H: SPORT AND RECREATION</b> .....	105
3.18 Sport and Recreation .....	105
<b>COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES</b> .....	108
3.19 Executive and Council .....	108
3.20 Financial Services .....	110
3.21 Human Resource Services.....	112
3.22 Information and Communication Technology Services... 115	
3.23 Legal Services .....	117
3.24 Procurement Services .....	118
<b>COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2023/24</b> .....	120
3.25 Service Delivery Priorities for 2023/24.....	120
<b>CHAPTER 4</b> .....	126
4.1 National Key Performance Indicators - Municipal Transformation and Organisational Development.....	126
4.2 Introduction to the Municipal Workforce .....	126
4.3 Managing the Municipal Workforce.....	129
4.4 Capacitating the Municipal Workforce.....	130
4.5 Managing the Municipal Workforce Expenditure .....	132

<b>CHAPTER 5</b> .....	<b>134</b>
<b>COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE</b> .....	<b>134</b>
<b>5.1 Financial Summary</b> .....	<b>134</b>
<b>5.2 Financial Performance per Municipal Function</b> .....	<b>140</b>
<b>5.3 Grants</b> .....	<b>150</b>
<b>5.4 Asset Management</b> .....	<b>154</b>
<b>5.5 Financial Ratios Based on Key Performance Indicators</b> ...	<b>154</b>
<b>COMPONENT B: SPENDING AGAINST CAPITAL BUDGET</b> .....	<b>157</b>
<b>5.6 Sources of Finance</b> .....	<b>157</b>
<b>COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS</b> .....	<b>162</b>
<b>5.7 Cash Flow</b> .....	<b>162</b>
<b>5.8 Gross Outstanding Debtors per Service</b> .....	<b>163</b>
<b>5.9 Total Debtors Age Analysis</b> .....	<b>164</b>
<b>5.10 Borrowing and Investments</b> .....	<b>164</b>
<b>CHAPTER 6</b> .....	<b>166</b>
<b>COMPONENT A: AUDITOR-GENERAL OPINION 2021/22</b> .....	<b>166</b>
<b>6.1 Auditor-General Report 2021/22</b> .....	<b>166</b>
<b>COMPONENT B: AUDITOR-GENERAL OPINION 2022/23</b> .....	<b>167</b>
<b>6.2 Auditor-General Report 2022/23</b> .....	<b>167</b>
<b>LIST OF ABBREVIATIONS</b> .....	<b>168</b>
<b>LIST OF TABLES</b> .....	<b>169</b>
<b>LIST OF GRAPHS</b> .....	<b>172</b>
<b>LIST OF FIGURES</b> .....	<b>172</b>

## MAYOR'S MESSAGE

It is with great pleasure that I present to you the Annual Report of Cederberg Municipality for 2022/23. Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal is to enhance service delivery aimed at improving the quality of life for all people within Cederberg. The challenge is to do more with the available resources to achieve the developmental mandate as stipulated in the Constitution of South Africa. We need to remain focused on the effective delivery of core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

A financial plan was implemented at the Municipality which specifically focuses on cost containment measures and revenue enhancement. Turn-around strategies usually take about 3 years to reach their set goals. One also needs to take into account the current decline in the South African economy of which Cederberg Municipality is not immune to.

Given the above we were still able to improve on the following ratios:

- There was a slight increase in debtor's collections for 2023/24 of 93.97% in comparison with the prior year of 91.26%.
- The current assets to liabilities ratio increased slightly to 0.40:1 in comparison with 1.12:1 of the prior year.
- The average creditors' repayment days improved slightly to 147 days in comparison with 148 days in the prior year.

With these improved ratios we are of the opinion that the implementation of the financial plan is effective, and we will be able to reap the rewards of the said implementation within the next 1 to 2 years.

The municipality's business and service delivery priorities were reviewed during the year and we have embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

I thank the administration under the capable leadership of our Municipal Manager, Gerrit Matthyse, for carrying out their task under very difficult financial conditions and enabling me to steer the ship through difficult financial realities which face us at Cederberg. Thank you for keeping the focus on our mandate. I also wish to express a word of appreciation to all those private sector persons and institutions that have shown support and commitment by joining forces with us to make Cederberg a better place for all.

**R. Richards**

**Executive Mayor: Cederberg Municipality**

## MUNICIPAL MANAGER OVERVIEW

The 2022/23 financial year was the last year of the 5-year term in office of the political and administrative leadership. Council must be applauded for their term at Cederberg, politically and administratively.

The Municipality managed to obtain the following audit outcomes from the Auditor-General for the past 6-year term:

- 2017/18 and 2018/19 unqualified without findings' (clean audit)
- 2019/20 unqualified with findings
- 2020/21 unqualified without findings (clean audit)
- 2021/22 an unqualified with findings
- 2022/23 an unqualified with findings

These outcomes bear testimony to the efforts invested to good governance.

The 2022/23 Annual Report ends a long journey of constant introspection, changing of mind-sets, comfort zones, and continuous co-operation between Council executing its oversight role and the administrations pursuit of strategic and operational best practices.

The 2022/23 Annual Report is hereby submitted to Council and the broader Cederberg community with a realization that there are room for service delivery improvements, backlogs to be addressed and new turn around plans to be implemented.

The main challenges of poverty, unemployment and inequality impact negatively on our revenue streams and together with infrastructure backlogs and financial sustainability remains a serious threat to the rendering of sustainable value- for- money services.

Unresolved cases emanating from previous councils and administrations such as legal cases, disciplinary cases, external investigations against Cederberg etc continue to absorb a lot of resources and indirectly sometimes redirect the focus from the pressing service delivery and other efforts to turn the municipality around in pursuit of stability, best practice service delivery, value adding resources utilization etc. However, the latter is part of the journey to ensure good governance and must be concluded timeously to prevent wastage of limited resources.

Cederberg Municipality is under severe financial constraints. The Municipality's endeavor is to strictly adhere to the implementation of the approved budget funding plan to ensure the financial viability and economic sustainability of the Municipality. This, together with the Long-term Financial Strategy, forms the backbone of a strategy to improve our credit rating, create a climate conducive for investment and economic growth.

The revenue collection capacity within the finance division must be improved to achieve our revenue target to ensure financial sustainability. This is evident in the services receivable bad debt book which is compounded by tough economic conditions. Continues and relentless pursuit of some of our key strategic focus areas for the MTREF period (3-year Budget cycle: 2023-2026) which are aligned with our 7 strategic objectives:

1. Stable and effective oversight by council and committees of council.

2. Stable, capacitated, funded and credible organizational structure.
3. Achievement of refunded budget status, Unqualified audit opinion, blue and green drop status, blue flag status, well managed municipality status etc.
4. Capable, productive and professional workforce ie. effective implementation of new performance management system for all staff members.
5. Capability to attract, spend, and retain funding for bulk infrastructure upgrade, replacement and maintenance program.
6. Effective and integrated asset management ie. functional fleet, asset protection, consequence management for abuse or negligence etc.
7. Security of water and electrical supply reimplementation of water resilience and energy resilience projects.
8. Well maintained, upgraded and replacement of aged bulk infrastructure.
9. Effective law and order ie, municipal by-law enforcement and safe neighborhoods ie, effective community safety forums.
10. Provision of basic services to the indigent and effective controls to mitigate abuse.
11. Creating an enabling environment making it conducive for economic growth.
12. Implementation of affordable and effective human settlement solutions.
13. Good governance ie. ethical leadership, zero tolerance for corruption, effective combined assurance structure, effective consequence management etc.
14. Ensure environmental compliant practices ie. compliant sewerage works, solid waste management, estuary and coastal management.
15. Financially viable and economically sustainable municipality ie. achieve 95% collection rate reduced debtors book, reduced creators payment, achieved financial ratios ,strong gearing ,reduce third party expenditure ie. security and legal services, inculcate a data driven approach etc.
16. Alignment of compliance against our constitutional mandate with our financial capacity, capacity and ability.to deliver ie. implement innovative service delivery mechanisms and solution ie.in-sourcing/ outsourcing proposals/ decentralizations/ centralization/ inter-governmental collaboration or partnerships/ technology, ie. regional dumpsite, resorts, vehicle impound facility, vehicle examination facilities, IMISA support, WCPG Section 154 support plan etc.
17. Best practice and town planning and building control services ie. impact of dam upgrade on municipal planning regime, strategic disposal of municipal owned properties etc.
18. Management of the client relations life cycle ie. effective complaint management system, customer relations systems.
19. Maximization of the community consultations systems, processes and practices inward committees, IDP process etc.
20. Best practice Support functions such as HR disciplinary and recruitment and selection processes, Supply chain processes and systems, legal services, record management.

21. Effective, realistic and affordable and strategic value adding ICT architecture systems, processes and systems in support as the backbone to the Cederberg institution and operations.
22. Affordable small town regeneration practices and projects ie. Slipway Elands Bay, Algeria erven and registration issues, Paleisheuwel property transfer/ title deeds and needs, Wupperthal bridges, Elandskloof and Leipoltville needs etc.
23. Optimal inter-governmental participation and influencing ie. DCF, PCF, Min-May, SIME, TIME etc.
24. Promoting and implementing strategic value-adding partnerships with local chambers of commerce, farmers ie. housing opportunities for farm workers/Agri-villages, CBO's and NGO's ie. human rights mainstreaming groups (early childhood development, youth, elderly, abused woman and children animal rights groupings, shelters for those affected by the economic and social circumstances, provision of food to the destitute, drug abuse.
25. Multi-disciplinary action plan to address ie. impact of in-migration and economic migrants on municipal capacity ie. resources, infrastructure and services, sports fields, medical facilities, educational facilities, promotion of social cohesion practices etc.
26. Effective protection services ie. disaster and fire services ie. Fire fighting powers and functions between WCDM/WCPG and Cederberg26.Cederberg municipality integrated 20-year master plan for the Clanwilliam Dam wall project.

The Municipality has identified its top 5 risks and measures. The systems have been put in place to mitigate the negative consequences that might occur due to the identified risks. This is an ongoing process to achieve service excellence, likewise with all the other combined assurance matters and institutions.

Lastly, compliance with the King III Report remains an important function of the Municipality that seeks to continue promoting cooperative governance within all 3 spheres of government.

As Accounting Officer, I would like to convey a word of thanks to the Speaker, Executive Mayor, Deputy-Mayor, Mayoral Committee members and Councillors for their support under very difficult conditions. A special word of thanks to my senior management, staff and our communities for their support and understanding of the challenges we face as a service-rendering organization.

In conclusion, the interests of our citizens should reign supreme above all other interests, in pursuit of fulfilling our Constitutional mandate.

Since my appointment 1 June 2023, my vision is unashamedly to reduce the legacy **trust deficit** issues between citizens, businesses, government departments etc. and Cederberg Municipality, to progress to a reality where citizens, business, government institutions again **trust** Cederberg to deliver on its constitutional mandate, and ultimately **collaborate** with Cederberg in pursuit of becoming a best practice municipality in the Western Cape and Nationally.

**G. Matthyse**

**Municipal Manager**

## CHAPTER 1

### EXECUTIVE SUMMARY

#### 1.1 MUNICIPAL OVERVIEW

This report addresses the performance of the Cederberg Municipality in the Western Cape in respect of its core legislative obligations. Local government must create a participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2022/23 Annual Report reflects on the performance of the Cederberg Municipality for the period 1 July 2022 to 30 June 2023. The Annual Report is prepared in terms of Section 121(1) of the MFMA, in terms of which the Municipality must prepare an Annual Report for each financial year.

##### 1.1.1 Vision and Mission

The Cederberg Municipality committed itself to the following vision and mission:

### Vision:

*"Cederberg Municipality, your future of good governance, service excellence, opportunities and a better life"*

### Mission:

We will achieve our vision by:

- Developing and executing policies and projects, which are responsive and provide meaningful redress
- Unlocking opportunities for economic growth and development for community prosperity
- Ensure good governance, financial viability and sustainability
- Ensure sustainable, efficient and effective service delivery in an environmentally sustainable manner
- Promote quality services in a cost-effective manner through partnerships, information, knowledge management and connectivity.
- Making communities safer
- Advancing capacity building programs for both our staff and the community



## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 Demographic Profile

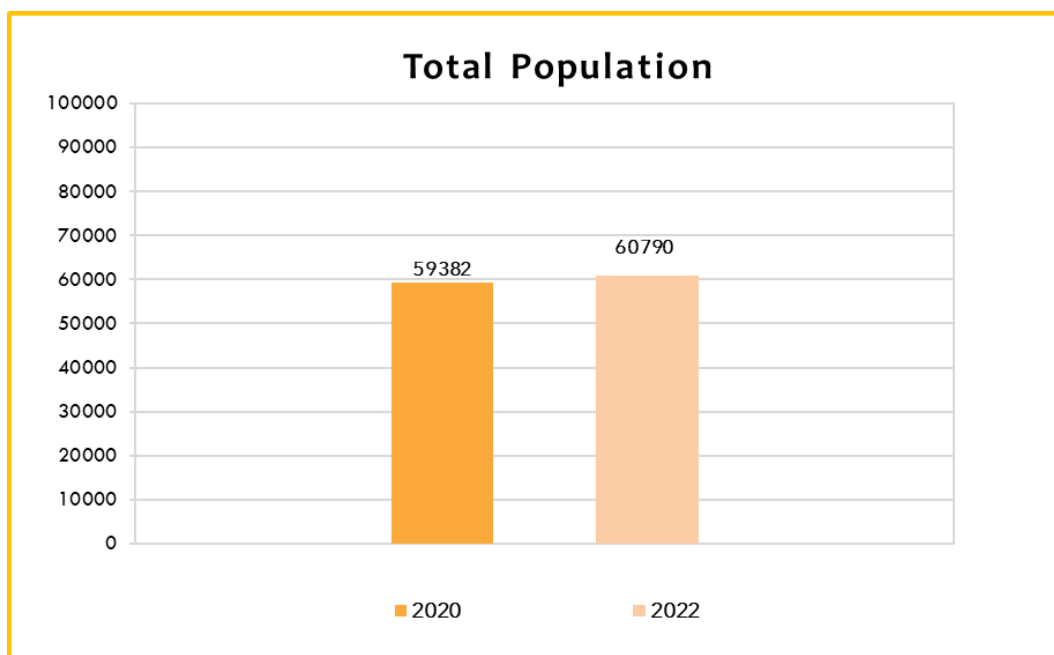
Demographics is broadly defined as the study of population dynamics which are significantly influenced by a wide array of factors such as birth and death rates, migration patterns, age, race, gender, life expectancy etc. The importance of understanding demographics as a decisive factor in shaping our current socio-economic reality is therefore critical for governments, economists and politicians alike.

The table below indicates a summary of the demographic profile within the municipal area:

Municipal Area		
Description	2020	2022
<b>Population</b>	59 382	60 790
<b>Households</b>	16 488	16 780
<b>People per Household</b>	3.8	3.7
<b>Sex Ratio</b>	99.4	99.8
<b>Gender Breakdown</b>	<b>Males</b>	50%
	<b>Females</b>	50%
<b>Age Breakdown</b>	<b>0 - 14</b>	16 018
	<b>15 - 64</b>	40 361
	<b>65+</b>	3 004

*Source: 2020 & 2022 Socio-Economic Profile*

Table 1: Demographic Profile



Graph 1: Total Population

## 1.2.2 Demographic Information

### Municipal Geographical Information

The jurisdiction of the Cederberg Municipality covers an area of 8 007 km<sup>2</sup>, which constitutes 26% of the total area (31 119 km<sup>2</sup>) of the West Coast District municipality within which it lies. The Cederberg Municipality is in the northern segment of the district and wedged between the Matzikama municipality (to the north) and the Bergrivier Municipality (to the south). It is bordered to the east by the Hantam municipality in the Northern Cape province. Clanwilliam is the main town and is located more or less in the middle of the municipal area. The other settlements are Citrusdal, Graafwater, Leipoldville, Wupperthal, Algeria, and the coastal towns of Elands Bay and Lamberts Bay. The Cederberg municipal area

is dissected by the N7 national road into a mountainous eastern part with the land levelling out westwards towards the Atlantic Ocean as the western municipal boundary. Clanwilliam is situated about 230km north of Cape Town alongside the N7. This road has a north-south orientation and is the most prominent road link between towns (and rural areas) inside and outside the municipal area. Apart from the N7, the other prominent road is the R364. This road, with an east-west orientation, links Clanwilliam with Lamberts Bay past Graafwater to the west, and Calvinia in the Hantam municipal area to the east.

The table below lists some key points as a summary of the geographic context within which integrated development planning for the municipality is performed:

Geographic summary	
Province name	Western Cape
District name	West Coast
Local municipal name	Cederberg Municipality
Main town	Clanwilliam
Location of main town	Central to the rest of the municipal area
Population size of main town (as a % of total population; 2011)	Slightly more than 15%
Major transport route	N7
Extent of the municipal area (km <sup>2</sup> )	8 007 km <sup>2</sup>
Nearest major city and distance between major town/city in the municipality	Cape Town (about 200 km)
Closest harbour and main airport outside the municipal area	Saldanha; Cape Town
Region specific agglomeration advantages	Agriculture: It is strategically located on the Cape-Namibia Corridor, and the N7 links the area with Cape Town (to the south) and the Northern Cape.
Municipal boundary: Most northerly point:	31°50'37.82"S; 18°27'5.76"E
Municipal boundary: Most easterly point:	32°29'9.13"S; 19°30'58.90"E
Municipal boundary: Most southerly point:	32°52'40.60"S; 19° 7'14.37"E
Municipal boundary: Most westerly point:	32°26'34.65"S; 18°20'4.21"E

Table 2: Geographical Context

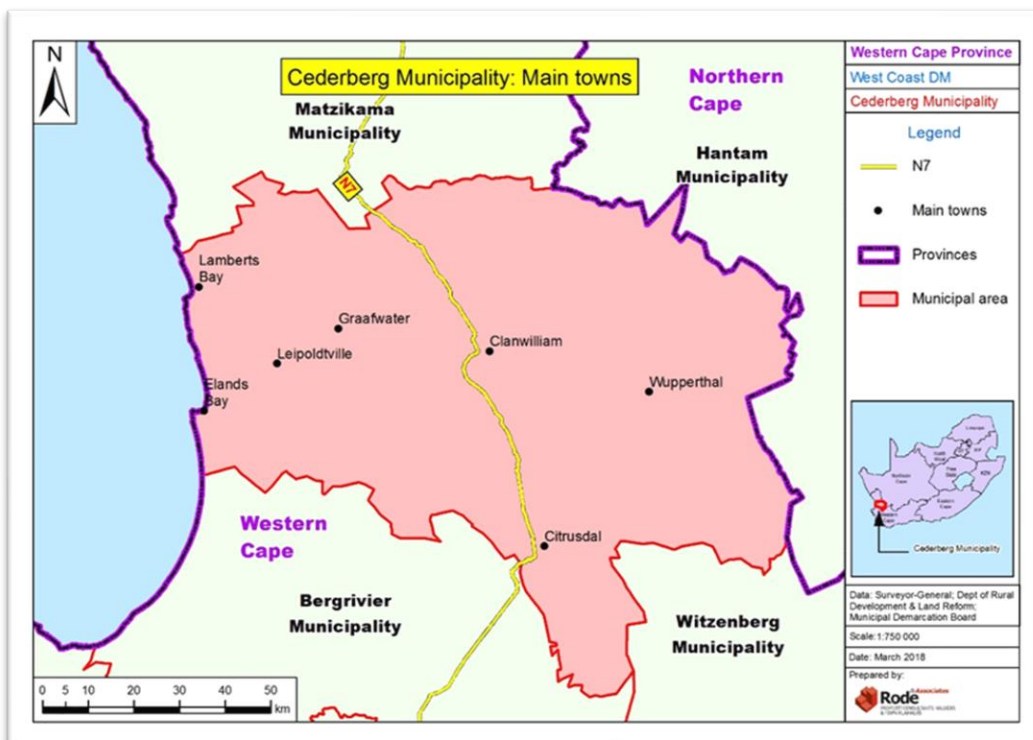
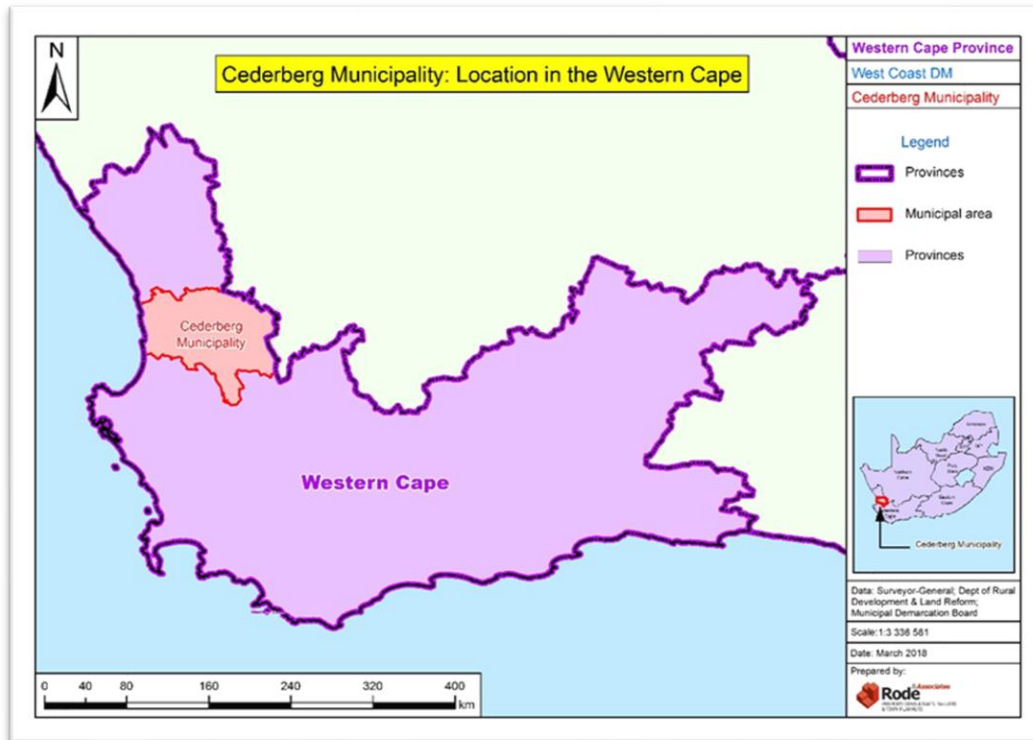
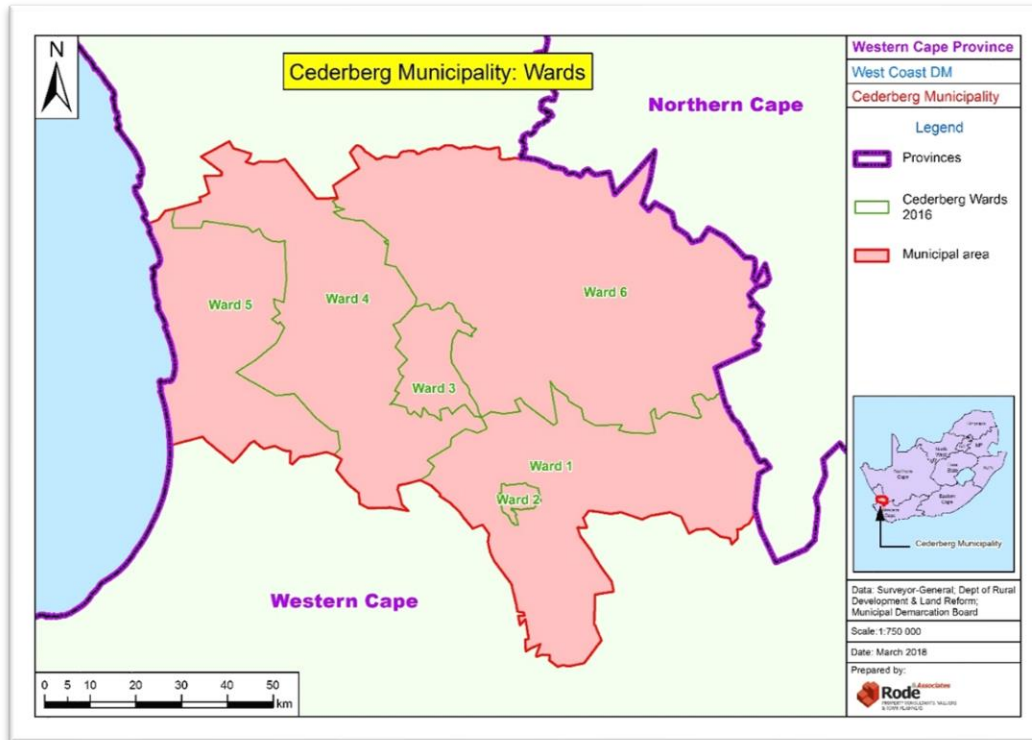


Figure 1: Cederberg Area Map

## Wards

The Cederberg Municipality consists of 6 electoral wards, with wards 1, 4 and 6 being the largest in terms of size. In the table below, the 6 wards are listed with the approximate number of persons in each ward, the size of the ward and population density.



Ward	Description	Population	Size	Population density
1	Citrusdal (Farms)	9 849	1 769.7 km <sup>2</sup>	5.6 people per km <sup>2</sup>
2	Citrusdal (Town Area)	7 178	41.2 km <sup>2</sup>	174.1 people per km <sup>2</sup>
3	Clanwilliam	7 674	264.7 km <sup>2</sup>	29.0 people per km <sup>2</sup>
4	Graafwater and Elands Bay	8 515	1 650.4 km <sup>2</sup>	5.2 people per km <sup>2</sup>
5	Lamberts Bay and Leipoldtville	9 141	1 113.0 km <sup>2</sup>	8.2 people per km <sup>2</sup>
6	Wupperthal, Algeria and Paleisheuwel	7 411	3 169.8 km <sup>2</sup>	2.3 people per km <sup>2</sup>

Table 3: Municipal Wards

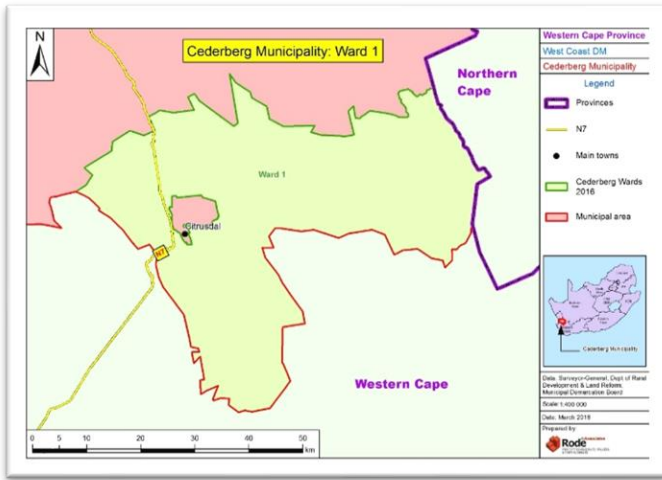


Figure 2: Ward 1

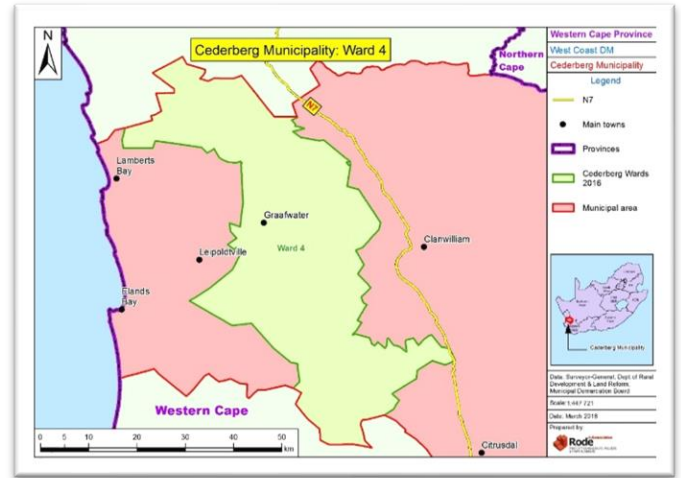


Figure 5: Ward 4

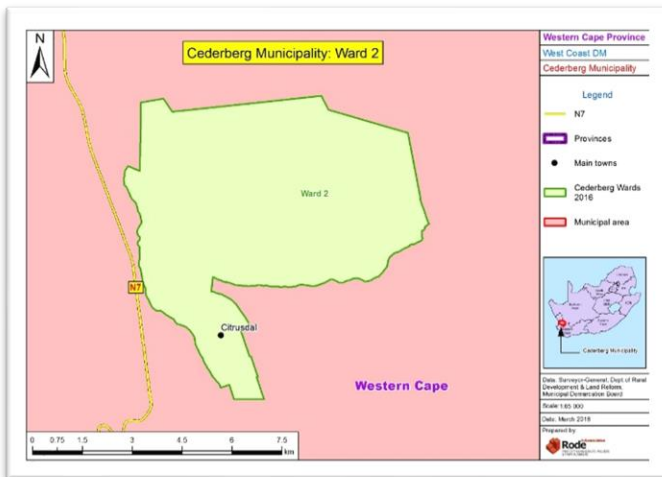


Figure 3: Ward 2

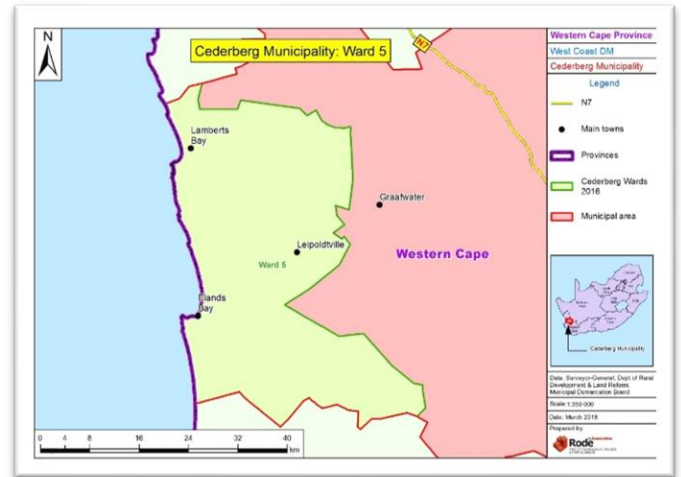


Figure 6: Ward 5

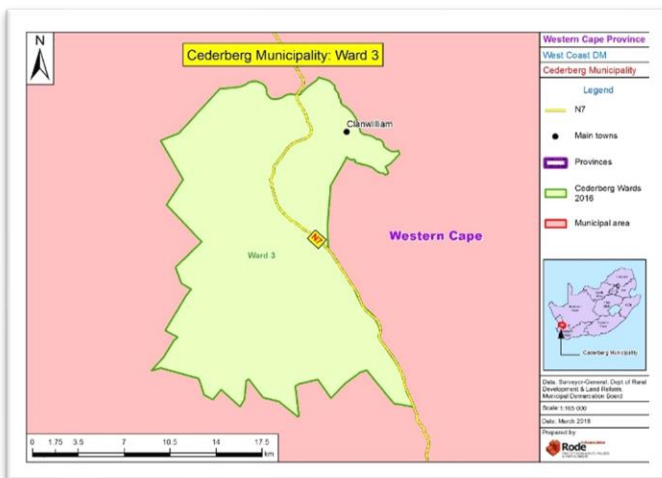


Figure 4: Ward 3

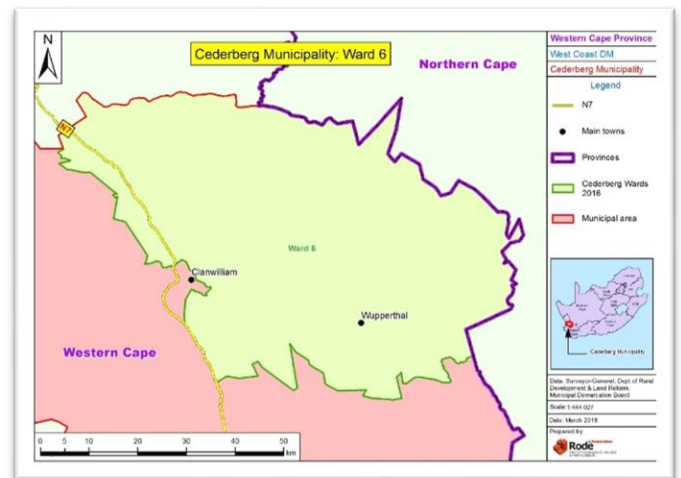


Figure 1: Ward 6

## Towns

### Citrusdal



Citrusdal originated as a service centre for the agricultural sector in the Upper Oliphant's River Valley. The citrus industry is the main source of income in the town's hinterland. Because of the labour-intensive nature of the activity, the town experienced an influx of seasonal workers. Unemployment has increased along with a rise in population numbers. The local export economy is vulnerable to the fluctuating exchange rate of the Rand, and the concomitant decline in export value has negative implications for the economic base of the town. The nearby hot spring presents some tourism and recreation potential. However, only limited growth is expected here.

### Clanwilliam



Originated as a "central place" town in an agriculturally orientated environment on fertile land and surrounded by abundant water resources. This town currently

fulfills the function of the administrative town for the municipal district, as well as being a service and commercial centre for the surrounding population. The environment presents a diversified resource potential, i.e. the natural beauty of the Cederberg Wilderness area, the Clanwilliam dam, wildflowers, the rock art at Boesmanskloof and various heritage resources (e.g. near Wupperthal). Although the economic base of the town is embedded in the agricultural sector, tourism also became a growing component. Other sectors of the economy include light industries, especially concerning to the town's two most important export products, namely shoe making and Rooibos tea cultivation. Clanwilliam has good accessibility on the N7 route between Cape Town, Northern Cape and Namibia.

### Elands Bay



Elands Bay is to a certain extent an isolated settlement, which can partly be ascribed to the fact that the access routes to the town are mainly gravel roads. The town thus functions as a low order service centre and holiday town that supplies mainly basic goods and services to its local inhabitants. The fishing industry forms the main economic base, but it is showing a declining trend as a consequence of the quota limitations on fishing for the local community. Agriculture, especially potato farming, makes a steady contribution to the economy. The town has also

become known as one of the surfing venues in the world. In 2009, Baboon Point was declared a Provincial Heritage Site due to its unique value and significance as the history of the Khoisan. The prominence of this point on the West Coast of South Africa, and the strong link to early evidence of Khoi and San interaction makes this area of national and international importance. To protect and use the site in a sustainable manner which can benefit Elands Bay and Cederberg community a conservation management plan is currently being developed. Heritage Western Cape, the provincial heritage resources authority and governing body responsible for the site is overseeing this process and has appointed Eco Africa Environmental Consultants.

## Graafwater



Graafwater is located halfway between Clanwilliam and Lamberts Bay. The town originated as a railway station, but this function is no longer a driving force. Most of the people living here are seasonal workers on the surrounding farms as agriculture provides the economic base. This Sandveld town serves only as a service point for the most basic needs of the immediately surrounding farms. Rooibos tea and potatoes are the most important agricultural products.

## Lamberts Bay

Lamberts Bay is a coastal town with its reason for existence linked to the fishing industry and the



Harbour. The building of a processing factory for fishmeal, lobster packaging and potato chips led to sound growth that makes a substantial contribution to the town's economic base. The greatest asset of the town is its impressive coastline and unique Bird Island, which is a favorite tourist destination.

## Wupperthal

This picturesque place has been a Moravian mission station since 1865. The village today consists of an old thatched Church, a store, and terraces of neat thatched-roofed little cottages. Excellent velskoene (known throughout the country) are made and tobacco is dried and worked into rolls (roltabak). The other main products of the area are dried fruit, dried beans and rooibos tea. Since 1995 development aid to Wupperthal has come in the form of grants, interest free loans and donations from various sources. Among projects that benefited from these was a 4X4 route around the district, a caravan park, two guesthouses, the revamping of a tea production facility and a needlework centre.



## Key Economic Activities

The Municipality is dependent on the following economic activities:

Key Economic Activities	Description
Agriculture and fishing	The biggest sector in the Cederberg Municipality is the agricultural and fishing sectors. It is well known that both these sectors are in decline due to fish stocks and the agricultural sector employing less people on a permanent basis and more people on a seasonal basis. The economy in Cederberg is highly seasonal with a huge influx of seasonal workers to harvest the citrus and grapes from January to July
Institutional, community, social and personal services	The second biggest employer in the Municipality is the institutional, community, social and personal services sectors with just over 20% of people employed
Tourism and agri-processing	The tourism (4%) and agricultural processing sectors are possibly the two sectors with the greatest chance to create sustainable jobs

Table 4: Key Economic Activities

## 1.3 SERVICE DELIVERY OVERVIEW

### 1.3.1 Basic Service Delivery Highlights

The table below specifies the basic service delivery highlights for the year:

Highlights	Description
Refurbishment of Clanwilliam Waste Water Treatment Works (WWTW)	This project will aim to provide the residents of Clanwilliam, and the surrounding environment, with a WWTW capable of producing a treated effluent that complies with the special limits, irrespective of the quality of raw water received. Components of the Scheme: <ol style="list-style-type: none"> <li>1. Upgrade the Inlet Works Flow Measurement facility.</li> <li>2. Remedial works on existing WWTP equipment</li> <li>3. Installation of a small Lime dosing facility to the pH correction at Inlet Works</li> <li>4. Convert one of the existing Sludge Lagoons into a Night Storage Pond</li> <li>5. Construct a temporary overflow weir at Inlet Works</li> </ol> Install a temporary submersible pump
New 66/11kV substation and 66kV overhead line from Graafwater to Clanwilliam	100% Funding allocated for the Integrated National Electrification Programme (INEP)
Technical report for yellow fleet funding	Funding request submitted to the Municipal Infrastructure Grant (MIG)

Table 5: Basic Services Delivery Highlights



## 1.3.2 Basic Services Delivery Challenges

The table below specifies the basic service delivery challenges for the year:

Challenges	Actions to address
Inadequate funding to address infrastructure needs	Funding applications must be submitted to secure funding for the upgrade of infrastructure
Water quality failures from the Clanwilliam Dam No infrastructure to purify drinking water to acceptable standards as per SANS 241	Funding application must be submitted to Department of Water and Sanitation (DWS) to upgrade the purification works
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	Funding application must be submitted to Department of Water and Sanitation (DWS) for the construction of the 3ML reservoir
Scarcity of ground water - Cederberg Area	Draft a Ground Water Monitoring Protocol to enhance the management of the water resource
Communities without water during power outages	The installation of permanent generators is required
Removal of sewer sludge at Clanwilliam works are a challenge	Compile a Sludge Management Plan for each plant and implement
Algeria WWTW aerator bin leaks sewer and pose an environmental health risk	Algeria WWTW aerator requires urgent refurbishment. Compile business plan and source funding for the refurbishment
Elands Bay oxidation ponds are overloaded	The appraisal requires that volume test on the oxidation ponds need to be done
Sewer sludge removal from WWTW is hampering operations resulting in none-compliance	Since sewer sludge removal is a huge cost driver in operation and maintenance, a business plans requesting funding must be submitted to DWS
Rural areas are without proper sanitation and require urgent interventions with regards to sanitation services	Negotiation with landowners to enable the Municipality to conduct feasibility studies on properties
Loadshedding	Load curtailment on the municipal side to ensure safeguarding of the network
Illegal electrical connections	Investigate no purchase list received from Finance Department
Vandalism during loadshedding times	Police patrol areas during loadshedding
Generators being used outside its designed purpose	Generators must be monitored daily and only run when the dam levels drop below safe maintainable levels
Staff working extensive overtime hours	Rotate staff and give enough time-off to rest
Illegal dumping on road reserves	Awareness and cleaning campaigns should be conducted
Insufficient refuge equipment and vehicles	Budgetary provision must be made to replace old equipment and trucks

Table 6: Basic Services Delivery Challenges

## 1.3.3 Proportion of Households with Access to Basic Services

The table below indicates the proportion of households with access to basic services:

KPI	Municipal Achievement	
	2021/22	2022/23
Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2023	6 072	5 830
Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and billed for the service as at 30 June 2023	8 179	6 659
Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2023	5 074	5 047
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2023	5 948	5 859

Table 7: Households with Minimum Level of Basic Services

## 1.4 FINANCIAL HEALTH OVERVIEW

### 1.4.1 Financial Viability Highlights

The table below specifies the financial viability highlights for the year:

Highlights	Description
Data Cleansing	With the assistance of Ahkile, municipal accounts were reviewed and verified for accuracy
Revenue enhancement	With the assistance of PWC, a lot of extra revenue has been identified and already been billed

Table 8: Financial Viability Highlights

### 1.4.2 Financial Viability Challenges

The table below specifies the financial viability challenges for the year:

Challenges	Action to address
Implementing Municipal Standard Chart of Accounts (mSCOA)	Continuous challenges for the Municipality and service provider to integrate programmes and work streams. An action and project plan were compiled and closely adhered to. The mSCOA steering committee has been re-established

Challenges	Action to address
Increase in indigent population	Council approved a new Indigent Policy and also provided for an increase in subsidising the Indigent client base
Increase in bad debt	Council approved a new Credit Control Policy with incentives to clients with arrear accounts. Credit Control procedures are applied diligently every month
Unfunded budget	Provincial Treasury assessed that the budget is unfunded and the amended budget funding plan is to be tabled to Council and approved. The plan is monitored on a monthly basis. Three out of the five pillars have been reached

Table 9: Financial Viability Challenges

### 1.4.3 National Key Performance Indicators - Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & Indicator	Basis of Calculation	2021/22	2022/23
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.20	0.72
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.17	0.14
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	72.79	150.56

Table 10: National KPI's for Financial Viability and Management

### 1.4.4 Financial Overview

The table below indicates the financial overview for the year:

Details	Original budget	Adjustment Budget	Actual
	R'000		
<b>Income</b>			
Grants	94 193	102 416	90 589
Taxes, Levies and tariffs	251 070	237 620	240 504
Other	39 733	32 840	40 449
<b>Sub Total</b>	<b>384 996</b>	<b>372 876</b>	<b>371 542</b>
Less Expenditure	395 428	404 936	366 668

Details	Original budget	Adjustment Budget	Actual
	R'000		
Net surplus/(deficit)	(10 432)	(32 060)	4 874

Table 11: Financial Overview

## 1.4.5 Total Capital Expenditure

The table below indicates the total capital expenditure for the year:

Detail	2021/22	2022/23
	R'000	
Original Budget	51 262	70 530
Adjustment Budget	77 658	62 952
Actual	53 247	48 049
<b>% Spent</b>	<b>68.57%</b>	<b>76.33%</b>

Table 12: Total Capital Expenditure

## 1.5 AUDITOR-GENERAL REPORT

### 1.5.1 Audited Outcomes

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the auditor-general checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the Municipality has submitted its financial statements to the Auditor-General, which can be simply defined as follow:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.

- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless we express a clean audit come, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or these insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- **Disclaimer of Audit opinion:** The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements

The table below indicates the audit opinion received:

Year	2020/21	2021/22	2022/23
<b>Opinion received</b>	Unqualified without findings	Unqualified with findings	Unqualified with findings

Table 13: Opinion Received

## 1.6 2022/23 IDP/BUDGET PROCESS

The table below provides details of the 2022/23 IDP/Budget process:

No	Activity	Responsible person	Date
<b>Pre-Budgeting Processes/Tasks</b>			
1	Make public the projections, targets and indicators as set out in the SDBIP (no later than 10 days after the approval of the SDBIP)	IDP/PMS	9/07/2021
2	Make public the performance agreements of the Municipal Manager and senior managers (no later than 14 days after the approval of the SDBIP)	IDP/PMS	9/07/2021
3	Submit monthly report on the budget for period ending 30 June 2021 within 10 working days to the Executive Mayor	Manager Budget	14/07/2021
4	2020/2021 4 <sup>th</sup> Quarter Performance (Section 52) Report tabled to Council	IDP/PMS	31/08/2021
5	Submit monthly report on the budget for period ending 31 July 2021 within 10 working days to the Executive Mayor	Manager Budget	13/08/2021
6	Table Final IDP/PMS/Budget Time Schedule for approval by Council	IDP/PMS	31/08/2021
7	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS	31/08/2021
8	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	IDP/PMS CFO	31/08/2021

No	Activity	Responsible person	Date
9	Submit IDP/Budget key deadlines to Provincial Government and West Coast District Municipality	IDP/PMS	01/09/2021
10	Advertisement of IDP/PMS/Budget Time Schedule on website/local newspaper/notice boards	IDP/PMS	07/09/2021
11	Make public the 4 <sup>th</sup> Quarter 2020/20201 Performance Report	IDP/PMS	07/09/2021
12	Submit the 4 <sup>th</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	07/09/2021
13	Provincial IDP Managers Forum	IDP/PMS	10&11/09/2021
14	Submit monthly report on the budget for period ending 31 August 2021 within 10 working days to the Executive Mayor	Manager Budget	14/09/2021
15	Performance Evaluations Senior Managers	Municipal Manager & IDP/PMS	22/09/2021
16	IDP Meetings with Ward Committees	IDP/PMS & Public Participation	10-30/09/2021
17	Submit 1 <sup>st</sup> Quarter Performance Report (Section 52) to Mayoral Committee	IDP/PMS	15/10/2021
18	Submit monthly report on the budget for period ending 30 September 2021 within 10 working days to the Executive Mayor	Manager Budget	14/10/2021
19	Make public the 1 <sup>st</sup> Quarter Performance Report	IDP/PMS	05/11/2021
20	Submit the 1 <sup>st</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	05/11/2021
21	Submit monthly report on the budget for period ending 31 October 2021 within 10 working days to the Executive Mayor	Manager Budget	12/11/2021
22	Provincial IDP Managers Forum	IDP/PMS	02&03/12/2021
23	Submit monthly report on the budget for period ending 30 November 2021 within 10 working days to the Executive Mayor	Manager Budget	14/12/2021
24	Submit monthly report on the budget for period ending 31 December 2021 within 10 working days to the Executive Mayor	Manager Budget	14/01/2022
25	Submit Mid-Year Performance Assessment Report to Executive Mayor	IDP/PMS	25/01/2022
26	Submit Mid-Year Budget Assessment to Executive Mayor	CFO	25/01/2022
27	Submit 2 <sup>nd</sup> Quarter Performance Report to Council	IDP/PMS	31/01/2022
28	Table Draft Annual Report 2020/2021 to Council	Municipal Manager	31/01/2022
29	Submit Mid-Year Budget and Performance Report to Council	IDP/PMS CFO	31/01/2022
30	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	Municipal Manager	31/01/2022
31	Submit the 2 <sup>nd</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	31/01/2022
32	Make public the Annual Report for comments	IDP/PMS	08/02/2022
33	Make public the Mid-Year Budget and Performance report	Municipal Manager	08/02/2022

No	Activity	Responsible person	Date
34	Make public the 2nd Quarter Performance Report	IDP/PMS	08/02/2022
35	Mid-Year Performance Evaluations Senior Managers	Municipal Manager	09/02/2022
36	Submit monthly report on the budget for period ending 31 January 2022 within 10 working days to the Executive Mayor	Manager Budget	14/02/2022
37	Council considers and adopts 2021/22 Adjustment Budget and potential revised 2021/22 SDBIP	Municipal Manager	28/02/2022
38	Advertise the approved 2021/22 Adjustments Budget and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)	Manager Budget	14/03/2022
39	Provincial IDP Managers Forum	IDP/PMS	03&04/03/2022
40	Submit monthly report on the budget for period ending 28 February 2022 within 10 working days to the Executive Mayor	Manager Budget	14/03/2022
41	Budget Steering Committee Meeting	CFO	23/03/2022
42	Table Draft IDP / BUDGET/ SDBIP to Council	Municipal Manager	31/03/2022
43	Table Oversight Report to Council	Municipal Manager	31/03/2022
44	Submit the draft IDP, SDBIP and budget to Department of Local Government, National, Provincial Treasury and West Coast District Municipality	IDP/PMS CFO	01/04/2022
45	Advertise the Draft IDP, SDBIP, budget and other required documents and provide at least 21 days for public comments and submissions	IDP/PMS CFO	01/04/2022
46	Make public the Oversight Report within 7 days of its adoption (MFMA-Sec129)	IDP/PMS	08/04/2022
47	Submit the Annual Report and Oversight Report to the provincial legislature as per circular (MFMA-Sec 132)	IDP/PMS	08/04/2022
48	Submit monthly report on the budget for period ending 31 March 2022 within 10 working days to the Executive Mayor	Manager Budget	14/04/2022
49	Community Road Shows to consult the Draft IDP, SDBIP and Budget	IDP/PMS & CFO	11-29/04/2022
50	Closing of comments and representations on the Draft IDP and Budget	IDP/PMS & CFO	07/05/2022
51	Submit monthly report on the budget for period ending 30 April 2022 within 10 working days to the Executive Mayor	Manager Budget	13/05/2022
52	Budget Steering Committee Meeting	CFO	16/05/2022
53	MAYCO meeting to approve Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	13/05/2022
54	Submit 3 <sup>rd</sup> Quarter Performance Report to Council	IDP/PMS	31/05/2022
55	Submit 3 <sup>rd</sup> Quarter Performance Report to Council	Municipal Manager	31/05/2022
56	Provincial IDP Managers Forum	IDP/PMS	02 & 03/06/2022
57	Make Public the 3 <sup>rd</sup> Quarter Performance Report	IDP/PMS	03/06/2022
58	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	IDP/PMS & CFO	03 /06/2022

No	Activity	Responsible person	Date
59	Submit a copy of the revised IDP to the MEC for LG (within 10 days of the adoption of the plan)	IDP/PMS	10/06/2022
60	Submit approved Budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	10/06/2022
61	Submit a copy of the revised IDP to West Coast District Municipality	IDP/PMS	10/06/2022
62	Submit the 3 <sup>rd</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	10/06/2022
63	Give notice to the public of the adoption of the IDP (within 14 days of the adoption of the plan) and budget (within 10 working days)	IDP/PMS & CFO	10/06/2022
64	Submit to the Executive Mayor the SDBIP and performance agreements for the budget year (no later than 14 days after the approval of an annual budget)	Municipal Manager	14/06/2022
65	Submit monthly report on the budget for period ending 31 May 2022 within 10 working days to the Executive Mayor	Manager Budget	14/06/2022
66	Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved (within 28 days after approval of the budget)	Municipal Manager	28/06/2022
67	Place the performance agreements on the website	IDP/PMS	28/06/2022
68	Submit copies of the performance agreements to Council and the MEC for Local Government as well as the national minister responsible for local government (within 14 days after concluding the employment contract and performance agreements)	IDP/PMS	28/06/2022
69	Submit the SDBIP to National and Provincial Treasury within 10 working days of the approval of the plan	IDP/PMS	12/07/2022
70	Make public the projections, targets and indicators as set out in the SDBIP (no later than 10 days after the approval of the SDBIP)	IDP/PMS	12/07/2022
71	Make public the performance agreements of the Municipal Manager and senior managers (no later than 14 days after the approval of the SDBIP)	IDP/PMS	14/07/2022
72	2021/2022 4 <sup>th</sup> Quarter Performance (Section 52) Report tabled to Council	IDP/PMS	31/08/2022
73	Submit monthly report on the budget for period ending 31 July 2022 within 10 working days to the Executive Mayor	Manager Budget	12/08/2022
74	Table Final IDP/PMS/Budget Time Schedule for approval by Council	IDP/PMS	31/08/2022
75	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS	31/08/2022
76	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	IDP/PMS CFO	31/08/2022
<b>Community Participation Process</b>			
77	Community Participation Process took Place During April 2022	All Wards	April 2022
<b>Budget Preparatory Process</b>			
78	IDP and Budget Process plan 2022/23 approved by Council	Executive Mayor	31/08/2021
<b>Budgetary Policies</b>			



No	Activity	Responsible person	Date
79	1. Accounting Policy 2. Acting Allowance Policy 3. Asset Management Policy 4. Borrowing Policy 5. Budget Policy 6. Capital Contributions for Bulk Services 7. Cash Management and Investment Policy 8. Cell phone Allowance Policy 9. Consequence Management Policy 10. Credit Control Policy (inclusive of Customer Care, Debt Collection, Indigents and Tampering) 11. Fleet Management Policy 12. Funding Reserves Policy 13. Grant in Aid Policy 14. Insurance Policy 15. Leave Policy 16. Liquidity Policy 17. Overtime & Standby 18. Petty Cash Policy 19. Property Rates Policy 20. Recruitment and Selection Policy 21. Relocation Policy 22. Revenue Enhancement Policy 23. Study Aid Policy 24. Study Bursary Policy 25. Supply Chain Management Policy (Submitted as separate item) 26. Tariff Policy 27. Travel and Subsistence Policy 28. Vehicle Allowance Policy 29. Virement Policy 30. Water Meter Replacement Policy 31. Small-Scale Embedded Generation Policy 32. Renewable Energy Policy	Executive Mayor	31/05/2022
<b>Tabling of Budget</b>			
80	Annual Report 2021/2022 approved	Executive Mayor	13/03/2023
81	Draft Budget approved by Council & Draft IDP 2022/2023 approved	Executive Mayor	31/03/2022
82	Final Budget and IDP approved by Council	Executive Mayor	31/05/2022
<b>Finalising</b>			
83	Oversight Report with Annual report 2021/222 approved by Council	Executive Mayor	31/05/2023

Table 14: 2022/23 IDP/Budget Process

## CHAPTER 2

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

#### 2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicator required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

Indicator	Unit of measurement	Municipal Achievement	
		2021/22	2022/23
The percentage of the municipal capital budget actually spent on capital projects by 30 June [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects by 30 June 2023	62.02%	55.34%

Table 15: National KPIs - Good Governance and Public Participation Performance

#### 2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The table below specifies the highlights for the year:

Highlights	Description
Election of new Council	The new council for the Cederberg Municipality was elected in March 2023 to provide stable government for its constituents
Appointment of the Municipal Manager	Council appointed a Municipal Manager to initiate and promote good governance
Appointment of Chief Financial Officer	Recruitment process for top layer, i.e. Chief Financial Officer concluded at Council Level
Appointment of Director : Support Services	Recruitment process for top layer, i.e. Director : Support Services concluded at Council Level.

Highlights	Description
Financial Turnaround Plan	Council initiated action to address financial crisis through initiation of a turnaround plan. That will promote good governance and increase consumer confidence in Council

Table 16: Good Governance and Public Participation Performance Highlights

## 2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The table below specifies the challenges for the year:

Challenges	Actions to address
Political infighting	Executive Mayor undertook to improve relations by co-operation and joint initiatives
Unstable government	Executive Mayor initiated promotion of good governance in Council, in consultation with Municipal Manager. Provincial interventions promoted.

Table 17: Good Governance and Public Participation Challenges

## 2.4 GOVERNANCE STRUCTURE

### 2.4.1 Political Governance Structure

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

#### a) Council

The Municipal Council comprises of 11 elected councillors, made up of 6 ward councillors and 5 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties.

Below is a table that categorised the councillors within their specific political parties and wards.

Name of Councillor	Capacity	Political Party	Ward representing or proportional
William Farmer	Councillor	PA	Proportional
Ruben Richards	Executive Mayor	CE	Proportional
Andre Mouton	Deputy Executive Mayor	CE	Ward 6
Johan Hayes	Speaker	DA	Ward 5
Martin Bergh	Chairperson of MPAC	CE	Proportional
Leone Venter	Mayoral Committee Member	DA	Proportional

Name of Councillor	Capacity	Political Party	Ward representing or proportional
Johan Van Heerden	Mayoral Committee Member	FF+	Proportional
Azrial Scheepers	Ward Councillor	ANC	Ward 1
Maxwell Heins	Ward Councillor	ANC	Ward 3
Francois Kamfer	Ward Councillor	ANC	Ward 2
Paulus Strauss	Ward Councillor	ANC	Ward 4

Table 18: Council 2022/23

## b) Executive Committee

The Executive Mayor of the Municipality, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in concert with the Executive Committee.

The name and portfolio of each Member of the Executive Committee are listed in the table below:

Name of member	Capacity
Ruben Richards	Executive Mayor
Andre Mouton	Deputy Executive Mayor
Leone Venter	Member of Mayoral Committee
Johan Van Heerden	Member of Mayoral Committee

Table 19: Executive Committee 2022/23

## c) Portfolio Committees

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision-making powers. Just like Section 80 committees they can also make recommendations to Council. Once their ad hoc task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees were as follow:

<b>Support Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Leone Venter	Johan Van Heerden
	Francois Kamfer
<b>Community Development and Protection Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Johan Van Heerden	Andre Mouton
	Azrial Scheepers
<b>Municipal Public Accounts Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Martin Bergh	Johan Van Heerden
	Maxwell Heins
<b>Technical Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Andre Mouton	Leone Venter
	Paulus Strauss

Table 20: Portfolio Committees 2022/23

## d) Political decision-taking

Section 53 of the MSA stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the Municipal Manager must be defined. The section below is based on the Section 53 role clarification.

### **Municipal Council**

- governs by making and administrating laws, raising taxes and taking decisions that affect people's rights
- is a tax authority that may raise property taxes and service levies
- is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers, individual Councillors or officials
- can delegate responsibilities and duties for the purposes of fast and effective decision making
- must strive towards the constitutional objects of local government
- must consult the community with respect to local government matters
- is the only decision maker on non-delegated matters such as the approval of the IDP and budget

## Executive Mayor

- is the executive and political leader of the Municipality and is in this capacity supported by the Executive Committee
- is the social and ceremonial head of the Municipality
- must identify the needs of the Municipality and must evaluate progress against key performance indicators
- is the defender of the public's right to be heard
- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters
- performs the duties and exercises the responsibilities that were delegated to him by the Council

## Executive Committee

- its members are elected by the Mayor from the ranks of Councillors
- its functional responsibility area is linked to that of the Mayor to the extent that he must operate together with the members of the Executive Committee
- its primary task is to assist the Mayor in the execution of his powers - it is in fact an "extension of the once of Mayor"
- the committee has no powers of its own - decision making remains that of the Mayor

## 2.4.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitute the Management Team.

Council approved an organisational structure on 21 December 2020 and the Management Team and directorates were as follows:

Name of Official	Position
Mr G Matthyse	Municipal Manager
Acting Appointments: Clifford Appel / E Visser	Chief Financial Officer
Vacant	Director: Technical Services
Mr A Titus	Acting Director: Support Services (Corporate & Community Services)

Table 21: Administrative Governance Structure

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

### 2.5 INTERGOVERNMENTAL RELATIONS

#### 2.5.1 Intergovernmental Structures

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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Cederberg Local Drug Action Committee (LDAC)	Cederberg Municipality, Department of Health (DoH), Department of Social Development (DSD), Cederberg NGO's, West Coast District Municipality (WCDM), Police	A collective effort to address substance abuse in Cederberg. Quarterly meetings to report on programs and projects
Cederberg Early Childhood Development (ECD) Forum launch	Cederberg Municipality; Department of Social Development (D.S.D.); Grassroots; WCDM; ECD centres across Cederberg	Monitoring and evaluation of ECD activities. Partnership with Grassroots and DSD to ensure optimum involvement and assistance to Cederberg ECD centres
Cederberg Social Development Forum	Cederberg Municipality, DSD, Initiative for Community Advancement (ICA), Rural Impact, Stop Crime Against Children (SCAC), DoH, Cederberg Matzikama AIDS Network (CMAN)	An integrated approach to tackle social ills in Cederberg as the umbrella structure. Draft a framework to guide Cederberg on how to respond to the social challenges in the respective communities. Implement the MOU between DSD and Cederberg Municipality
Codebridge Youth (Not yet established)	Cederberg Municipality, Open-Up, ICA	To Make youth more involved in municipal affairs through technology and social platforms
Council of Stakeholders (CRDP) - Elands Bay and Graafwater	Cederberg Municipality, SCAC, SALDA, Verlorenvlei, Department Agriculture	Comprehensive Rural Development Programme
District Communication Forum	All Local Communicators in the West Coast	Sharing best practices and collaboration
Provincial Comms Tech	All communicators at municipals in the province	Sharing best practices campaigns / management / training
Provincial Treasury	Municipality	Municipalities
National Treasury	Municipality	Municipalities

Table 22: Intergovernmental Structures

## 2.5.2 Joint projects and functions with Sector Departments

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

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved
Archaeological and Paleontological Heritage Route in Elands Bay linked to Diepkloof Rock Shelter	Establishment of a museum and interpretation centre in Elands Bay	Department of Cultural Affairs and Sport (DCAS), Department of Economic Development and Tourism (DEDAT), Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)
Red tape reduction interventions	Creation of online portal to process building control applications, supply chain transactions and event applications	Department of Economic Development and Tourism (DEDAT)
Integrated waste management initiatives	Capacity building programmes, technical support to recyclers, awareness campaigns and education	Department of Environmental Affairs and Development Planning (DEADP)
Economic development support and entrepreneur support	Support to local SMME's and entrepreneurs by means of training and other capacity-building initiatives to promote local economic development	Department of Water & Sanitation (DWS), Department of Agriculture
National Rural Youth Service Corps (Narysec)	Recruit young people from Cederberg to take part in the two-year program	Department Rural Development & Land Reform & Cederberg IDS
Comprehensive Rural Development Programme (CRDP) youth intervention	Intensify youth development with a core group in the rural node, ward 5 in Cederberg	Department of Agriculture
National Youth Development Agency (NYDA) info sessions	NYDA to establish a footprint in Cederberg. Make the youth aware of the services NYDA can provide for young people in Cederberg	National Youth Development Agency, Cederberg Municipality and Cederberg NGO's.
Municipal Infrastructure Grant (MIG) Coordination Meetings	For MIG reporting and information sharing	Western Cape Municipalities, Department of Cooperative Governance (DCoG), Department of Local Government (DLG), DWS, Department of Human Settlements (DHS), Municipal Infrastructure Support Agent (MISA), Expanded Public Works Programme (EPWP)
Quarterly Municipal Infrastructure Forum	Western Cape Municipalities, DCOG, DLG, DWS, DHS, MISA, EPWP	Share infrastructure Information (Continuous development session)
(B2B) Back to Basics Meeting (DLG)	Municipal support to unlock projects and programmes	Cederberg Municipalities, DLG, DWS, DHS, MISA, Provincial Treasury, South African Local Government Association (SALGA)



Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved
West Coast Joint District Approach (JDA) - Presidency	Planning on District Level	Municipalities in West Coast, DLG, DEADP, WCDM, Department of Rural Development and Land Reform (DRDLR)
Waste Management Forum	Discussing waste issues, Integrated waste planning, waste management and services,	Municipalities, DEADP and invitees
Green Deeds	Environmental issues, Air pollution, Coastal management and related	Municipalities in Province
Water Service Infrastructure Grant (WSIG) Coordination meetings	To coordinate projects and funding from the Department of Water Affairs (DWA)	Municipalities in Province, DWA
Human settlement (IGR)	DOH, DHA, DPLG, Cederberg Municipality	Sharing best practices
RBIC Grant	Coordination	Municipalities in Province, DWA
EPWP Grant	Coordination	Municipalities in Province, DWA
Coastal Management IGR	Coastal Management (red tide)	WCDM, DFFE, WC government and Cederberg Municipality

Table 23: Joint Projects and Functions with Sector Departments

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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

### 2.6 PUBLIC MEETINGS

#### 2.6.1 Ward Committees

The ward committees support the ward councillor who receives reports on development, participates in development planning processes, and facilitates wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities. Ward Committees established are as follow:

**a) Ward 1: Citrusdal (Farms)**

Name of representative	Capacity representing
Kayrin Dirks	Youth and Sport Development
Maria Boois	Geographical
Hester Muller	Woman and Elderly
Jacqueline Roman	Geographical
Lea Fortuin	Social Development
Abraham Snyers	Small Scale Farmers
Melvin Bezuidenhout	Tourism and entrepreneurship
Gert Bezuidenhout	Geographical
Samiel Hugo	Safety
Salmon Daniels	Geographical

Table 24: Ward 1: Committee Members

**b) Ward 2: Citrusdal (Town Area)**

Name of representative	Capacity representing
Christiaan Oerson	NPO
Clifton Pedro	Sport
Thulani Mboto	Faith
Anna Skippers	Schools
Mojalefa Ramolahlehi	Safety
Shamonielle Tities	Youth
Jacob Davids	Health
Terence Malando	Geographical
Annalize Mdabuli	ECD
Nompumelelo Fiki	Woman

Table 25: Ward 2: Committee Members

**c) Ward 3: Clanwilliam**

Name of representative	Capacity representing
Jan Oosthuizen	Safety
Gerda De Wet	Tourism
Johanna Mouton	Faith
Niklaas Crosney	Sport
Laurica Zinri	ECD
Wilfred Meyer	Small Scale Farmers
Angelina Makinana	Geographical

Name of representative	Capacity representing
Nothemba Kilo	Youth
Ilse Lochner	Business Chamber
Katrina White	Women, Elderly and Disabled

Table 26: Ward 3: Committee Members

**d) Ward 4: Graafwater and Elands Bay**

Name of representative	Capacity representing
Hendrina Kuier	NPO
Washiela Douries	NPO
Jakobus Van Der Westhuizen	Sport
Francis Damon	Social Development
Mbali Mdaweni	Women in Small Business
Thelma Majikijela	CWP Community Garden
Evelyn Makilijela	Religion
Sara Strauss	ECD
Paul Taylor	Sport

Table 27: Ward 4: Committee Members

**e) Ward 5: Lamberts Bay and Leipoldville**

Name of representative	Capacity representing
Joos Engelbrecht	Tourism
Elzette Manailov	Small Business
Henry Arangie	Safety
Micheal Van Der Horst	Sport
Patrick Schalk	Arts and Culture
Micheal Swartz	Social Development
Jeff Schalk	Health
Elisma Daniels	SME Development
Ashley Engelbrecht	Community safety
Peter- Dawn Foentjies	Sport and Recreation

Table 28: Ward 5: Committee Members

**f) Ward 6: Wupperthal, Algeria and Paleisheuvel**

Name of representative	Capacity representing
Lezaan Farmer	Geographical
Jacobus Adonis	Geographical
Brendon Hector	Geographical

Name of representative	Capacity representing
Reagen Koopman	Geographical
Wilmaine Fabrick	Geographical
Milton Fortuin	Geographical
Henry Zaandro	Geographical
Beulah Engelbrecht	Geographical
Anthony Abels	Geographical
Petrus Hanekom	Geographical

Table 29: Ward 6: Committee Members

## 2.6.2 Representative Forums

### a) Labour Forum

The table below specifies the members of the Labour Forum for the 2022/23 financial year:

Name of representative	Capacity
Councillor Ruben Richards	Chairperson
Councillor Johan van der Heerden	Member
Gerrit Matthyse	Municipal Manager
Andries Titus	Director: Support Services
Vacant	Director: Technical Services
Erika Visser	Acting Chief Financial Officer
Zukile Xhoma	SAMWU Shop Steward
Ayanda Sonqkayi	SAMWU Shop Steward
Aletta Meyer	SAMWU Shop Steward
Enrico Sampson	IMATU Shop Steward
Rodney Foentjies	IMATU Shop Steward
Muriel Links	IMATU Shop Steward
Jacobus Van Maro	IMATU Shop Steward
Henry Witbooi	Manager: Human Resources
Izaan Tieties	HR Practitioner: Labour Relations
Jessica Cloete	Committee Services Officer

Table 30: Labour Forum

## COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

### 2.7 RISK MANAGEMENT

In terms of Section 62 of the MFMA (1)(c)(i) *“the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems - of financial and risk management and internal control;”...*

The management of risk is the process by which the Accounting Officer, the CFO and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost-effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

#### Purpose and Scope

This policy addresses key elements of the risk management framework to be implemented and maintained by the Municipality, which will allow for the management of risks within the defined risk/return parameters, risk appetite and tolerances as well as risk management standards. As such, it provides a framework for the effective identification, evaluation, management measurement and reporting of the Municipality's risks.

#### Objectives

The objective of the risk policy is to ensure that a strategic plan is developed that should address the following:

- an effective risk management architecture
- a reporting system to facilitate risk reporting
- an effective culture of risk assessment

The role of the service departments is to identify, review and manage their risks on an ongoing basis, making risk management an integral or natural part of the organisational processes and procedures. Risk management should be embedded in the organisation, it becomes an intrinsic part of business planning and decision making - there is no direction taken without looking at potential risks.

The table below includes the top strategic and operational risks of the Municipality:

Risk	Current Controls	Risk Type	Residual Risk Exposure	Risk Owner
Lack of financial viability and economic sustainability	3-year strategic plan	Strategic Risk	Within risk appetite	All Directorates All Directors
Inability to provide timely and effective services to the community	Master plans and asset register	Operational Risk	Within risk appetite	Technical Service Manager PMU
Events not complying with safety regulations could lead to litigation against the Municipality	Events Management Policy	Operational Risk	Within risk appetite	Office of the Municipal Manager
Inability to deliver projects due to lack of financial resources and current government funding model	Received MIG funds to implement the water and storm water pipes	Operational Risk	Within risk appetite	Technical Service Manager PMU
Uncontrolled growth of informal settlements	<ul style="list-style-type: none"> <li>Relocation of informal settlements</li> <li>Funds received from the Department of Human Settlements</li> </ul>	Strategic Risk	Below risk appetite	Integrated Development Service
Loss of income and/or legal fines for the non-compliance of landfill sites in the region	<ul style="list-style-type: none"> <li>Establish Intern Municipal Cooperation Forum</li> <li>Memorandum of agreement between municipalities and the district</li> </ul>	Strategic Risk	Below risk appetite	Technical Service Manager PMU
WWTW is overloaded and generates poor risky sewer final effluent	Desludging of oxidation pounds	Strategic Risk	Below risk appetite	Technical Service Manager PMU
Cost of compliance, under-funded mandates and insufficient equitable share	Legal instruments such as MOA, MOU etc.	Operational Risk	Within risk appetite	Office of the Municipal Manager
The unwillingness of farmers to extend contracts to extract underground water from their land (Lamberts Bay)	<ul style="list-style-type: none"> <li>Water restrictions</li> <li>Water awareness campaigns</li> <li>Implementation of the draft tariff structure</li> </ul>	Strategic Risk	Exceeds risk tolerance level	Technical Service Manager PMU
Inability to provide the community with water services	Water and electricity meters-audit conducted	Strategic Risk	Exceeds risk tolerance	Technical Service Manager PMU
Risk of power failures and possible safety concerns due to overloading of the network	Audit conducted on the electricity supply	Operational Risk	Exceeds risk tolerance level	Technical Service Manager PMU

Table 31: Top Risks

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the Municipality. The report contains the current top risks of the Municipality, which includes:

- the key strategic and financial risks facing the Municipality (all extreme and high-risk exposures)

- the key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

Further detail of the roles of the Risk Committee is included in the approved Risk Committee Charter.

Name of Committee Member	Capacity
Gerrit Matthyse	Municipal Manager
Joylyon Goeieman	Internal Auditor
Vacant	Technical Services Manager PMU
Erika Visser	Acting Chief Financial Officer (CFO)
Jennifer Maarman	Manager: Supply Chain Management
Randall September	Manager: Electro-Mechanical
Henry Witbooi	Manager: Human Resources
Andries Titus	Director: Support Services
Jaques Kotze	Manager: Civils
Collin Julies	Officer: OHS and Organizational Risk Management

Table 32: Risk Committee

## 2.8 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

### 2.8.1 Developed Strategies

Name of strategy	Developed (Yes/No)	Date adopted
Fraud and Corruption Prevention Policy	Yes	12 October 2022
Fraud and Corruption Prevention Strategy	Yes	12 October 2022

Table 33: Strategies

## 2.8.2 Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Code of Ethics	Use of consultants where not necessary	The new organogram makes provision for a Risk Officer. The position been not filled yet. The OHS Officer is responsible for Risk Management until the position is advertised and filled
Whistle Blowing Policy	Inadequate risk management capacity	The Internal Audit Department oversees the whistle blowing hotline. The incidence reporting register/database is in place

Table 34: Implementation of the Strategies

## 2.9 AUDIT COMMITTEE

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

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

- Internal Financial Control
- Risk Management
- Performance Management
- Effective Governance

The Audit Committee has the following main functions as prescribed in section 166 (2)(a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

### 2.9.1 Functions of the Audit Committee

- To advise the Council on all matters related to compliance and effective governance
- To review the annual financial statements 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
- Respond to the council on any issues raised by the Auditor-General in the audit report
- To review the quarterly reports submitted to it by the internal audit
- To evaluate audit reports pertaining to financial, administrative and technical systems
- The compilation of reports to the 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



- 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

## 2.9.2 Members of the Audit Committee

The following table indicates the members of the Audit Committee:

Name of representative	Capacity
Omar Valley	Chairperson
Charles Beukes	Member
Omphile Sehunelo	Member

Table 35: Members of the Audit Committee

## 2.10 PERFORMANCE AUDIT COMMITTEE

The Municipal Planning and Performance Management Regulations require that the Performance Audit Committee is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the Municipality. Section 14(2)(b) of the Municipal Planning and Performance Management Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the Performance Audit Committee who is neither a Councillor nor an employee of the Municipality as the chairperson of the committee.

In terms of Section 166(4)(a) of the MFMA, an Audit Committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the Municipality.

Section 166(5) of the MFMA, requires that the members of an Audit Committee must be appointed by the Council of the Municipality. One of the members, not in the employ of the Municipality, must be appointed as the chairperson of the committee. No Councillor may be a member of an Audit Committee.

Both the Municipal Planning and Performance Management Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a Performance Audit Committee. While the regulations preclude the appointment of a councillor as chairperson of the Performance Audit Committee, the MFMA excludes the involvement of a councillor in the composition of a Performance Audit Committee entirely.

Section 14(3)(a) of the Municipal Planning and Performance Management Regulations requires that the Performance Audit Committee of a Municipality must meet at least twice during each financial year. However, additional special

meetings of the Performance Audit Committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Municipal Planning and Performance Management Regulation.

## 2.10.1 Functions of the Performance Audit Committee

In terms of Section 14(4)(a) of the Municipal Planning and Performance Management Regulations the performance audit committee has amongst others the responsibility to -

- i) review the quarterly reports produced and submitted by the internal audit process;
- ii) review the Municipality's performance management system and make recommendations in this regard to the Council of the Municipality; and
- iii) at least twice during each financial year submit a performance audit report to the Council of the Municipality.

## 2.10.2 Members of the Performance Audit Committee

The following table indicates the members of the Performance Audit Committee:

Name of representative	Capacity
Omar Valley	Chairperson
Charles Beukes	Member
Omphile Sehunelo	Member

Table 36: Members of the Performance Audit Committee

## 2.11 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the Municipality's programme for the year.

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

### Newsletters

Type of Newsletter	Distributed
Internal	Monthly
External	Quarterly

Table 37: Newsletter

## Awareness Campaigns

Topic	Target Groups
Anti - corruption and Fraud campaign (Internal Focus)	Internal awareness campaign to educate and inform staff and councillors about practices of fraud and corruption
Batho - Pele - People first	Internal awareness campaign to refresh the staff of the principles of Batho - Pele and customer care
Municipal radio profiling: Managers	Managers and or delegated staff of the municipality profiling their departments and the corporate message of the municipality
Municipal radio: Executive Mayor & Municipal Manager	Executive Mayor profiles the programmes of the municipality against the set vision and progress made. The Municipal Manager profiles the municipality against the service delivery standards project management and customer care and customer relations
Internal Newsletter	Internal news dealing with management, staff, councillor, union related matters
External Newsletter	External news dealing with campaign programme and project related matter
Applications and forms	Education campaign to customers struggling to understand or correctly complete municipal forms ( across the spectrum)
Clean Rivers and wetland (include coastal clean - up)	Environmental Awareness campaign
TID electricity	Education and Awareness campaign to all electricity pre - paid users
Fire Awareness campaign	Awareness campaign in Clanwilliam and all informal settlement
Welcome to Cederberg	Campaigns to welcome guests and tourists to Cederberg ( include save water campaign on - going)
Back to School campaign	Educational awareness campaign. Emphasis on the good standards of our schools and teachers
Jamboree	Campaign bringing municipal services to communities
Do not litter campaign	Awareness campaign to stop illegal dumping and littering
Youth Job and Entrepreneurship summit	Education workshop campaign
Anti - Vandalism campaign	Awareness and Education campaign
Clean Towns	Awareness and education campaign
Communication survey	Information and statistical

Table 38: Awareness Campaigns

## Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes
Call system and WhatsApp	Yes
Facebook	Yes

Channel	Yes/No
WhatsApp Groups	Yes
IGR Forums/Engagements	Yes
Joint Operations Centre Meetings	Yes
Municipal Website	Yes
Local Radio	Yes
Ward committees	Yes

Table 39: Additional Communication Channels Utilised

## 2.12 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

The table below indicates the information and documents that are published on our website.

Description of information and/or document	Yes/No
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Draft Budget 2022/23	Yes
Adjusted Budget 2022/23	Yes
Asset Management Policy	Yes
Customer Care, Credit control & Debt Collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes

Description of information and/or document	Yes/No
Virement Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP 2022/23	Yes
Budget and Treasury Office Structure	No
<b>IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2022/23	Yes
IDP Process Plan for 2022/23	Yes
<b>Supply Chain Management (Sections 14(2), 33, 37 &amp; 75(1)(e) &amp; (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
List of capital assets that have been disposed	Yes
Long term borrowing contracts	Yes
SCM contracts above R30 000	Yes
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	Yes
Public invitations for formal price quotations	Yes
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the MFMA)</b>	
Annual Report of 2021/22	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
<b>Local Economic Development (Section 26(c) of the MSA)</b>	
LED Strategy	Yes
LED Policy Framework	No
Economic Profile	No
LED projects	Yes
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Performance Agreements for employees appointed as per S57 of MSA	Yes

Table 40: Website Checklist

## CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2022/23 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

### 3.1 OVERVIEW OF PERFORMANCE WITHIN ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor measure and review performance indicators to ensure effectiveness and the impact of service delivery by the Municipality.

At the local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether meet its strategic goals, set by the organisation and its employees are met.

The Constitution of South Africa, Section 152, dealing with the objectives of local government paves the way for performance management with requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management. With reference to the principles of inter alia:

- The promotion of efficient, economic and effective use of resources
- Accountable public administration
- To be transparent by providing information
- To be responsive to the needs of the community
- And to facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the IDP to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery Budget Implementation Plan (SDBIP).

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning. Monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players. "Performance management is not only relevant to the organisation as a whole, but also the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

## **3.1.1 Legislative Requirements**

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In terms of Section 46(1)(a) of the MSA, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

## **3.1.2 Organisational Performance**

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Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processing are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP, high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services.

## **3.1.3 Performance Management System Used in the Financial Year 2022/23**

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### **a) *Adoption of a Performance Management Framework***

The Municipality's performance framework was approved by Council on 31 May 2020.

### **b) *The IDP and the Budget***

The reviewed IDP for 2022/23 and the budget for 2022/23 were approved by Council on 20 May 2022. The IDP process and the performance management processes are integrated. The IDP fulfils the planning stage of performance management. Performance Management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

### **c) *The Service Delivery Budget Implementation Plan***

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the SDBIP at the directorate and departmental levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process

of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No. 13 prescribes that:

- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months
- The SDBIP should form the basis for measuring the performance against goals set during the budget/IDP processes

The SDBIP were prepared as per legislation and the Top Layer SDBIP was approved by the Executive Mayor on 24 June 2022. The Top Layer SDBIP was revised with the Adjustment Budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and an adjusted Top Layer SDBIP was approved by the Council on 13 March 2023.

**d)      *The Municipal Scorecard (Top Layer SDBIP)***

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council/senior management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- One-year detailed plan
- Monthly projections of revenue to be collected (not billed) for each source
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Output not input / internal management objectives
- Level and standard of service being provided to the community
- Ward information for expenditure and service delivery
- Detailed capital project plan is broken down by ward over three years



The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):

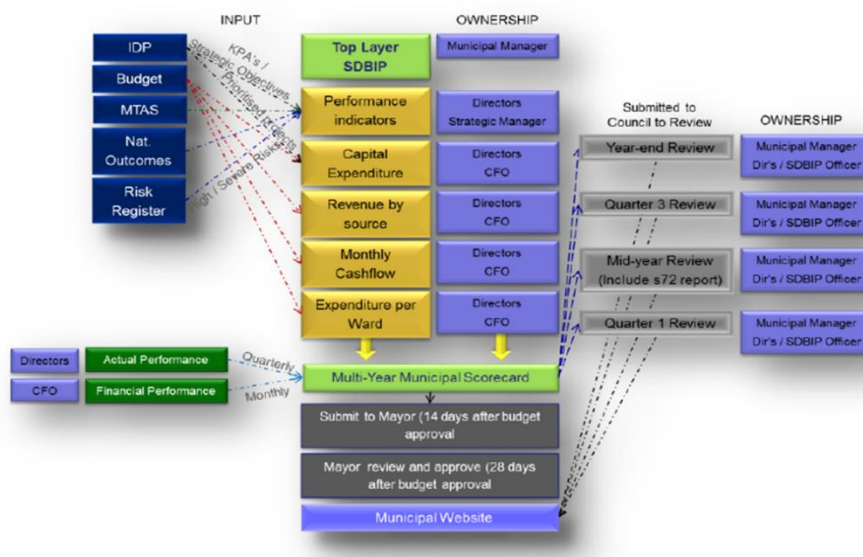


Figure 7: Components of the Municipal Scorecard (Top Layer)

Top Layer KPI's were prepared based on the following:

- Key Performance Indicators (KPI's) for the programmes/activities identified to address the strategic objectives as documented in the IDP
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements

## e) Actual Performance

The Municipality utilizes an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set
- The output/outcome of achieving the KPI
- The calculation of the actual performance reported (if %)
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

## 3.1.4 Performance Management

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### (a) **Organisational Performance**

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved on 24 June 2022
- The web-based system sent automated e-mails to the users of the system as a reminder for updating their actual performance against key performance indicator targets every month for the previous month's performance
- Additionally, the performance system administrator reminded all departments on a monthly basis to update their actual performance on the web-based system

### (b) **Individual Performance Management - Municipal Managers and Managers directly accountable to the Municipal Manager**

The MSA prescribes that the Municipality must enter into performance based agreements with all s57 managers and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreement of the Municipal Manager for 2022/23 financial year was signed on 24 June 2022.

The appraisal of the performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2021/22 financial year (1 July 2021 to 30 June 2022) took place on 9 February 2023. No mid-year performance evaluations for 2022/23 (1 July 2022 to 30 June 2023) took place.

The appraisals are done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Performance Audit Committee
- Municipal Manager from another municipality

### (c) **Individual Performance Management - All Staff**

The Municipal Staff Regulations 890 and Guidelines 891 promulgated on 20 September 2021 Chapter 4, Performance Management and Development System Section 32 (1) states that the performance management and development system applies to all staff members of a municipality with the exclusion of certain staff members as stated by the subsections (a) - (d). However due to various issues raised by Municipalities across the country COGTA

on 17 June 2022 provided Municipalities with Circular 12 which provided Municipalities with an extension for implementation on 1 July 2023 in terms of Chapter 2 and 4 of these Regulations.

In terms of this extension provided to the Municipality, the Municipality has therefore developed/started the following process in order to ensure implementation:

## **Awareness**

Drafting of KPI's for specific users (One-on-One Sessions)

Development of KPI's and targets linked to job KPA's, performance standards and identification of potential portfolio of evidence. The Municipality selected 111 staff members to attend one on one session scheduled from 18 April to 26 April.

One hour was allocated for each session during which the staff members were informed of the purpose of the session and all the fields required in terms of the Regulation for the performance agreement. The facilitator utilised the relevant job description (JD) of the staff member to extract the KPA's ranging between 5-7 KPA's. The staff member in collaboration with the facilitator identified the relevant KPI's, targets, performance standard and source of evidence in order to measure the performance of the KPA.

User also received system training in order to draft their Performance Agreements as part of the implementation process for the 2023/24 financial year.

## **Policies reviewed**

- Rewards And Recognition Policy to be developed
- Evaluation Committee to be established

## **Training**

System training sessions was conducted from 10 to 14 July on "How to create/compile a Performance Agreement"). The second phase of the training for system users that was conducted 14-18 August 2023, focussed on the capturing of actual performance and monitoring performance.

**3.2 STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2022/23**

**3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)**

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview of the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

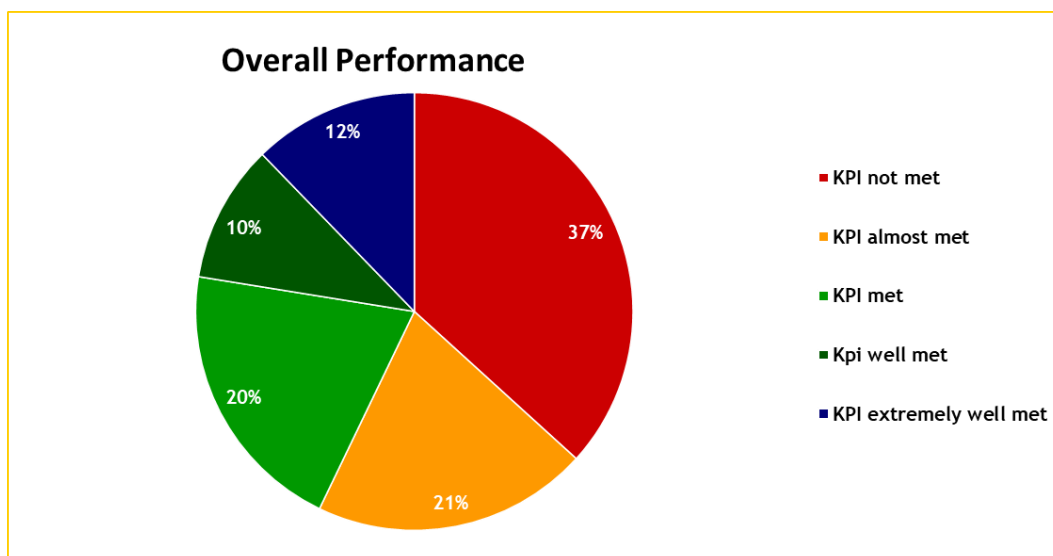
In the paragraphs below the performance achieved is illustrated against the Top layer SDBIP according to the IDP (strategic) objectives.

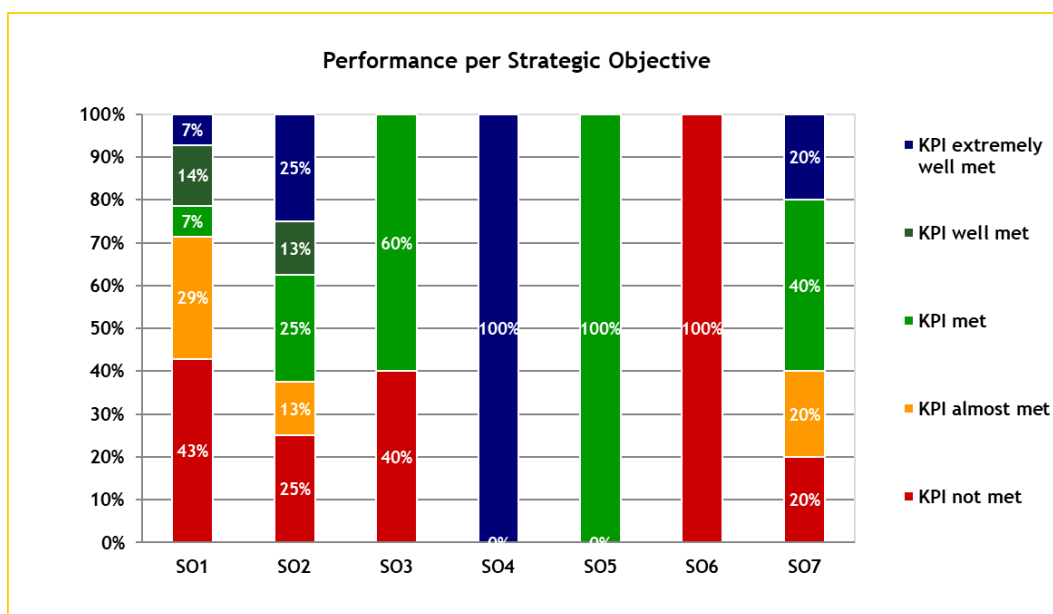
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

Category	Colour	Explanation
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

Figure 8: SDBIP Measurement Criteria

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the tables and graphs below:





Graph 2: Top Layer SDBIP per Strategic Objectives

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7	Total
	Improve and sustain basic service delivery and infrastructure development	Strive for Financial viability and economically sustainability	Promote Good governance, community development & public participation	Facilitate, expand and nurture sustainable economic growth and eradicate poverty	Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade	Facilitate social cohesion, safe and healthy communities	Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council	
<b>KPI Not Met</b>	12	2	2	0	0	1	1	<b>18</b>
<b>KPI Almost Met</b>	8	1	0	0	0	0	1	<b>10</b>
<b>KPI Met</b>	2	2	3	0	1	0	2	<b>10</b>
<b>KPI Well Met</b>	4	1	0	0	0	0	0	<b>5</b>
<b>KPI Extremely Well Met</b>	2	2	0	1	0	0	1	<b>6</b>
<b>Total</b>	<b>28</b>	<b>8</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>49</b>

Table 41: Top Layer SDBIP per Strategic Objectives

## a) Improve and sustain basic service delivery and infrastructure development

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL15	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2023	Number of residential properties which are billed for water or have pre paid meters	All	6 072	6 019	6 034	6 059	6 059	6 034	5 830	○
<b>Corrective Action</b>		A dedicated operational Team/ committee will each quarter, perform a strict process of verifying, evaluating of all services reported to be rendered to Residential properties are correctly qualified and quantified to align to the KPI definition and relevant policy of the municipality. In cases where the KPI definition and the policy are not aligned the policy will be aligned to the definition of the KPI.									
TL16	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2023	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	8 179	8 341	8 396	8 414	8 440	8 396	6 659	○
<b>Corrective Action</b>		A dedicated operational Team/ committee will each quarter, perform a strict process of verifying, evaluating of all services reported to be rendered to Residential properties are correctly qualified and quantified to align to the KPI definition and relevant policy of the municipality. In cases where the KPI definition and the policy are not aligned the policy will be aligned to the definition of the KPI.									
TL17	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2023	Number of residential properties which are billed for sewerage	All	5 074	5 085	5 148	5 170	5 167	5 148	5 047	○
<b>Corrective Action</b>		A dedicated operational Team/ committee will each quarter, perform a strict process of verifying, evaluating of all services reported to be rendered to Residential properties are correctly qualified and quantified to align to the KPI definition and relevant policy of the municipality. In cases where the KPI definition and the policy are not aligned the policy will be aligned to the definition of the KPI.									
TL18	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2023	Number of residential properties which are billed for refuse removal	All	5 948	5 930	5 953	6 000	5 999	5 953	5 859	○
<b>Corrective Action</b>		A dedicated operational Team/ committee will each quarter, perform a strict process of verifying, evaluating of all services reported to be rendered to Residential properties are correctly qualified and quantified to align to the KPI definition and relevant policy of the municipality. In cases where the KPI definition and the policy are not aligned the policy will be aligned to the definition of the KPI.									
TL19	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic water	All	2 002	2 185	2 302	2 410	2 397	2 302	1 675	R
<b>Corrective Action</b>		A dedicated operational Team/ committee will at the start of the Indigent applications process each year and then also quarterly, perform a strict process of verifying, evaluating and follow up on all applications.									

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL20	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic electricity	All	2 019	2 179	2 264	2 369	2 250	<b>2 264</b>	<b>1 546</b>	R
<b>Corrective Action</b>		A dedicated operational Team/ committee will at the start of the Indigent applications process each year and then also quarterly, perform a strict process of verifying, evaluating and follow up on all applications.									
TL21	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic sanitation services	All	1 916	2 185	2 226	2 342	2 330	<b>2 226</b>	<b>1 640</b>	R
<b>Corrective Action</b>		A dedicated operational Team/ committee will at the start of the Indigent applications process each year and then also quarterly, perform a strict process of verifying, evaluating and follow up on all applications.									
TL22	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic refuse removal	All	2 012	2 185	2 299	2 407	2 395	<b>2 299</b>	<b>1 673</b>	R
<b>Corrective Action</b>		A dedicated operational Team/ committee will at the start of the Indigent applications process each year and then also quarterly, perform a strict process of verifying, evaluating and follow up on all applications.									
TL24	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2023 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget actually spent on capital projects as at 30 June 2023	All	62.02%	0%	6.54%	15.68%	52%	<b>90%</b>	<b>55.34%</b>	R
<b>Corrective Action</b>		The major projects funded by grants are MIG, INEP, RBIG and ISUPG. For the Upgrade Roads & Stormwater Graafwater (MIG), site handover took place in February. The project is in construction phase and contractor is on site. The project is at 85% completion. The expected completion date is September 2023. For the Multi-Purpose Centre Graafwater (MIG), the appeal period for the tender lapsed on 20 February 2023. The site handover took place 24 February 2023. The project is in construction phase and the contractor is on site. The project is at 15% completion. The INEP project is at overall 44% completion. Construction has commenced and the substation tender phase 2 is awaiting appraisal. The Informal Settlements projects (ISUPG) have been completed. The Lamberts Bay Desalination Plant project (RBIG) has been put on hold. The Municipality has received a revised gazette and allocation has been adjusted. The tender process has been completed for the purchase of generators. Some of the generators have been delivered and will be installed. Phase two of purchasing generators is currently in procurement phase. The BAC recommended that funds be rolled over as the delivery time of the generators would only be in the 2023-2024 financial year. The expenditure for upgrade of MV and LV networks has been. The current phase is complete. Next phase will commence in the 2023/24 financial year. The budget has also been revised with regards to internally generated funds to include purchase of vehicles for refuse removal									
TL26	Spend 90% of the approved fleet management budget spend by 30 June 2023 [(Actual expenditure on fleet management/total approved fleet management budget)x100]	% of budget spent by 30 June 2023	All	0	0	0	0	0	<b>90%</b>	<b>0</b>	R
<b>Corrective Action</b>		<ul style="list-style-type: none"> <li>A Monthly Project Performance Tracking Sheet to monitor:               <ol style="list-style-type: none"> <li>1) Actual Progress against planned programme and;</li> <li>2) Actual Expenditure against planned cash flow as well as to proactively develop action responses if and when required, such as in cases of under spending, and or delays.</li> </ol> </li> </ul>									

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
					<ul style="list-style-type: none"> <li>Establishment of internal committee (consisting of Technical and Finance senior officials) to discuss project delays, address constraints, propose action plans as well as to ensure alignment between technical and financial reporting.</li> <li>Submission of 'Monthly Project Performance Tracking Sheet' to CFO and MM for oversight and early intervention where required</li> </ul>							
TL28	Develop a Service Charter and submit to Council for approval by 31 March 2023	Service Charter developed and submitted for approval	All	0	0	0	0	0	0	1	0	R
<b>Corrective Action</b>		Engagement with the Department Local Government: Public Participation has started in order to develop a Service Charter. The Service Charter will be completed by 30 November 2023										
TL36	Develop a preventative maintenance plan for community facilities and submit to Council for approval by 30 November 2022	Maintenance plan developed and submitted for approval	All	New KPI for 2022/23	0	0	0	0	0	1	0	R
<b>Corrective Action</b>		Manager Administration was appointed during June 2023. An analysis of all municipal properties were done. Step 2: A meeting with building control officer/OHS Officer were done to understand the extent of Municipal Property development and cycle for short-, medium- and long-term planning. Step 3: An analysis of all current urgent maintenance was done. Step 4: Discussion with CFO took place. It was agreed that small urgent expenses take place until end September 2023 to establish office allocations and remediation										
TL38	Spend 90% of the approved maintenance budget for electricity services by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	90.00%	0%	20%	57%	85%	90%	77.80%	○	
<b>Corrective Action</b>		<ul style="list-style-type: none"> <li>A Monthly Project Performance Tracking Sheet to monitor:               <ol style="list-style-type: none"> <li>1) Actual Progress against planned programme and;</li> <li>2) Actual Expenditure against planned cash flow as well as to proactively develop action responses if and when required, such as in cases of under spending, and or delays.</li> </ol> </li> <li>Establishment of internal committee (consisting of Technical and Finance senior officials) to discuss project delays, address constraints, propose action plans as well as to ensure alignment between technical and financial reporting.</li> </ul> Submission of 'Monthly Project Performance Tracking Sheet' to CFO and MM for oversight and early intervention where required										
TL39	Spend 90% of the approved maintenance budget for roads and stormwater by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	66.63%	0%	25.05%	47.03%	91%	90%	91%	G2	
TL40	Spend 90% of the approved maintenance budget for waste water by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	83.90%	0%	37.15%	0%	78.74%	90%	85.84%	○	
<b>Corrective Action</b>		<ul style="list-style-type: none"> <li>A Monthly Project Performance Tracking Sheet to monitor:               <ol style="list-style-type: none"> <li>1) Actual Progress against planned programme and;</li> <li>2) Actual Expenditure against planned cash flow as well as to proactively develop action responses if and when required, such as in cases of under spending, and or delays.</li> </ol> </li> </ul>										



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23							Actual	R
					Target								
					Q1	Q2	Q3	Q4	Annual				
		<ul style="list-style-type: none"> <li>Establishment of internal committee (consisting of Technical and Finance senior officials) to discuss project delays, address constraints, propose action plans as well as to ensure alignment between technical and financial reporting.</li> </ul> Submission of 'Monthly Project Performance Tracking Sheet' to CFO and MM for oversight and early intervention where required											
TL41	Spend 100% of the MIG grant by 30 June 2023 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2023	All	84.00%	2.70%	11.40%	0%	100%	100%	100%	100%	G	
TL42	95% of the water samples comply with SANS 241 micro biological parameters {(Number of water samples that comply with SANS 241 indicators/Number of water samples tested)x100}	% of water samples complying with SANS 241 micro biological parameters	All	94.11%	91.70%	83%	80%	93%	95%	93%	O		
<b>Corrective Action</b>		Rural towns impacting on the drinking water quality negatively. Improvements to be implemented at Wupperthal and Leipoldville to ensure improved overall compliance											
TL43	Spend 90% of the approved maintenance budget for water by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	76.74%	0%	55.03%	0%	96.58%	90%	106.99%	G2		
TL44	Limit unaccounted for water to less than 15% by 30 June 2023 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified x 100)}	% unaccounted water	All	23.80%	35.74%	13.75%	0%	16.60%	15%	27.52%	R		
<b>Corrective Action</b>		The calibration and replacement of bulk meters for accurate readings are completed. Distribution network losses to be limited by installing pressure reducing valves to control pressure and reduce pipe breaks											
TL45	Spend 90% of the approved INEP budget for the bulk electricity upgrade in Clanwilliam by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	3	New KPI for 2022/23	0%	11%	34%	95%	90%	93.02%	G2		
TL47	Spend 90% of the budget approved for the procurement of electricity equipment by 30 June 2023 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2023	All	New KPI for 2022/23	0%	6%	25%	33%	90%	78.07%	O		
<b>Corrective Action</b>		<ul style="list-style-type: none"> <li>A Monthly Project Performance Tracking Sheet to monitor:               <ol style="list-style-type: none"> <li>1) Actual Progress against planned programme and;</li> <li>2) Actual Expenditure against planned cash flow as well as to proactively develop action responses if and when required, such as in cases of under spending, and or delays.</li> </ol> </li> </ul>											

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
					<ul style="list-style-type: none"> <li>Establishment of internal committee (consisting of Technical and Finance senior officials) to discuss project delays, address constraints, propose action plans as well as to ensure alignment between technical and financial reporting.</li> <li>Submission of 'Monthly Project Performance Tracking Sheet' to CFO and MM for oversight and early intervention where required</li> </ul>						
TL48	Spend 90% of the approved RBIG budget for the Lamberts Bay Regional Water Supply by 30 June 2023 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2023	5	New KPI for 2022/23	0%	0%	0%	187.07%	90%	187.07%	B
TL50	Spend 90% of the budget approved for the upgrade of roads and stormwater infrastructure in Graafwater by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	4	New KPI for 2022/23	0%	27.70%	0%	163.49%	90%	163.49%	B
TL52	Spend 90% of the budget approved for the construction of a Multi Purpose Centre in Graafwater by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	4	3.34%	0%	5.88%	0%	26.33%	90%	26.33%	R
	<b>Corrective Action</b>				<ul style="list-style-type: none"> <li>A Monthly Project Performance Tracking Sheet to monitor:                             <ol style="list-style-type: none"> <li>1) Actual Progress against planned programme and;</li> <li>2) Actual Expenditure against planned cash flow as well as to proactively develop action responses if and when required, such as in cases of under spending, and or delays.</li> </ol> </li> <li>Establishment of internal committee (consisting of Technical and Finance senior officials) to discuss project delays, address constraints, propose action plans as well as to ensure alignment between technical and financial reporting.</li> </ul> Submission of 'Monthly Project Performance Tracking Sheet' to CFO and MM for oversight and early intervention where required						
TL54	Review the SDF and submit to Council for approval by 30 June 2023	SDF reviewed and submitted	All	New KPI for 2022/23	0	0	0	1	1	1	G
TL55	Spend 90% of the budget approved for the municipal water resilience grant by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	All	New KPI for 2022/23	0%	0%	0%	0%	90%	0%	R
	<b>Corrective Action</b>				Given the late transfer of funding, i.e., March 2023, the Municipality could not commence with the implementation of the project in the 2022/23 financial year. The funding and the project however remains of critical importance. A roll-over application will be submitted on 31 August 2023. The Municipality is committed to fast-track performance and implementation in the new 2023/24 financial year						
TL56	Spend 90% of the budget approved for the load shedding relief grant by 30 June 2023 [(Total actual expenditure on the project/	% of budget spent by 30 June 2023	All	New KPI for 2022/23	0%	0%	0%	0%	90%	0%	R

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	Approved capital budget for the project)x100]										
<b>Corrective Action</b>		<ul style="list-style-type: none"> <li>A Monthly Project Performance Tracking Sheet to monitor:               <ol style="list-style-type: none"> <li>Actual Progress against planned programme and;</li> <li>Actual Expenditure against planned cash flow as well as to proactively develop action responses if and when required, such as in cases of under spending, and or delays.</li> </ol> </li> <li>Establishment of internal committee (consisting of Technical and Finance senior officials) to discuss project delays, address constraints, propose action plans as well as to ensure alignment between technical and financial reporting.</li> </ul> Submission of 'Monthly Project Performance Tracking Sheet' to CFO and MM for oversight and early intervention where required									
TL57	Spend 90% of the budget approved for the Upgrade of MV Networks in Clanwilliam, Graafwater and Citrusdal by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	All	New KPI for 2022/23	0%	0%	0%	100%	90%	93.41%	G2

Table 42: Improve and sustain basic service delivery and infrastructure development

## b) Strive for financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL8	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2023 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Rev	% of debt coverage by 30 June 2023	All	2.50%	0%	0%	0%	1.40%	52.50%	12.63%	B
TL9	Financial viability measured in terms of the outstanding service debtors as at 30 June 2023 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors by 30 June 2023	All	10.35%	0%	0%	0%	56.18%	9.20%	14.25%	R
<b>Corrective Action</b>		Budget Funding Plan approved by Council. Formal Written Quotation advertised to appoint a service provider for the review of the Long-Term Financial Plan									
TL10	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2023 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	0	0	0	0	0	0.1	1	B

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL11	100% of the Financial Management Grant spent by 30 June 2023 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2023	All	100.00%	0%	32.26%	45.85%	60.59%	100%	97.68%	O
<b>Corrective Action</b>		Journals to be processed on completion of the AFS									
TL12	Submit the annual financial statements to the Auditor-General by 31 August 2022	Approved financial statements submitted to the Auditor-General by 31 August 2022	All	1	1	0	0	0	1	1	G
TL13	Achievement of a payment percentage of 91% by 30 June 2023 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2023	All	91.26%	84.09%	91.70%	93.47%	92.50%	91%	92.10%	G2
TL14	Achieve an unqualified audit opinion for the 2021/22 financial year	Unqualified Audit opinion received	All	1	0	0	1	0	1	1	G
TL35	Compile and submit a Traffic Fine Revenue enhancement plan to Council by 31 December 2023	Traffic Fine Revenue enhancement plan submitted to Council	All	0	0	0	0	0	1	0	R
<b>Corrective Action</b>		The speed enforcement service tender has been finalised. The provider has been appointed as of the 1 July 2023. We will now start the process for the revenue enhancement plan in collaboration with the service provider for submission to council by September 2023									

Table 43: Strive for financial viability and economically sustainability

## c) Promote Good Governance, Community Development & Public Participation

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Develop and submit the Risk Based Audit Plan for 2023/24 to the Audit Committee by 30 June 2023	Risk Based Audit Plan submitted to the Audit Committee by 30 June 2023	All	1	0	0	0	1	1	1	G
TL2	Oversee the compilation and submission of the final IDP to Council by 31 May	Final IDP submitted to Council by 31 May	All	1	0	0	0	1	1	1	G
TL3	Complete the annual Risk Assessment and submit the Strategic and Operational Risk Register to the Risk Committee by 31 December 2022	Strategic and operational risk register submitted to the Risk Committee by 31 December 2022	All	0	0	1	0	0	1	1	G

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL7	Address 90% of ICT Audit findings by 30 June 2023	% of Audit findings addressed by 30 June 2023	All	70.00%	0%	0%	0%	0%	90%	0%	R
<b>Corrective Action</b>		ICT Steering Committee took place on 29 June 2023. Positive resolutions came from the meeting and most findings will be addressed during the new financial year									
TL25	Spend 90% of the approved maintenance budget spend for municipal buildings by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All		0%	2.12%	0%	16.85%	90%	16.85%	R
<b>Corrective Action</b>		Manager Administration was appointed during June 2023. An analysis of all municipal properties was done. Step 2: A meeting with building control officer/OHS Officer was conducted to understand the extent of municipal property development and cycle for short-, medium- and long-term planning. Step 3: An analysis of all current urgent maintenance was done. Step 4: Discussion with CFO took place. It was agreed that small urgent expenses take place until end September 2023 to establish office allocations and remediation									

Table 44: Promote Good Governance, Community Development & Public Participation

#### d) Facilitate, expand and nurture sustainable economic growth and eradicate poverty

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL37	Create 250 jobs opportunities in terms of EPWP by 30 June 2023	Number of job opportunities created in terms of EPWP by 30 June 2023	All	449	0	0	0	457	250	457	B

Table 45: Facilitate, expand and nurture sustainable economic growth and eradicate poverty

#### e) Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL32	Construct 240 toilets for Clanwilliam IBS (Khayalitsha Block C1 ) by 30 June 2023	Number of toilets constructed by 30 June 2023	All	New KPI for 2022/23	0	0	0	240	240	240	G

Table 46: Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade

## f) Facilitate social cohesion, safe and healthy communities

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL33	Complete a feasibility study for the Testing Centre (DLTC) for driving licenses Lambert's Bay and submit to Council by 31 March 2023	Feasibility study submitted to Council by 31 March 2023	All	0	0	0	0	0	1	0	R
<b>Corrective Action</b>		Was submitted to Portfolio Committee in April 2023 and recommended to Mayco. Will be submitted to Council after recommendation from Mayco									

Table 47: Facilitate social cohesion, safe and healthy communities

## g) Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2021/22	Overall Performance 2022/23						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL4	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan as at 30 June 2023	Number of people employed as at 30 June	All	1	0	0	0	1	1	1	G
TL5	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2023 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2023 (Actual amount spent on training/total personnel budget)x100	All	0.43%	0%	0%	0%	0.71%	0.15%	0.71%	B
TL6	Spend 90% of the approved capital budget IT equipment and software by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	All	57.82%	0%	0%	0%	50.48%	90%	84.82%	O
<b>Corrective Action</b>		The Manager ICT resigned in February 2023. The Systems Administrator took over the process. The Systems Administrator initiated Two FQ's. Only 1 FQ was successful. A tender process will be done for the full scope of work in the new financial year. This will be completed by end of September 2023									
TL29	Review staff establishment and submit to Council for approval by 30 June 2023	Reviewed staff establishment submitted for approval	All	New KPI for 2022/23	0	0	0	0	1	0	R
<b>Corrective Action</b>		Review still on-going. Service provider was appointed by DLG. Timeline for completion will be September 2023. Will be submitted to Council in September 2023									
TL30	Develop an HR Strategy and submit to Council for approval by 30 June 2023	Strategy developed and submitted for approval	All	New KPI for 2022/23	0	0	1	0	1	1	G

Table 48: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council

## 3.2.1 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

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

During the year under review the Municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

## 3.2.2 Municipal Functions

### a) Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire Fighting Services	MOU with District
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No

Municipal Function	Municipal Function Yes / No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlors and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 49: Functional Areas



## COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

### 3.3 WATER PROVISION

#### 3.3.1 Introduction to Water Services

Water is probably the most fundamental and indispensable of natural resources - fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to portable water supply systems and domestic waste water and sewerage disposal systems as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 metres of a household. As a result of the drought situation in the Western Cape, Cederberg Municipality was compelled to conduct an assessment of the various bulk water supply systems. Surface water provision was at risk and assistance from the Department of Local Government was requested. The Department of Local government funded an all-town water reconciliation study to enhance water provision over the next twenty (20) years. With the funding support, exploration of boreholes was investigated and initiated.

#### 3.3.2 Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Inadequate funding to address infrastructure needs	Funding applications must be submitted to secure funding for the upgrade of infrastructure
Water quality failures from the Clanwilliam Dam No infrastructure to purify drinking water to acceptable standards as per SANS 241	Funding application must be submitted to Department of Water and Sanitation (DWS) to upgrade the purification works
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	Funding application must be submitted to Department of Water and Sanitation (DWS) for the construction of the 3ML reservoir
Inability to reduce water losses in all towns	Additional staff must be appointed to conduct repairs
Scarcity of ground water - Cederberg Area	Draft a Ground Water Monitoring Protocol to enhance the management of the water resource
Communities without water during power outages	The installation of permanent generators is required

Table 50: Water Services Challenges

### 3.3.3 Service Delivery Levels: Water Services

Below is a table that specifies the different water service delivery levels per household for the financial years 2021/22 and 2022/23:

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Water: (above minimum level)</b>		
Piped water inside dwelling	6 072	6 059
Piped water inside the yard (but not in dwelling)	1 410	1 410
Using public tap (within 200m from dwelling)	111	111
Other water supply (within 200m)	0	0
<b>Minimum Service Level and Above Sub-total</b>	<b>7 592</b>	<b>7 580</b>
<b>Minimum Service Level and Above Percentage</b>	<b>85.97%</b>	<b>85.95%</b>
<b>Water: (below minimum level)</b>		
Using public tap (more than 200m from dwelling)	1 239	1 239
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b>Below Minimum Service Sub-total</b>	<b>1 239</b>	<b>1 239</b>
<b>Below Minimum Service Level Percentage</b>	<b>14.03%</b>	<b>14.05%</b>
<b>Total number of Households (formal and informal)</b>	<b>8 831</b>	<b>8 819</b>
<i>Include informal settlements</i>		

Table 51: Water Service Delivery Levels: Households

### 3.3.4 Employees: Water Services

The following table indicates the staff composition for this division:

<b>Employees: Water Services</b>					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	13	23	12	11	47.8
4 - 6	3	8	2	6	75
7 - 9	9	10	9	1	10
10 - 12	1	2	1	1	50

Employees: Water Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	0	0	0	0	0
16 - 18	0	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>26</b>	<b>44</b>	<b>24</b>	<b>20</b>	<b>45.4</b>

Table 52: Employees: Water Services

### 3.3.5 Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
RBIG - Lamberts Bay Regional Water Supply	13 214 783	131 304	730 707	(599 403)
Lamberts Bay Regional Water Supply (Own)	0	510 000	468 969	41 031
Water: Equipment	0	50 000	30 872	19 128
Water Equipment Clanwilliam	0	100 000	0	100 000
Water: Equipment Graafwater	0	50 000	0	50 000
Generators	0	1 050 000	0	1 050 000
Generators	0	900 000	0	900 000
Plant and equipment Citrusdal	0	50 000	37 113	12 887
MIG upgrade reservoir Elands Bay	0	87 054	0	87 054
MIG upgrade water network Lamberts Bay	2 688 630	0	0	0
WSIG Water Pressure Management Citrusdal	0	1 310 733	643 132	667 601
Upgrade Water Network: Citrusdal	0	0	61 315	(61 315)
MWRG: Refurbishment of Wadrift Reservoir	0	434 783	0	434 783
MWRG: New borehole scheme in Lamberts Bay	0	2 173 913	0	2 173 913
New Borehole Scheme in Lamberts Bay Co-Funding	0	50 000	0	50 000

Table 53: Capital Expenditure 2022/23: Water Services

## 3.4 WASTE WATER (SANITATION) PROVISION

The Department of Water and Sanitation (DWS) commenced with the regulation of water services in South Africa as early as 2004, but intensified this approach with the introduction of the much celebrated incentive-based regulatory approaches which includes the Green Drop and the newly introduced No Drop Certification programmes. These programmes excelled beyond expectations since it stimulated politicians. Despite the good efforts it remains a massive challenge for Cederberg Municipality to comply with all standards set by local government. The funding requirement to address the infrastructure backlogs in the waste water sector deteriorates every year as a result of an increase of the inflation rate. However, Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems, domestic waste water and sewerage disposal systems as a local government function. Cederberg Municipality would like to enhance backlog eradication to improve the overall compliance in operations and management.

### 3.4.1 Highlights: Waste Water (Sanitation) Provision

The table below specify the highlight for the year:

Highlight	Description
Refurbishment of Clanwilliam Waste Water Treatment Works (WWTW)	<p>This project will aim to provide the residents of Clanwilliam, and the surrounding environment, with a WWTW capable of producing a treated effluent that complies with the special limits, irrespective of the quality of raw water received.</p> <p>Components of the Scheme:</p> <ol style="list-style-type: none"> <li>6. Upgrade the Inlet Works Flow Measurement facility.</li> <li>7. Remedial works on existing WWTP equipment</li> <li>8. Installation of a small Lime dosing facility to the pH correction at Inlet Works</li> <li>9. Convert one of the existing Sludge Lagoons into a Night Storage Pond</li> <li>10. Construct a temporary overflow weir at Inlet Works</li> <li>11. Install a temporary submersible pump</li> </ol>

Table 54: Waste Water (Sanitation) Provision Highlights

## 3.4.2 Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

Description	Actions to address
Removal of sewer sludge at Clanwilliam works are a challenge	Compile a Sludge Management Plan for each plant and implement
Algeria WWTW aerator bin leaks sewer and pose an environmental health risk	Algeria WWTW aerator requires urgent refurbishment. Compile business plan and source funding for the refurbishment
Elands Bay oxidation ponds are overloaded	The appraisal requires that volume test on the oxidation ponds need to be done
Sewer sludge removal from WWTW is hampering operations resulting in none-compliance	Since sewer sludge removal is a huge cost driver in operation and maintenance, a business plans requesting funding must be submitted to DWS
Rural areas are without proper sanitation and require urgent interventions with regards to sanitation services	Negotiation with landowners to enable the Municipality to conduct feasibility studies on properties

Table 55: Waste Water (Sanitation) Provision Challenges

## 3.4.3 Service Delivery Levels: Waste Water (Sanitation) Provision

Below is a table that specifies the different sanitation service delivery levels per household for the financial years 2021/22 and 2022/23:

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Sanitation/Sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	5 074	5 167
Flush Toilet (with Septic tank)	487	487
Chemical Toilet	20	278
Pit Toilet (ventilated)	0	0
Other toilet provisions (above minimum service level)	379	379
<b>Minimum Service Level and Above Sub-Total</b>	<b>5 960</b>	<b>6 311</b>
<b>Minimum Service Level and Above Percentage</b>	<b>73.47%</b>	<b>76%</b>
<b>Sanitation/Sewerage: (below minimum level)</b>		
Bucket Toilet	0	0
Other Toilet provisions (below minimum service level)	0	0
No toilet provisions	2 152	2 152
<b>Below Minimum Service Level Sub-Total</b>	<b>2 152</b>	<b>2 152</b>
<b>Below Minimum Service Level Percentage</b>	<b>26.53%</b>	<b>24%</b>

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Sanitation/Sewerage: (above minimum level)</b>		
<b>Total number of households</b>	<b>8 112</b>	<b>8 463</b>

Table 56: Waste Water (Sanitation) Provision Service Delivery Levels

### 3.4.4 Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Employees: Sanitation Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	7	1	6	83.3
4 - 6	3	4	3	1	25
7 - 9	4	4	4	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>15</b>	<b>8</b>	<b>7</b>	<b>46.6</b>

Table 57: Employees Waste Water (Sanitation) Provision

### 3.4.5 Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Sewerage: Pump and pipe	90 000	0	0	0
Sewerage: Equipment Graafwater	0	50 000	0	50 000
Sewerage: Equipment Lambert Bay	0	73 000	62 966	10 034
Sewerage: Equipment Elands Bay	0	50 000	38 927	11 073
Sewerage: Equipment Clanwilliam	85 000	52 000	39 220	12 781
Sewerage: Equipment Citrusdal	150 000	150 000	120 718	29 280

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Sewerage: Equipment Clanwilliam	2 000 000	0	0	0
Sewerage: Equipment Algeria	0	25 000	0	25 000
MIG Upgrade Sewer Network Lamberts Bay	7 399 608	0	0	0
Upgrade Sewer Network Clanwilliam	350 000	0	0	0
Upgrade Sewer Network Citrusdal	150 000	0	0	0
WWTW Equipment	0	215 000	0	215 000

Table 58: Capital Expenditure 2022/23: Waste Water (Sanitation) Provision

## 3.5 ELECTRICITY

### 3.5.1 Introduction to Electricity

Local government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

#### Service Backlogs

The Municipality cannot allow any development in Clanwilliam due to a shortage of electricity from the Eskom bulk intake point. Negotiations between Eskom and the Municipality have been finalised. The Department of Mineral Resources and Energy (DMRE) committed a contribution of 100% of the cost to build a 66 KV overline and a new 66/11kV substation. The project is in the execution phase with the projected end date being the end of 2024/2025 financial year.

#### Infrastructure

The Municipality is responsible for the distribution of electricity in all urban areas including Clanwilliam, Citrusdal, Lamberts Bay, Elands Bay and Graafwater. Eskom distributes electricity to the areas not serviced by the Municipality.

### 3.5.2 Highlights: Electricity

The table below specify the highlight for the year:

Highlight	Description
New 66/11kV substation and 66kV overhead line form Graafwater to Clanwilliam	100% Funding allocated for the Integrated National Electrification Programme (INEP)

Table 59: Electricity Highlights

## 3.5.3 Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Loadshedding	Load curtailment on the municipal side to ensure safeguarding of the network
Illegal electrical connections	Investigate no purchase list received from Finance Department
Vandalism during loadshedding times	Police patrol areas during loadshedding
Generators being used outside its designed purpose	Generators must be monitored daily and only run when the dam levels drop below safe maintainable levels
Staff working extensive overtime hours	Rotate staff and give enough time-off to rest

Table 60: Electricity Challenges

## 3.5.4 Service Delivery Levels: Electricity

The table below specifies the service delivery levels for the year:

Households		
Description	2021/22	2022/23
	Actual	Actual
	No.	No.
Households		
Electricity	8 123	8 695
Total number of households	10 764	6 059

*Number of debtors according to the billing system*

Table 61: Electricity Service Delivery Levels

## 3.5.5 Employees: Electricity

The following table indicates the staff composition for this division:

Employees: Electricity Services					
Job Level	2021/22		2022/23		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	5	15	6	9	60



Employees: Electricity Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	3	3	2	1	33.3
10 - 12	5	7	6	1	14.2
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>26</b>	<b>14</b>	<b>11</b>	<b>42.3</b>

Table 62: Employees: Electricity Services

### 3.5.6 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Machinery & equipment (panel & generator)	1 000 000	770 000	670 404	99 596
Ward 4 high mast lights (Elands Bay Township)	1 300 000	0	0	0
Clanwilliam: 11kv Cable - Mark Street	0	1 600 000	1 565 217	34 783
Graafwater: Refurbish overhead line east of town	0	585 000	533 863	51 137
Citrusdal: Replace RMU in Voortrekker Street	0	815 000	703 239	111 761
Transport assets	60 000	0	0	0
Electricity: Equipment	3 500 000	0	0	0
Loadshedding Relief Grant: Generators	0	1 391 304	0	1 391 304
INEP - Bulk electricity upgrade Clanwilliam	20 869 565	19 130 434	19 130 435	(1)
Ward 3 Streetlights & spotlights	50 000	50 000	42 485	7 515
Ward 2 Streetlights & spotlights	50 000	50 000	42 485	7 515
Ward 5 Streetlights & spotlights	50 000	50 000	42 485	7 515

Table 63: Capital Expenditure 2022/23: Electricity

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

### 3.6.1 Introduction to Waste Management

The fragmented and uncoordinated way pollution and waste has been dealt with, as well as insufficient resources to implement and monitor existing legislation, contributes largely to the unacceptably high levels of pollution and waste in South Africa. Through the promulgation and implementation of various pieces of policies, legislation, standards and guidelines, as well as the implementation of co-operative governance as envisaged in the Constitution this situation will be improved. The current fragmentation, duplication and lack of co-ordination will be eliminated.

Pollution and waste management is not the exclusive preserve of the government. The private sector and civil society have crucial roles to play. The fostering of partnerships between government and the private sector is a prerequisite for sustainable and effective pollution and waste management to take place. Similarly, the spirit of partnerships and co-operative governance between organs of state is equally important due to the cross-cutting nature of pollution and waste management.

### 3.6.2 Highlights: Waste Management

The table below specifies the highlights for the year:

Highlight	Description
Technical report for yellow fleet funding	Funding request submitted to the Municipal Infrastructure Grant (MIG)

Table 64: Waste Management Highlights

### 3.6.3 Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Illegal dumping on road reserves	Awareness and cleaning campaigns should be conducted
Insufficient refuse equipment and vehicles	Budgetary provision must be made to replace old equipment and trucks

Table 65: Waste Management Challenges

## 3.6.4 Service Delivery Levels: Waste Management

The table below specifies the service delivery levels for the year:

Description	Households	
	2021/22	2022/23
	Actual	Actual
	No.	No.
<b><i>Solid Waste Removal: (Minimum level)</i></b>		
Removed at least once a week	5 948	10 775
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>5 948</b>	<b>10 775</b>
<b><i>Minimum Service Level and Above percentage</i></b>	<b>100%</b>	<b>100%</b>
<b><i>Solid Waste Removal: (Below minimum level)</i></b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b>0</b>	<b>0</b>
<b><i>Below Minimum Service Level percentage</i></b>	<b>0%</b>	<b>0%</b>
<b>Total number of households</b>	<b>5 873</b>	<b>16 591</b>

Table 66: Waste Management Service Delivery Levels

## 3.6.5 Employees: Waste Management

The following table indicates the staff composition for this division:

Employees: Solid Waste Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	21	27	19	8	29.6
4 - 6	4	6	4	2	33.3
7 - 9	7	8	5	3	37.5
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	1	0	1	100

Employees: Solid Waste Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0
<b>Total</b>	<b>32</b>	<b>42</b>	<b>28</b>	<b>14</b>	<b>33.3</b>

Table 67: Employees: Waste Management

## 3.6.6 Capital: Waste Management

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Refuse: Equipment	205 000	4 000	3 198	802
Vehicles (3x Bakkies LDV)	900 000	0	0	0
Vehicles (Conversion)	0	2 600 000	0	2 600 000

Table 68: Capital Expenditure 2022/23: Waste Management

## 3.7 HOUSING

### 3.7.1 Introduction to Housing Subsidy Programmes: BE HOMEWISE

Introduction to Housing Subsidy Programmes: Be Homewise

#### Housing need:

The need for an integrated residential development approach that addresses the whole spectrum of residential needs has been identified and the following main combined income categories have been considered:

#### 1. Subsidy Housing Opportunity: If you earn R0-R3 500 pm

If your household income falls between R0 and R3500 per month, you may qualify for one of the following government housing subsidies and programmes. - Individual Subsidy

To access one of these subsidies, you must be registered on the housing demand database at the municipality where you live.

##### A. What You Get

This subsidy can be used once if your application is successful. The subsidy amount is up to R202 888.

You can use this subsidy to:

- Buy an existing house
- Buy a house on a plot and plan basis
- Finished an incomplete house, if not previously subsidised

## **B. What You Need To Qualify**

You qualify for this subsidy if:

- You registered on the housing demand database (waiting list) at your municipality.
- You have been on the municipal housing demand database for a minimum of 5 years.
- You are a South African Citizen or have a permanent residency permit.
- You are 18 years or older.
- You are married or living with a partner.
- You are single or divorced and have proven financial dependants permanently living with you.
- Your maximum monthly household income is R3 500 or less before deductions
- You or your partner have never owned property or in exceptional cases where the final order of divorce leaves all immovable property to one person, a person owns a portion e.g. A fifth of a property bequeathed in an estate and where a person owns a vacant stand bought without State assistance
- Please take note that priority will be given to applicants who are either aged or have special needs (e.g. disabled persons), you qualify for a housing subsidy, plus a set disability variance amount to pay for the cost of any extra features your house may need, for example, a ramp for wheelchair access.
- There is a limited budget, therefore assistance is provided on a first come first serve basis. Applications can be submitted from 1 April and will be accepted until the funding is depleted.

## **C. How To Apply**

Applications and enquiries can be made directly at the Western Cape Department of Infrastructure, Human Settlements Branch

- Visit 27 Wale Street, Cape Town
- Call the helpdesk on 027 483 6488
- Email: [human.settlements@westerncape.gov.za](mailto:human.settlements@westerncape.gov.za)
- Visit the departmental website: [www.westerncape.gov.za/dept/human-settlements](http://www.westerncape.gov.za/dept/human-settlements)

Or

- Visit your nearest Human Settlements office in your municipality for support.

## **2. Subsidy Housing Opportunity: If you earn R3 501-R7 500 pm**

If your household income falls between R3501-R7500 per month, you may qualify for one of the following government housing subsidies and programmes- Integrated Residential Development Programme (IRDP)

To access one of these subsidies, you must be registered on the housing demand database at the municipality where you live.

With this subsidy, you will be able to get land, service a site and build a home. It is provided to Local Municipalities.

### 3. Subsidy Housing Opportunity: If you earn R7 501-R22 000 pm

If your household income falls between R7501 and R22 000.00 per month, you may qualify for the Finance Linked Individual Subsidy Programme (FLISP)

This program has changed and is now called *Help Me Buy Me a Home*.

The implementation of the revised policy will be done on a phased approach with the first phase focusing on applications where a beneficiary is-As Implemented as of 1 April 2022

- Accessing a mortgage loan
- Is not required to contribute since the subsidy FLISP is supported with a Pension-backed loan (partial through a bank or directly correlated to pension)
- Is not required to contribute since the subsidy covers the selling price; no loan is needed
- "Rent to Buy" Agreement: Delayed Outcome (same as standard FLISP Application-when ready to buy, with clarification on the source of co-funding)

This subsidy can be used by first-time home buyers to purchase a property. It can also be used to purchase a serviced residential stand or build a new house on a residential stand that you already own.

Subsidies are provided depending on your income bracket and can be used to reduce your monthly loan repayments.

This will make your home loan more affordable. The subsidy amount is based on your household income and ranges between R30 001- R130 505. Once your home loan is approved. You can apply directly to the Western Cape Department of Infrastructure for a FLISP

### C. Individual Subsidy Opportunities

Given the strategic decision to focus on FULL subsidy and FLISP housing, the needs can be summarized as follows:

Description	Number
Full Subsidy	4 123
FLISP	693

Table 69: Housing Needs

## 3.7.2 Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Title deed handover: Lamberts Bay 84 top structure	100% of title deeds handed over
Completion of 62 top structures In Citrusdal	100% handed over to beneficiaries
Title deed handover: Citrusdal 152 project	100% of title deeds handed over
Military Veteran Accommodated In The Citrusdal IRDP Housing Project	1 Military Veteran received a house

Table 70: Housing Highlights

## 3.7.3 Challenges: Housing

The table below specifies the challenges for the year:

Description	Actions to address
Growth of Informal Settlements	<ul style="list-style-type: none"> <li>Strengthen monitoring and controls through support from Law Enforcement Unit and the Informal Settlement Officer</li> <li>Updating Informal Settlement register and provision of residential cards to legal occupants</li> <li>Regular spot checks by law enforcement and informal settlement officer</li> </ul>
Lack of bulk infrastructure	<ul style="list-style-type: none"> <li>Report to Technical Department on the need for bulk infrastructure to activate the housing projects</li> <li>Submission of housing pipeline to province and indicates bulk infrastructure support</li> </ul>
Title deeds backlog	<ul style="list-style-type: none"> <li>Funding application to register 50 title deeds</li> </ul>

Table 71: Housing Challenges

## 3.7.4 Service Delivery Levels

Applicants on the Western Cape Housing Demand Database (waiting list) as per income category

Category	R per month	Number
Full Subsidy	R0 - R3 500	4 123
Service Site	R3 501 - R7 000	933
FLISP	R7 001 - R22 000	693
Other	Above R22 000	74

Table 72: Applicants on the Western Cape Housing Demand Database

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2021/22	5 856	4.5%
2022/23	5 835	(0.46%)

Table 73: Housing Waiting List

A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2021/22	23 010	20 882	90%	174	0
2022/23	15 340	9 669	63%	62	0

Table 74: Houses Built and Sites Service

### 3.7.5 Employees: Housing

The following table indicates the staff composition for this division:

Employees: Housing					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	1	0	1	100
10 - 12	4	5	3	2	40
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>42.8</b>

Table 75: Employees: Housing



## 3.7.6 Capital: Housing

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MIG: Ablution facilities and wash through Elands Bay	0	267 267	117 400	149 867
MIG: Ablution facilities and water points Clanwilliam	0	67 896	0	67 896
ISUPG: Clanwilliam Khayelitsha water services	5 000 000	9 255 000	0	9 255 000
ISUPG: Clanwilliam Khayelitsha sanitation services	5 000 000	5 000 000	0	5 000 000

Table 76: Capital Expenditure 2022/23: Housing

## 3.8 FREE BASIC SERVICES AND INDIGENT SUPPORT

### 3.8.1 Introduction

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than R3 800 per month will receive the free basic services as prescribed by national policy. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years.

The table below indicates that 33% of the total number of households received free basic services in 2022/23 financial year:

Financial year	Number of indigent households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2021/22	2 019	2 019	100%	2 002	99%	1 916	95%	2 012	99%
2022/23	2 397	2 250	94%	2 397	100%	2 330	97%	2 395	99.9%

Table 77: Free Basic Services to Indigent Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R			R			R
2021/22	2 019	50	156 512	8 179	200	4 062 182	22	120	190 653

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R			R			R
2022/23	2 250	50	187 875	8 440	200	4 506 960	0	0	0

Table 78: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R			R
2021/22	2 002	6	110 871	6 027	20	1 112 584
2022/23	2 397	6	139 218	6 059	20	1 173 022

Table 79: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R			R
2021/22	1 916	215	411 940	5 047	215	1 085 105
2022/23	2 330	0	454 140	5 167	234	1 209 078

Table 80: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	R value per HH	Value
			R			R
2021/22	2 012	143	287 716	5 948	143	850 564
2022/23	2 395	30	72 281	5 999	156	935 844

Table 81: Free Basic Refuse Removal Services to Indigent Households

Financial Performance 2022/23: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2021/22		2022/23	
	Actual	Budget	Adjustment Budget	Actual
	R			
Water	1 077 502	905 737	3 424 000	3 380 014
Sanitation	3 403 708	3 675 480	5 191 000	5 127 554
Electricity	64 315	68 780	99 000	91 411
Refuse	539 663	583 150	829 000	818 512

Table 82: Cost to Municipality of Free Basic Services Delivered

## COMPONENT B: ROAD TRANSPORT

### 3.9 ROADS AND STORMWATER

#### 3.9.1 Introduction to Roads and Stormwater

Cederberg Municipality has a Pavement Management System (PMS) which was compiled in 2013. This document comprises of network level proposals for the maintenance of paved and unpaved roads in the municipal area, through an assessment of the network based on methodical visual ratings of each road section. Although it was envisaged that the PMS would be updated every two years, there is still a major backlog in the total length of the network which requires upgrading or rehabilitation. This backlog is as a result of limited funding provisions for operations and maintenance of infrastructure over the years.

The total length of our paved network is 106km. The average condition of the network can be rated as poor to very poor, with more than 50% of the surfacing in the poor to very poor category.

The total unpaved network is 18km. The average condition of the unpaved network can be rated as fair to poor.

The Citrusdal Upgrade Roads and Stormwater Infrastructure Project was registered with the Municipal Infrastructure Grant (MIG) following prioritisation through the PMS. The total project estimate at project registration was R61 180 161. The MIG registered amount is R38 543 501, which requires counter-funding by the Municipality of R22 636 660. A total of R32 342 599 has been spent to date on the project with the implementation of Phases 1 to 5.

In the financial year under review, Phase 5 of this Citrusdal Multi-year Roads And Stormwater Project was implemented and R1 018 831 was spent of the MIG allocation.

The objective of Phase 5, implemented in the 2022/23 financial year, was to rehabilitate the existing roads in Oranjeville in the town of Citrusdal, by means of repairing base failures with a 100mm Emulsion Treated Base (ETB) patch, resurfacing the roads with a 30mm asphalt overlay and constructing a new road (Canna Avenue). Other ancillary work such as replacing kerbs, road signs and markings was performed.

- 30mm Asphalt overlay: Fuchia Street (248m)
- 30mm Asphalt overlay: Eureka Street (261m)
- 30mm Asphalt overlay: Disa Street (275m)
- 30mm Asphalt overlay: Clarkia Street (262m)
- 30mm Asphalt overlay: Botterblom Street (218m)
- 30mm Asphalt overlay: Anemoon Street (324m)
- 30mm Asphalt overlay: Eike Street (475m)
- 30mm Asphalt overlay: Denne Street (215m)
- 30mm Asphalt overlay: Cedar Street (215m)

- 30mm Asphalt overlay: Bohemia Street (234m)
- 30mm Asphalt overlay: Akasia Street (190m)
- 30mm Asphalt overlay: Loop Street (474m)
- Repair of bituminous treated base (BTB) failures with ETB: Titus Street (344m)
- Repair of BTB failures: Kooperasie Street (220m)
- New road construction: Canna Street (115m)

It is a challenge to secure sufficient funding for the maintenance of our roads, therefore the Municipality utilises the Expanded Public Works Programme (EPWP) for most of the yearly maintenance programmes. Approximately R252 000 was spent from own funds on the maintenance and rehabilitation of roads and stormwater in the 2022/23 financial year.

The Municipality's stormwater drainage network consists of 31km of a piped system and open drainage channels. The drainage system of Citrusdal is the poorest and this is being addressed with the MIG project currently being implemented for the upgrade of roads and stormwater infrastructure. Maintenance and cleaning of the existing stormwater system is conducted on an annual basis to alleviate blockages that cause flooding.

### 3.9.2 Highlights: Roads and Stormwater

The table below specify the highlight for the year:

Highlight	Description
Phase 1 - Construction work is underway in Graafwater for Phase 1 of the roads project	Improve the road surface in the area of service delivery

Table 83: Roads and Stormwater Highlights

### 3.9.3 Challenges: Roads and Stormwater

The table below specify the challenge for the year:

Description	Actions to address
Roads identify during IDP sessions in all towns	Municipality in financial constraints. Municipality need to apply for funding to reconstruct roads

Table 84: Roads and Stormwater Challenge

## 3.9.4 Service Delivery Levels and Statistics: Roads

The table below specifies the service delivery levels for the year:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads (km)	New gravel roads constructed (km)	Gravel roads upgraded to tar (km)	Gravel roads graded/maintained (km)
2021/22	18	0	0	3
2022/23	18	0	0	4

Table 85: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads (km)	New tar roads (km)	Existing tar roads re-tarred (km)	Existing tar roads re-sheeted (km)	Tar roads maintained (km)
2021/22	106	0	0	8	5
2022/23	106	0	0	0.3	10

Table 86: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
	R'000	R'000	R'000	R'000	R'000	R'000
2021/22	0	0	0	3 103	0	507
2022/23	0	0	0	0	0	597

Table 87: Cost of Construction/Maintenance of Roads

## 3.9.5 Services Delivery Levels and Statistics: Stormwater

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

Stormwater Infrastructure: Kilometres				
Year	Total stormwater measures (km)	New stormwater measures (km)	Stormwater measures upgraded (km)	Stormwater measures maintained (km)
2021/22	0	0	0	15
2022/23	31	0	0	20

Table 88: Stormwater Services Delivery Statistics

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

Stormwater Measures			
Year	New	Upgraded	Maintained
2021/22	0	0	138 939
2022/23	0	0	338 998

Table 89: Stormwater Services Delivery Statistics – Financials

### 3.9.6 Employees: Roads and Stormwater

The following table indicates the staff composition for this division:

Employees: Roads and Stormwater					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	27	35	25	10	28.5
4 - 6	0	6	0	6	100
7 - 9	9	13	9	4	30.7
10 - 12	3	3	3	0	0
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>41</b>	<b>59</b>	<b>39</b>	<b>20</b>	<b>33.8</b>

Table 90: Employees: Roads and Stormwater

### 3.9.7 Capital: Roads and Stormwater

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Ward 5 Roads: Equipment	60 000	60 000	43 130	16 870
Vehicles Clanwilliam (Digger Loader & Single Cab B	900 000	0	0	0
Vehicles	0	391 304	0	391 304

Table 91: Capital Expenditure 2022/23: Roads and Stormwater

## COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)

### 3.10 PLANNING

#### 3.10.1 Introduction to Planning

Land use planning for Cederberg Municipality is handled by the Department of Town Planning, Building Control and Environmental Management. The department continue to face challenges from the previous financial years due to budget constraints and post-pandemic economy. However, the department managed to continue provide the required service deliveries with the help of securing additional personnel for the department in 2022/23 financial year.

#### 3.10.2 Highlights: Planning

The table below specifies the highlights for the year:

Highlights	Description
Stability of office space	The department has a dedicated office space to serve the public at the main offices in Clanwilliam
Finalisation of the Cederberg Spatial Development Framework 2023-2027	The department successfully finalise the new Spatial Development Framework (SDF) document for the Municipality which was adopted by Council
Continuous mentoring of the two building inspectors	Two building inspectors were appointed in 2022 at the department to facilitate the legislative requirements of the municipality. They are continuously being mentored by the Building Control Officer
The department achieved its service delivery targets	The department achieved its service delivery targets and timeframes despite the lack of resources

Table 92: Planning Highlights

#### 3.10.3 Challenges: Planning

The table below specifies the challenges for the year:

Description	Actions to address
Lack of human resources	Provision must be made to appoint a Town Planner Intern and/or professional Town Planner. Currently, the manager of the department is fulfilling the duties of his post, town planning, and GIS
Department personnel challenges in 2023	The department lost an admin clerk (resigned). The department managed to retain the person for an additional three months period allowing for the fulfilment of the vacancy

Description	Actions to address
Budgetary constraints	Budgetary provisions must be made to procure the necessary equipment, i.e. office stationery, training, and attendance of workshops
Addressing law enforcement procedures in the absence of dedicated qualified law enforcement officials regarding environmental-, land development- and building control. The COVID-19 pandemic caused an increase in unauthorised building activities since March 2020	Employ dedicated law enforcement officials and develop clear and concise standard operating procedures (SOP). Also, implement an amnesty period for unauthorised building activities
Lack of stable top management	The lack of stable top management places service delivery constraints for the department, i.e. delaying important decision-making on applications

Table 93: Planning Challenges

### 3.10.4 Service Delivery Levels: Planning

The table below specifies the service delivery levels for the year:

Applications for Land Use Development				
Detail	Formalisation of Townships		Rezoning	
	2021/22	2022/23	2021/22	2022/23
Planning application received	0	0	46	44
Applications not approved	0	0	0	1
Applications closed	0	0	1	1
Applications outstanding at year end	0	0	3	6
Awaiting DEA&DP decision	0	0	0	0

Table 94: Applications for Land Use Development

Type of service	2021/22	2022/23
Building plans application processed	216	188
Total surface (m <sup>2</sup> )	60 337	25 126
Approximate value	R39 219 500	R155 612 550
Residential extensions	29 162	16 725
Land use applications processed	48	41

Table 95: Additional Performance Town Planning and Building Control



## 3.10.5 Employees: Planning

The following table indicates the staff composition for this division:

Employees: Planning					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	1	1	50
10 - 12	4	5	4	1	20
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25</b>

Table 96: Employees: Planning

## 3.10.6 Capital: Project Management and Town Planning

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MIG: Upgrade roads and stormwater infrastructure - Citrusdal	0	1 808 966	648 193	1 160 773
MIG: Upgrade roads and stormwater infrastructure - Graafwater	2 471 370	5 223 248	8 539 387	(3 316 139)
MIG PMU Computer equipment	17 391	19 130	16 213	2 917

Table 97: Capital Expenditure 2022/23: Project Management and Town Planning

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

### 3.11.1 Introduction to LED

Local Economic Development (LED) is a cross-cutting discipline and is reliant upon all the departments within the Municipality in order to be successful. The Municipality has recognised the importance of LED as a vehicle for growth and poverty alleviation and has committed itself to create an enabling environment within which economic growth and development can be achieved.

The Cederberg Municipality LED Unit is working hard to create institutional capacity and the necessary policies and procedures to ensure that LED becomes ingrained in the way that we do things in the Municipality.

### 3.11.2 Highlights: LED

The table below includes the highlights with the implementation of the LED Strategy:

Highlights	Description
Construction Education and Training Authority (CETA) Project	More than 500 learners capacitated with a bricklaying course Funding was secured for 12-month training which commenced in the 2022/23 financial year
Contractor Development	Panel of small contractors established- still ongoing
SMME Development	Various training sessions held to capacitate SMME's
Bulk Infrastructure	Ongoing infrastructure upgrades
National Project Participation	Three local contractors awarded contracts on South African National Roads Agency SOC Ltd (SANRAL) project

Table 98: LED Highlights

### 3.11.3 Challenges: LED

The table below includes the challenges with the implementation of the LED Strategy:

Description	Actions to address
Budget Constraints	Budget provision must be made for LED projects
Lack of Communication	Sessions must be held to better communication between big business and the Municipality
Lack of bulk infrastructure to support investment and economic development	The Municipality is in process of selling their vacant land and consideration must be given to use these funds to improve bulk infrastructure

Table 99: Challenges LED

## 3.11.4 Employees: LED

The following table indicates the staff composition for this division:

Employees: LED					
Job Level (T-grade)	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	2	1	1	50
7 - 9	0	0	0	0	0
10 - 12	5	5	5	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>12.5</b>

Table 100: Employees: LED

## 3.12 TOURISM

### 3.12.1 Introduction to Tourism

The Cederberg Integrated Tourism Development and Marketing Strategy that was developed in 2013 continues to serve as the guide for all the activities of this department.

Tourism is one of the main growths and job-creating sectors in the local economy. The strategy will guide the enhancement of existing tourism products and develop new sustainable tourism commodities to achieve an optimum mix that will attract specific economy.

Five strategic objectives were identified:

Strategic Objective	Sub-Objective
<p><b>1. Tourism Development:</b> Unlock the true tourism potential of the Cederberg through the development of a range of new and existing tourism products, experiences and events that fulfil visitor requirements and maximize income, contributing to LED and growth Develop tourism activities throughout the Cederberg region, to aid in an increase in tourism traffic over time</p>	<p><b>1.1 Community-Based Tourism:</b> Mainstream community-based tourism initiatives by implementing a portfolio of marketable tourism products and services in hitherto marginalized, rural communities of the Cederberg e.g. Elands Bay and Wupperthal and newly developed rural areas over time <b>1.2 Catalytic Tourism Development Projects:</b> Identify and develop new and existing portfolios of high-profile catalytic tourism products, designed and built by the</p>

Strategic Objective	Sub-Objective
	<p>locals, that will enhance the profile of the Cederberg as a national tourism destination of note</p> <p><b>1.3 Extreme Sports Tourism:</b> Develop Cederberg’s extreme and adventure sports potential as a vibrant tourism sub-sector in the region. Utilize current unique selling points, in particular resorts, to promote water sports</p> <p><b>1.4 Niche Tourism:</b> Develop viable niche tourism sectors specifically birding, mountain biking routes, cultural and heritage routes, botanical/herb tourism and agro-tourism</p> <p><b>1.5 Events Tourism:</b> Develop an exciting, well-planned portfolio of major and community events that stimulates inclusive economic growth, job creation and promote social cohesion and community development. The main aim is to focus on certain events becoming an annual occurrence, thus contributing to guaranteed LED growth</p>
<p><b>2 Tourism Transformation:</b> Create conditions conducive to genuine, bottom-up tourism transformation and specifically the inclusion of previously disadvantaged areas and individuals in the Cederberg Tourism Association industry Utilize the Tourism Transformation Platform to ensure the empowerment of upcoming entrepreneurs, within the sector</p>	<p><b>2.1 Institutional Arrangements:</b> Review and improve the current local tourism institutional arrangements in line with national policy guidelines</p> <p><b>2.2 Representativeness:</b> Develop and implement a realistic blueprint for participation and inclusion of all sectors of the community with a stake in tourism</p> <p><b>2.3 Compliance with relevant legislation:</b> Establish a mechanism that will facilitate and enforce applicable laws and regulations in the local tourism industry i.e. Tourism BEE Codes, BBBEE prescripts and others</p>
<p><b>3 Tourism Marketing:</b> Market and promote the Cederberg area as a world-class, year-round, outdoor-adventure and cultural tourism destination</p>	<p><b>3.1 Digital destination marketing strategy:</b> Develop and implement a cutting-edge digital marketing strategy based on a cost-effective and efficient electronic marketing portal and website</p> <p><b>3.2 Media exposure:</b> Exploit the region’s media exposure to increase tourist numbers</p> <p><b>3.3 Information Portal:</b> Develop a comprehensive information portal where users can access current and accurate regional tourism and related information</p> <p><b>3.4 Communication Strategy:</b> Develop an internal and external communication plan to improve lines of communication to fast-track tourism development</p>
<p><b>4. Tourism Funding and Resource Mobilization:</b> Develop and implement a sustainable tourism funding and resource model in support of Cederberg’s development, growth and marketing objectives</p>	<p><b>4.1 Funding of Local Tourism Office (LTO):</b> Review and strengthen the current Municipal-LTO funding model in order to maximize marketing and development return on investment</p> <p><b>4.2 Resource Mobilization:</b> Lobby national and provincial government, public entities, international funders and private companies to become partners in tourism development and marketing</p>
<p><b>5. Tourism Monitoring and Evaluation:</b> Develop and implement a practical monitoring and evaluation system to monitor, review and assess the progress in tourism development and marketing</p>	<p><b>5.1 Tourism Research Intelligence:</b> Set up a reliable tourism research and intelligence unit linked to a monitoring and evaluation component</p> <p><b>5.2 Source reliable tourism marketing statistics</b> and development data that will assist in evaluating current initiatives and provide options for future developments</p>

Table 101: Tourism Strategic Objectives

## 3.12.2 Highlights: Tourism

The table below includes the highlights with the implementation of the Tourism Strategy:

Highlights	Description
Elands Bay Museum	A lease agreement was signed between Cederberg Municipality and Elands Bay Museum. The museum serving as an Interpretation Centre is now operational
Citrusdal Tourism Association	The association was established, representing the area of Citrusdal. The focus is overall tourism development in the area
Change Makers Hub	Clanwilliam Legacy Garden is making good progress in terms of beautification of towns. All ecobrick benches are completed and the mosaicking of benches is underway. Propagation of spekboom continues at the Ramskop Nursery Garden
Veldblomme Vereniging	Ramskop Nature Reserve is open to the public for viewing several plant species. Ramskop Tea Garden is operational in conjunction with the flower season.

Table 102: Highlights: Tourism

## 3.12.3 Challenges: Tourism

The table below includes the challenges with the implementation of the Tourism Strategy:

Description	Actions to address
Tourism awareness	Start awareness campaigns amongst local communities
Shortage of structures	Form more tourism structures amongst local communities
Training	Initiate local training on tourism development

Table 103: Challenges: Tourism

## 3.12.4 Employees: Tourism

The following table indicates the staff composition for this division:

Employees: Tourism					
Job Level (T-grade)	2021/22		2022/23		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0

Employees: Tourism					
Job Level (T-grade)	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

Table 104: Employees: Tourism

## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### 3.13 LIBRARIES

#### 3.13.1 Introduction to Libraries

Cederberg Municipality have 6 libraries and 1 wheelie wagon. The libraries are in the following areas:

Town	Number of libraries
Citrusdal	1
Clanwilliam	1
Graafwater	1
Lamberts Bay	1
Elands Bay	1
Wupperthal	1
Algeria	1 Wheelie Wagon

Table 105: Libraries in the Municipal Area

#### 3.13.2 Highlights: Libraries

The table below specify the highlight for the year:

Highlight	Description
Municipal Replacement Funding (MRF) grant	100% of MRF grant funds were spend during the financial year

Table 106: Libraries Highlights

## 3.13.3 Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Budget constraints	The Municipality needs to provide additional funding
System failure of Senayan Library Management System (SLIMS)	Provincial Library are busy upgrading the system
Maintenance of library buildings	A report was submitted to administration on maintenance requirements

Table 107: Libraries Challenges

## 3.13.4 Service Statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2021/22	2022/23
Library members	5 802	7 644
Books circulated	1 103 370	2 428 571
Exhibitions held	421	520
Internet users	362	589
New library service points or wheelie wagons	0	0
Children programs	3	8
Visits by school groups	185	215
Book group meetings for adults	0	1
Primary and Secondary Book Education Sessions	2	5

Table 108: Service Statistics for Libraries

## 3.13.5 Employees: Library Services

The following table indicates the staff composition for this division:

Employees: Libraries					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0

Employees: Libraries					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 - 6	10	14	10	4	28.5
7 - 9	0	0	0	0	0
10 - 12	7	7	7	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>21</b>	<b>17</b>	<b>4</b>	<b>19</b>

Table 109: Employees: Libraries

## 3.14 CEMETERIES

### 3.14.1 Introduction to Cemeteries

Cemeteries play a crucial role in our communities in terms of the preservation of heritage. Cemeteries hold deep significance for families with loved ones buried in the municipal area. They also help to offer a space that brings comfort to families as they struggle with their grief while remembering their loved ones. Cederberg Municipality recognizes the importance of cemeteries for the community to cherish and honour their departed loved ones.

### 3.14.2 Highlights: Cemeteries

The table below specify the highlight for the year:

Highlight	Description
Clean cemeteries	Programs to clean cemeteries took place

Table 110: Cemeteries Highlights

### 3.14.3 Challenges: Cemeteries

The table below specify the challenge for the year:

Description	Actions to address
Shortage of workers to keep cemeteries in a clean and good state	More EPWP workers assist in cleaning the cemeteries

Table 111: Cemeteries Challenges



## 3.14.4 Service Statistics for Cemeteries

The table below specifies the service delivery levels for the year:

Type of service	2021/22	2022/23
Burials	381	325

Table 112: Service Statistics for Cemeteries

## 3.14.5 Capital: Community and Social Services

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Construction of multi-purpose centre (Phase 1) Graafwater	400 000	0	0	0
MIG: construction of multi-purpose centre (Phase 1) Graafwater	1 739 130	4 553 751	1 199 101	3 354 650
MLSG: Office furniture/equipment	0	126 566	5 388	121 178

Table 113: Capital Expenditure 2022/23: Community and Social Services

## COMPONENT G: SECURITY AND SAFETY

This component includes: traffic; law enforcement; fire and disaster management

### 3.15 LAW ENFORCEMENT

The Law Enforcement Section is responsible for enforcing municipal by laws in the area of jurisdiction

#### 3.15.1 Highlights: Law Enforcement

The table below specify the highlight for the year:

Highlight	Description
Pro-active Traffic and Law Enforcement	The Department engaged in more K78 Roadblocks and vehicle check points (VCP's) in Cederberg area and N7. Integrated assistance were received from provincial traffic as they now have established a satellite traffic office in Clanwilliam which increase traffic visibility. Law Enforcement Officers also forms part and assist with these operations. Integrated operations with SAPS and department of home affairs to assist with Spaza shops compliance and illegal foreign immigrants

Table 114: Law Enforcement Highlights

## 3.15.2 Challenges: Law Enforcement

The table below specifies the challenges for the year:

Description	Actions to address
Lack of skills and professional training	Law Enforcement Officers to be sent to accredited traffic training college to be equipped with a Traffic Officers Diploma. Most of our officers are inexperienced and needs to undergo skills development training
Limited patrol vehicles and safety equipment	Budgetary provision must be made to procure additional vehicles and safety equipment
After hours services/ Overtime working hours	Budgetary provision must be made for overtime as we experience challenges because of officers that must take off overtime hours during the week

Table 115: Law Enforcement Challenges

## 3.15.3 Service Statistics for Law Enforcement

The table below specifies the service delivery levels for the year:

Details	2021/22	2022/23
Number of by-law infringements attended	376	420
Number of officers in the field on an average day	8	7
Number of officers on duty on an average day	10	7

Table 116: Service Statistics for Law Enforcement

## 3.15.4 Employees: Law Enforcement

The following table indicates the staff composition for this division:

Employees: Law Enforcement					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	11	13	9	5	38.4
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0

Employees: Law Enforcement					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>14</b>	<b>9</b>	<b>6</b>	<b>42.8</b>

Table 117: Employees: Law Enforcement

## 3.16 TRAFFIC SERVICES

The core function of the Traffic Services is to ensure a safe road environment, for all road users. This can only be achieved through the promotion of effective and efficient traffic law enforcement. Furthermore, the following services are rendered;

- Learner licenses
- Driving licenses
- Registration and licensing of vehicles
- Roadworthiness of vehicles

### 3.16.1 Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
Pro-active Traffic Enforcement	<p>We embark on a pro-active responds to traffic enforcement by setting doing more roadblocks in all towns in the Cederberg region as well as the N7 highway.</p> <p>The support and cooperation of our local SAPS and Provincial Traffic in assisting us in our effort, brought many successes.</p> <p>Almost 95 illegal taxis was impounded during the financial year. The assistants of the Citrusdal Community Policing Forum (CPF) mainly contribute to these successes.</p> <p>Visibility was increased by having more patrols in the CBD areas</p>
Road Safety Education	<p>A road safe track was opened in Lamberts Bay in conjunction with the Provincial Road Safety Department.</p> <p>Pamphleteering and interaction with parents, caregivers and schools are ongoing. This pedestrian safety awareness initiative was conducted and ongoing.</p> <p>A Daantjie Kat Day was hosted in Lamberts Bay as part of our Road Safety Programme and scholars were invited and the programme was very successful. This was done in conjunction</p>

Highlights	Description
	with assistants of SAPS, Fire and Disaster and other stakeholders
Patrol vehicles	Our current fleet are in a good condition and two additional patrol vehicles will be received on the speed contract. The vehicles are fitted with blue lights, markings and sirens for effective traffic enforcement
Engagement with CPF's	We attended more frequent (monthly) engagements with CPF's and other stakeholders. In the financial year a more integrated and workable relationship between the CPF stakeholders and protection service department has led to a better co-operation to give feedback on different challenges pertaining to community safety
Citrusdal Driving Licence Testing Centre (DLTC) Compliance	An inspection by the National and Provincial Inspectorate in terms of the prescribed requirements contained in the NRTA, Act 93 of 96 at the Citrusdal and Clanwilliam DLTC and VTS. The findings that was identified during this inspection was corrected. We regard the corrective measures taken during the above mentioned inspection, as a highlight because of the permanent rectification measures that would cause the department to comply with future inspections
Implementation of Integrated Transport plan (ITP)	Our ITP document was corrected and finalised by the department and also the Department of Mobility. The documents needs to be presented to Council for approval. The Municipality engaged in discussions with regard to the implementation of the District ITP and Local Municipal ITP collectively with the Provincial Regulatory Entity (PRE) to assist with a workshop on legislation on public transport. The application and process of the splitting of the Clanwilliam and Citrusdal Taxi Association which is supported by the Municipality was also discussed with PRE

Table 118: Traffic Services Highlights

### 3.16.2 Challenges: Traffic Services

The table below specifies the challenges for the year:

Challenges	Actions to address
Vacant positions	Vacant positions must be advertised and filled
Shortage of vehicles/defective vehicles and equipment	Some of the current vehicles are in running condition but needs mechanical attention. Budget constraints and delays in SCM processes cause the vehicles to be parked for long periods of time before repairs to vehicles can be done
Inadequate uniforms and protective clothing for officers	Uniforms and protective clothing must be procured but due to current financial constraints procurement cannot be finalised
After hours services	Budgetary provision must be made to pay officers standby and overtime which are limited due to budget constraints

Challenges	Actions to address
Low-income stream at testing stations	Exploring the option of privatising the testing stations
Fencing of Citrusdal Traffic Centre	Budgetary provision must be made to fence the perimeter to secure the building
Traffic Offences	More Traffic Officials are required to conduct traffic law enforcement
Impound facility for vehicles and stray animals	Budgetary provisions to be made. Requested assistance from provincial government department transport and public works and department agriculture,
Traffic Fines Section	<p>The non-performance of the previous speed camera service provider UTS has led to the termination by mutual agreement between both parties involved. We embarked on a process to appoint a new service provider and the tender process is in final stage of appointment.</p> <p>The challenges with the department of justice that oversee the reduction and write off of fines according to the circular 10/212/3-223/2017 of the NPA states section 54 summonses older than 18 months and section 56 (5) warrants of arrests older than 2 years must be written off. The condonation of traffic fine write offs is due to conditions beyond the control of the Municipality which than have a negative effect on the income of traffic fine revenue</p>

Table 119: Traffic Services Challenges

### 3.16.3 Additional Performance Service statistics for Traffic Services

The table below specifies the service delivery levels for the year:

Details	2021/22	2022/23
Motor vehicle licenses processed	17 502	22 776
Learner driver licenses processed	488	1 544
Driver licenses processed	410	907
Driver licenses issued	1 182	871
Fines issued for traffic offenses	1 615	1 006
R-value of fines collected	1 906 550	886 480
Roadblocks held	150	53
Complaints attended to by Traffic Officers	65	255
Awareness initiatives on public safety	1	8
Number of road traffic accidents during the year	469	230
Number of officers in the field on an average day	3	5
Number of officers on duty on an average day	3	5

Table 120: Service Statistics for Traffic Services

## 3.16.4 Employees: Traffic Services

The following table indicates the staff composition for this division:

Employees: Traffic Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	4	4	4	0	0
7 - 9	4	8	3	5	62.5
10 - 12	5	8	4	4	50
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>24</b>	<b>15</b>	<b>9</b>	<b>37.5</b>

Table 121: Employees: Traffic Services

## 3.17 FIRE SERVICES AND DISASTER MANAGEMENT

### 3.17.1 Introduction to Fire Services and Disaster Management

A memorandum of understanding exists between West Coast District Municipality (WCDM) and Cederberg Municipality to perform the responsibilities of the Municipality regarding the structural phase and other related fire and rescue services. The Municipality's Fire and Disaster Department consist of only a Disaster and Fire Officer supported by the district municipality.

### 3.17.2 Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Awareness campaigns at Roadblocks/VCP's	During joint operations with SAPS and Provincial Traffic awareness campaigns were held at roadblocks and VCPs regarding Fire And Disaster Management
Random visits at Spaza Shops, Supermarkets	During operations with Law Enforcement, sporadic visits were conducted to see if Spaza Shops comply with the DMA
WCDM Satellite Radio Hub	A satellite radio hub was installed at the Clanwilliam Traffic office to communicate directly with the disaster management

Highlights	Description
	office in Moorreesburg and work smoothly. The system was upgraded to curb load shedding. A second phase process will be implemented where hand-held radio devices will be supplied to communicate with WDCM and still in process
Fire Services Function Transfer to WDCM	The Disaster Management fire-fighting function is to be performed by the West Coast District Municipality on behalf of the Cederberg Municipality and the transfer of services and current personnel not concluded.  The plan is to expand the Fire Service to the towns of Lamberts Bay and Citrusdal which will deliver a more sufficient fire service to the public

Table 122: Fire Services and Disaster Management Highlights

### 3.17.3 Challenges: Fire Services and Disaster Management Services

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Limited staff, vehicles and equipment	Provision to be made to point additional staff and to procure additional vehicles and equipment. We appointed a firefighter and additional staff complement on a permanent basis
Accessibility to roads in informal settlements for inspections (Riverview - Citrusdal, Khayelitsha- Clanwilliam)	Control and monitor the growth of the informal settlements. Shacks are built too close to each other, and greater risks arise when one shack catches fire. Shacks are also not easily reachable with fire trucks in case of emergency

Table 123: Fire Services and Disaster Management Challenges

### 3.17.4 Service Statistics for Fire Services and Disaster Management

The table below specifies the service delivery levels for the year:

Details	2020/21	2021/22	2022/23
Operational callouts	254	209	190
Awareness initiatives on fire safety	15 initiatives/10 000 people	5 initiatives/3 000 people	6 initiatives/1 500 people
Total fires attended in the year	254	209	190
Average turnout time - urban areas	2 hours	2 hours	2 hours
Average turnout time - rural areas	3 hours	3 hours	3 hours

Table 124: Service Statistics for Fire Services

## 3.17.5 Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	3	0	3	100
7 - 9	1	1	1	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>60</b>

Table 125: Employees: Fire Services and Disaster Management

## 3.17.6 Capital: Public Safety

The following table indicates the capital expenditure for this division:

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Generator Clanwilliam Traffic	0	350 000	0	350 000
Generator Citrusdal Traffic	0	350 000	0	350 000

Table 126: Capital Expenditure 2022/23: Public Safety



## COMPONENT H: SPORT AND RECREATION

### 3.18 SPORT AND RECREATION

#### 3.18.1 Introduction to Sport and Recreation

Sport and recreation continue to be important components of social and community well-being. The 2022/23 financial year was characterized by significant events that took place in the municipal area and a number of previously peripheral codes have become popular.

#### 3.18.2 Highlights: Sport and Recreation

The table below specifies the highlights for the year:

Highlights	Description
Sport Management Committees	Sport Management Committees were established to promote community participation and active citizenship
Boland Rugby Top 12	Promote social cohesion and sports tourism

Table 127: Sport and Recreation Highlights

#### 3.18.3 Challenges: Sport and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Soccer fields and netball fields for Clanwilliam	Draft Sports Facility Master Plan needs to be approved. Applications will be submitted to MIG
Fencing for Citrusdal sports field/ Upgrading of soccer/cricket field	Draft Sports Facility Master Plan needs to be approved. Applications will be submitted to MIG
Upgrading of Graafwater sport field	Draft Sports Facility Master Plan needs to be approved. Applications will be submitted to MIG
Fencing and pavilion of Elands Bay	Draft Sports Facility Master Plan needs to be approved. Applications will be submitted to MIG
Pavilion for Lamberts Bay and upgrading of sports hall	Draft Sports Facility Master Plan needs to be approved. Applications will be submitted to MIG
Vandalism of sport facilities	Establishment of Sport Management Committees and Sports Facility By-law

Table 128: Sport and Recreation Challenges

## 3.18.4 Service Statistics for Sport and Recreation

The table below specifies the service delivery levels for the year:

Type of service	2021/22	2022/23
<b>Community parks</b>		
Number of parks with play park equipment	5	5
Number of wards with community parks	4	4
<b>Sport fields</b>		
Number of wards with sport fields	6	6
Number of sport associations utilizing sport fields	20	53
R-value collected from utilization of sport fields	R5 164.63	R58 851.09
<b>Sport halls</b>		
Number of wards with sport halls	3	3
Number of sport associations utilizing sport halls	13	13
R-value collected from rental of sport halls	R1 072.31	R8 587.97

Table 129: Service Statistics for Sport and Recreation

## 3.18.5 Employees: Resorts and Caravan Parks

The following table indicates the staff composition for this division:

<b>Employees: Resorts and Caravan Parks</b>					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	18	11	7	38.8
4 - 6	4	6	4	2	33.3
7 - 9	0	1	0	1	100
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>26</b>	<b>16</b>	<b>10</b>	<b>62.5</b>

Table 130: Employees: Resorts and Caravan Parks

## 3.18.6 Employees: Parks and Gardens

The following table indicates the staff composition for this division:

Employees: Parks and Gardens					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	27	37	26	11	42.3
4 - 6	0	6	0	6	100
7 - 9	6	9	6	3	33.3
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>33</b>	<b>52</b>	<b>32</b>	<b>20</b>	<b>38.4</b>

Table 131: Employees: Parks and Gardens

## 3.18.7 Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MIG: Upgrade sport fields Clanwilliam	0	40 364	0	40 364

Table 132: Capital Expenditure 2022/23: Sport and Recreation

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

### 3.19 EXECUTIVE AND COUNCIL

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

#### 3.19.1 Highlights: Executive and Council

The table below specifies the highlights for the year:

Highlights	Description
Election of new Council	The new council for the Cederberg Municipality was elected in March 2023 to provide stable government for its constituents
Appointment of the Municipal Manager	Council appointed a Municipal Manager to initiate and promote good governance
Appointment of Chief Financial Officer	Recruitment process for top layer, i.e. Chief Financial Officer concluded at Council Level
Appointment of Director : Support Services	Recruitment process for top layer, i.e. Director : Support Services concluded at Council Level.
Financial Turnaround Plan	Council initiated action to address financial crisis through initiation of a turnaround plan. That will promote good governance and increase consumer confidence in Council

Table 133: Executive and Council Highlights

#### 3.19.2 Challenges: Executive and Council

The table below specifies the challenges for the year:

Description	Actions to address
Political infighting	Executive Mayor undertook to improve relations by co-operation and joint initiatives
Unstable government	Executive Mayor initiated promotion of good governance in Council, in consultation with Municipal Manager. Provincial interventions promoted.

Table 134: Executive and Council Challenges

## 3.19.3 Employees: Administrative Services

The following table indicates the staff composition for this division:

Employees: Administrative Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	7	5	2	28.5
4 - 6	5	8	5	3	37.5
7 - 9	2	2	2	0	0
10 - 12	3	5	2	3	40
13 - 15	0	0	0	0	0
16 - 18	1	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>23</b>	<b>14</b>	<b>6</b>	<b>26</b>

Table 135: Employees: Administrative Services

## 3.19.4 Employees: Thusong Centres

The following table indicates the staff composition for this division:

Employees: Thusong Centres					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	3	4	3	1	0
7 - 9	0	0	0	0	0
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>33.3</b>

Table 136: Employees: Thusong Centres

## 3.20 FINANCIAL SERVICES

The Finance Department is responsible for the Financial Strategy and overall financial management. This department is also responsible for ensuring financial balance in the Municipality, compliance with relevant legislation, regulation and governance practices and the MFMA.

### 3.20.1 Highlights: Financial Services

The table below specify the highlight for the year:

Highlight	Description
Data Cleansing	With the assistance of Ahkile, municipal accounts were reviewed and verified for accuracy
Revenue enhancement	With the assistance of PWC, a lot of extra revenue has been identified and already been billed

Table 137: Financial Services Highlights

### 3.20.2 Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Implementing Municipal Standard Chart of Accounts (mSCOA)	Continuous challenges for the Municipality and service provider to integrate programmes and work streams. An action and project plan were compiled and closely adhered to. The mSCOA steering committee has been re-established
Increase in indigent population	Council approved a new Indigent Policy and also provided for an increase in subsidising the Indigent client base
Increase in bad debt	Council approved a new Credit Control Policy with incentives to clients with arrear accounts. Credit Control procedures are applied diligently every month
Unfunded budget	Provincial Treasury assessed that the budget is unfunded and the amended budget funding plan is to be tabled to Council and approved. The plan is monitored on a monthly basis. Three out of the five pillars have been reached

Table 138: Financial Services Challenges

## 3.20.3 Debt Recovery

The following table represents the debt recovery for the financial years 2021/22 and 2022/23:

Details of the types of account raised and recovered	Debt Recovery					
	2021/22			2022/23		
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %
Property Rates	56 261 435	45 571 762	81	70 102 568	70 368 582	101
Electricity	128 522 838	113 100 097	88	111 280 000	109 428 910	98
Water	49 528 975	30 212 675	61	29 223 289	29 828 578	102
Sanitation	15 407 704	5 546 773	36	12 851 000	12 931 042	101
Refuse	13 319 846	5 594 335	42	14 163 000	14 146 000	100

Table 139: Debt Recovery

## 3.20.4 Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Finance					
Job Level	2021/22	2022/23			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	9	9	7	2	22.2
7 - 9	10	11	10	1	9
10 - 12	13	14	12	2	14.2
13 - 15	5	8	5	3	37.5
16 - 18	2	2	2	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>39</b>	<b>44</b>	<b>36</b>	<b>8</b>	<b>18.1</b>

Table 140: Employees: Financial Services

## 3.20.5 Capital: Finance and Administration

The following table indicates the capital expenditure for this division:

Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office Furniture/Equipment	0	44 000	40 790	3 210
Office Furniture/Equipment	0	55 000	19 750	35 250
Generator: SCM	350 000	200 000	164 926	35 074
Asset Management Software	0	61 000	0	61 000
Office Furniture/Equipment	0	51 000	10 329	40 671
IT Equipment and Software	480 000	469 000	228 956	240 044

Table 141: Capital Expenditure 2022/23: Finance and Administration

## 3.21 HUMAN RESOURCE SERVICES

### 3.21.1 Introduction to Human Resources

The Human Resource Department has a staff component comprising of the following positions:

- Manager: Human Resources
- 3 Human Resources Practitioners responsible for:
  - Training, EAP and EPAS
  - Health and Safety
  - Recruitment & Selection and Support
  - Labour Relations
    - A Human Resource Administrator responsible for all administrative functions pertaining to leave, medical aid, pension, UIF, etc
    - The Human Resource Department also made provision for two succession planning positions (for the 2021/22 financial year) in order to ensure a smooth transition and seamless continuation of the service when current senior HR staff members opt to retire

#### (i) Filing of vacant posts

The Cederberg Municipality, a low to medium capacity Municipality, is rated as a Category 3 Municipality and it must still compete with higher graded, higher income municipalities for the available skills in the region, the province and ultimately the country. With that challenge in mind, the Municipality must still endeavour to appoint the right people



with the right skills and competencies at the right time to achieve the organisation’s strategic plan. Filling vacant, critical positions is a challenge for a municipality sized and categorised as the Cederberg Municipality, because skilled people can earn much more at a higher graded municipality or in the private sector.

In the 2022/23 financial year, the Cederberg Municipality has filled 28 vacancies, of which 26 were external and 2 were internal appointments. 19 of the appointees were permanent appointments and 9 were appointed on contract, whilst 18 staff members left the employment of the Municipality during the same financial year.

## **(ii) Recruitment and selection**

The Cederberg Municipality adopted a revised Recruitment and Selection Policy, and such policy was reviewed in May 2021 for the 2022/23 financial year. The aim of the policy is to streamline the appointment of personnel whilst keeping within the legal framework as enshrined in the various pieces of labour related legislation.

## **(iii) Labour relations**

It is imperative that good industrial relations are fostered between the employer and employees. Employees are engaged on certain structures created by the Local Government Bargaining Council to address issues of mutual interest to the employer and the employees. These structures are:

- Health and Safety

<b>Occupational Health &amp; Safety 2022/23</b>			
<b>Injuries</b>	<b>Compensation for Occupational Injuries and Diseases (COID) Applications</b>	<b>Disabling Injuries</b>	<b>Schedule 8 Investigations (Ill Health)</b>
<b>Temp</b>	1	0	0
<b>Perm</b>	24	0	1

Table 142: Occupational Health and Safety 2022/23

The safety and health of our employees and their families are of the utmost importance to the Council. Therefore, all possible steps are taken to ensure a healthy and safe working environment.

The Health and Safety Policy have been submitted to Council for review, as well as the Employee Wellness Policy.

The number of injuries on duty increase from 14 employees injured in the 2021/22 financial year compared to 25 employees in the 2022/23 financial year and were reported to the Compensation for Occupational Injuries and Diseases (COID).

## 3.21.2 Highlights: Human Resource Services

The table below specifies the highlights for the year:

Highlights	Description
Individual Performance Management	Processes were started to implement individual performance management to the lowest level in the organisation
HR Policies	Human Resources Policies were aligned with the Local Government Staff Regulations, 2021, consulted with labour and approved by Council
HR Strategy	A Human Resources Strategy for Cederberg Municipality was developed, consulted with Labour and approved by Council
Organisational Structure	Cederberg was selected as one of five municipalities to be supported with the development of an organisational structure with provincial government funding

Table 143: Human Resources Highlights

## 3.21.3 Challenges: Human Resources

The table below specifies the challenges for the year:

Challenges	Actions to address
Organisational structure	The lack of funding to develop an organisational structure and inclusion into the provincial project at a late stage means that Cederberg along with the five other municipalities will implement the organisational structure and all other processes related to the same at a later stage than planned
Vacancies	Due to the Municipality's financial position, the vacancy rate was higher than expected
Local Government Municipal Staff Regulations, 2021	The implementation of the regulations remains a challenge due to the regulated changes and additional requirements that places strain on the staff in the Human Resources Department

Table 144: Human Resources Challenges

## 3.21.4 Employees: Human Resources

The following table indicates the staff composition for this division:

Employees: Human Resource Services					
Job Level	2021/22	2022/23			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	2	0	2	100
10 - 12	2	2	1	1	50
13 - 15	1	3	1	2	66.6
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>62.5</b>

Table 145: Employees: Human Resources

## 3.22 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

### 3.22.1 Introduction to Information and Communication Technology (ICT) Services

It is responsible ICT to ensure that all technical systems of the Municipality are functioning and operating effectively. Backups are done daily and stored for safekeeping. The maintenance of the municipal system and financial systems are outsourced. The network and computer hardware are maintained by the ICT department. Structural changes to the website are also done by ICT. The Municipality has grown from 50 devices (computers) to almost 200 devices within 5 years.

### 3.22.2 Highlights: ICT Services

The table below specifies the highlights for the year:

Highlights	Description
ICT Steering Committee re-established	The ICT Steering Committee held its first meeting in over two years
Network upgrades in progress	Upgrades to our network infrastructure will enable reliable cloud services and increase network stability

Highlights	Description
Community fibre internet availability expanded	Fibre internet connectivity has gone live in Citrusdal and Lamberts Bay communities, along with phase two of Clanwilliam coverage
Progress on Cyber Security Protection	Proof of concept currently in progress

Table 146: ICT Highlights

### 3.22.3 Challenges: ICT Services

The table below specifies the challenges for the year:

Description	Actions to address
Electricity supply to data centres and municipal offices	We are exploring solar alternatives to supplement our failing electricity grid
Additional staff required	Temporary workers were appointed, but the need for permanent staff is growing. The budget has been approved for two vacancies
Outdated server hardware	Outdated systems lead to security vulnerabilities. Funding is needed to upgrade our systems
Lack of disaster recovery	When network upgrades are completed disaster recovery can be moved to the cloud which is faster to implement, cost-effective and more scalable

Table 147: ICT Challenges

### 3.22.4 Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services					
Job Level	2021/22	2022/23			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	1	0	1	100
7 - 9	0	0	0	0	0
10 - 12	0	1	0	1	100
13 - 15	2	2	1	1	50
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50</b>

Table 148: Employees: ICT Services

## 3.23 LEGAL SERVICES

Legal Services is responsible for the finalisation of most agreements concluded by the Municipality. The section provides legal input on policies, contracts, agreements, legislation, by-laws and authorities. The section also offers legal advice to various departments of the Municipality and ensure compliance in respect of the Constitution and legislation regulating municipal processes. We distribute all new relevant legislation and case law.

### 3.23.1 Highlights: Legal Services

The table below specifies the highlights for the year:

Highlights	Description
Communicate relevant contemporary court cases and legal commentaries to officials pertaining to topical issues in local government	Legal-related commentaries pertaining to relevant case law, current legal topics, workshops, training sessions etc
Legal support to officials in all directorates and assistance to private legal practitioners-local / national government officials	Legal documentation pertaining to lease agreements, MOU's, legal case law, constitutional and High Court judgements, by-laws, (BICL) agreements etc
Skills transfer to officials in their respective sections with relevant topical issues in their fields	Dissemination of legal information in relation to general contractual issues, interpretation of statutes, legal contractual issues, legal writing etc

Table 149: Legal Services Highlights

### 3.23.2 Challenges: Legal Services

The table below specifies the challenges for the year:

Description	Actions to address
No dedicated person to assist with contract management and general legal research of current topical municipal issues in the local government sector.	Sufficient budget should be made available for these vacancies
Budget and capacity constraints remain a serious challenge in the organisation	Sufficient budget allocation to strengthen the division by filling the posts of legal officer and legal assistants for the optimal functioning of the division

Table 150: Legal Services Challenges

## 3.23.3 Employees: Legal Services

The following table indicates the staff composition for this division:

Employees: Legal Services					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50</b>

Table 151: Employees: Legal Services

## 3.24 PROCUREMENT SERVICES

### 3.24.1 Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
Compliance	Cederberg implemented their Preferential Procurement Policy in January 2023
Open and effective competition	All procurement laws, policies, practices, and procedures are readily accessible to all parties involved in the procurement process. The procurement process is open and transparent, and reasons are provided for decisions in terms of current legislation.
Equity	Cederberg Municipality strive to enhance the development of SMME's and B-BBEE enterprises to allow them to contribute meaningfully to the economy of the Cederberg Municipal Area

Table 152: Procurement Services Highlights

## 3.24.2 Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Adherence to due dates in the Procurement Plan	Commence with a SCM communication campaign to inform all of the SCM requirements and to encourage end users to work with SCM. Delegation of powers: Determine clear process ownership and accountability
Local businesses are not satisfactorily accessing procurement opportunities provided by the Municipality, as a result of not being Construction Industry Development Board (CIDB) graded.	Training day for non-registered/registered service providers

Table 153: Procurement Services Challenges

## 3.24.3 Service Statistics for Procurement Services

The table below specifies the service delivery levels for the year:

Description	Total No	Monthly Average	Daily Average
Orders processed	1 737	145	7
Requests cancelled or referred back	43	3.6	0.2

Table 154: Service Statistics for Procurement Division

## 3.24.4 Details of Deviations for Procurement Services

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
Clause 36(1)(b)(i)-Emergency	17	1 601 883	72
Clause 36(1)(b)(ii)-Sole Supplier	10	278 767	13
Clause 36(1)(b)(viii) Strip & quote	2	339 652	15
<b>Total</b>	<b>29</b>	<b>2 220 302</b>	<b>100</b>

Table 155: Statistics of Deviations from the SCM Policy

## COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2023/24

### 3.25 SERVICE DELIVERY PRIORITIES FOR 2023/24

The main development and service delivery priorities for 2023/24 forms part of the Municipality's Top Layer SDBIP for 2023/24 and are indicated in the table below as per strategic objective:

#### 3.25.1 Improve and sustain basic service delivery and infrastructure development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	Develop a Municipal Service Charter and submit to Council for approval by 31 March 2024	Service Charter developed and submitted to Council for approval by 31 March 2024	All	1
TL24	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2024	Number of residential properties which are billed for water or have pre paid meters	All	6 034
TL25	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2024	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	8 396
TL26	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2024	Number of residential properties which are billed for sewerage	All	5 148
TL27	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2024	Number of residential properties which are billed for refuse removal	All	5 953
TL28	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic water	All	2 302
TL29	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic electricity	All	2 264
TL30	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic sanitation services	All	2 226
TL31	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic refuse removal	All	2 299
TL32	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2024 (Actual amount spent on capital	% of the municipal capital budget actually spent on capital projects as at 30 June 2024	All	90%



Ref	KPI	Unit of Measurement	Wards	Annual Target
	projects/Total amount budgeted for capital projects)x100			
TL34	Spend 90% of the approved capital budget for the procurement of Fleet by 30 June 2024 (Actual amount spent /Total amount budgeted )x100	% of budget spent by 30 June 2024	All	90%
TL35	Spend 90% of the approved maintenance budget for Technical Services (Water, Waste Water, Electricity, Roads and Stormwater) by 30 June 2024 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2024	All	90%
TL36	Spend 100% of the MIG grant by 30 June 2024 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2024	All	100%
TL37	95% of the water samples comply with SANS 241 micro biological parameters {(Number of water samples that comply with SANS 241 indicators/Number of water samples tested)x100}	% of water samples complying with SANS 241 micro biological parameters	All	95%
TL38	Limit unaccounted for water to less than 15% by 30 June 2024 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100}	% unaccounted water	All	15%
TL39	Limit unaccounted for electricity losses to less than 15% by 30 June 2024 (Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) x 100	% unaccounted electricity	All	15%
TL40	Spend 90% of the approved INEP budget for the bulk electricity upgrade in Clanwilliam construction of 66kV overhead line and substation by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	3	90%
TL41	Spend 90% of the Water Services Infrastructure Grant (WSIG) budget to upgrade the Clanwilliam Waste Water Treatment Works by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	3	90%
TL42	Spend 90% of the budget approved for the procurement of electricity equipment by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2024	2	90%
TL43	Spend 90% of the approved RBIG budget for the Lamberts Bay Regional Water Supply (Desalination Plant) by 30 June 2024 [(Total	% of budget spent by 30 June 2024	5	90%

Ref	KPI	Unit of Measurement	Wards	Annual Target
	actual expenditure on the project/ Approved budget for the project)x100]			
TL44	Spend 90% of the approved budget for the Upgrade of Heuwilsg Pumpstation, Citrusdal by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2024	2	90%
TL45	Spend 90% of the approved ISUPG budget for the installation of basic services of Citrusdal Informal Settlements by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2024	2	90%
TL46	Spend 90% of the approved ISUPG budget for the installation of basic services of Clanwilliam Khayelitsha by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2024	3	90%
TL47	Spend 90% of the budget approved for the upgrade of roads and stormwater infrastructure in Graafwater project by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	4	90%
TL48	Spend 90% of the budget approved for the construction of a Multi Purpose Centre in Graafwater by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	4	90%
TL49	Spend 90% of the budget approved for the refurbishment of Clanwilliam WWTW by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	3	90%
TL50	Spend 90% of the approved budget for the upgrade of Electricity Network: Clanwilliam by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	3	90%
TL51	Spend 90% of the approved budget for the upgrade of 11kv Cable - Mark Street, Clanwilliam by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	3	90%
TL52	Spend 90% of the approved budget for the upgrade of Overhead Line In Graafwater by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	4	90%
TL54	Develop a Water and Sanitation Masterplan and submit to Council by 30 June	Water and Sanitation Masterplan submitted to Council by 30 June	All	1

Table 156: Improve and sustain basic service delivery and infrastructure development

## 3.25.2 Strive for financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Achieve an unqualified audit opinion for the 2022/23 financial year	Unqualified Audit opinion received for the 2022/23 financial year	All	1
TL18	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage by 30 June 2024	All	45%
TL19	Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 [(Total outstanding service debtors/annual revenue received for services)x 100]	% of outstanding service debtors by 30 June 2024	All	9.20%
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months it takes to cover fix operating expenditure with available cash	All	0.1
TL21	100% of the Financial Management Grant spent by 30 June 2024 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2024	All	100%
TL22	Submit the annual financial statements to the Auditor-General by 31 August 2023	Approved financial statements submitted to the Auditor-General by 31 August 2023	All	1
TL23	Achievement of a payment percentage of 92% by 30 June 2024 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2024	All	92%
TL33	Develop a Strategic Asset Management Policy (SAMP) and submit to Council for approval by 31 May 2024	Developed policy submitted to Council for approval by 31 May 2024	All	1

Table 157: Strive for financial viability and economically sustainability

## 3.25.3 Promote Good Governance, Community Development & Public Participation

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Develop and submit the Risk Based Audit Plan for 2024/25 to the Audit Committee by 30 June 2024	Risk Based Audit Plan submitted to the Audit Committee by 30 June 2024	All	1
TL2	Compile and submit the final IDP to Council by 31 May 2024	Final IDP submitted to Council by 31 May 2024	All	1
TL3	Compile and submit the Strategic and Operational Risk Register to the Risk Committee by 31 December 2023	Strategic and operational risk register submitted to the Risk Committee by 31 December 2023	All	1
TL4	Report quarterly to Council on the implementation status of the Municipal Recovery Plan	Number of quarterly reports submitted	All	4
TL5	Report quarterly to Council on the implementation status of the Budget Funding Plan	Number of quarterly reports submitted	All	4
TL6	Report quarterly to Council on the implementation status of the Government Debt Relief Plan	Number of quarterly reports submitted	All	4
TL7	Conduct market testing for alternative service delivery mechanisms and submit findings with recommendations to Council by 30 June 2024	Findings and recommendations submitted to Council by 30 June 2024	All	1
TL15	Address 90% of ICT Audit findings by 30 June 2024	% of Audit findings addressed by 30 June 2024	All	90%
TL16	Develop a Municipal Buildings Masterplan and submit to Council by 30 June	Municipal Buildings Masterplan submitted to Council by 30 June	All	1%
TL17	Develop a Municipal Buildings Maintenance Plan and submit to Council by 30 June	Municipal Buildings Masterplan submitted to Council by 30 June	All	1%

Table 158: Promote Good Governance, Community Development & Public Participation

## 3.25.4 Facilitate, expand and nurture sustainable economic growth and eradicate poverty

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL53	Create 250 jobs opportunities in terms of the Expanded Public Works Programme (EPWP) by 30 June 2024	Number of job opportunities created in terms of EPWP by 30 June 2024	All	250

Table 159: Facilitate, expand and nurture sustainable economic growth and eradicate poverty

## 3.25.5 Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL10	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan as at 30 June 2024	Number of people employed as at 30 June	All	1
TL11	Develop an Human Resources Strategy and submit to Council for approval by 31 March 2024	Strategy developed and submitted to Council for approval by 31 March 2024	All	1
TL12	Review staff establishment and submit to Council for approval by 31 October 2023	Reviewed staff establishment submitted to Council for approval by 31 October 2023	All	1
TL13	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2024 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2024 (Actual amount spent on training/total personnel budget)x100	All	0.15%
TL14	Spend 90% of the approved capital budget for IT by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	All	90%

**Table 160:** *Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council*

## CHAPTER 4

### 4.1 NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area - Municipal Transformation and Organisational Development.

### 4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs 316 officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render and innovative human resources service that address both skills development and an administrative function.

#### 4.2.1 Employment Equity

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

##### a) Employment Equity Targets/Actual

African	Coloured	Indian	White
Actual June	Actual June	Actual June	Actual June
14%	82%	0.3%	3.7%

Table 161: 2022/23 EE Actual by Racial Classification

Male	Female	Disability
Actual June	Actual June	Actual June
64%	36%	7%

Table 162: 2022/23 EE Actual by Gender Classification

## b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Economically Active Population Demographics (Percentage) Western Cape	35%	45%	1%	17%	98% (exc other)
<b>Economically Active Population West Coast Region % Population</b>	17%	66%	0.5%	16%	100%
Number for positions filled	57	249	1	6	313

Table 163: EE Population 2022/23 (including non-permanent officials)

## c) Specific Occupational Categories - Race

The table below indicates the number of employees by race within the specific occupational categories:

Occupational Categories	Female				Male				Total
	A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	0	0	0	0	0
Senior management	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid- management	0	7	0	1	0	1	0	1	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	33	0	1	3	23	0	2	67
Semi-skilled and discretionary decision making	17	57	1	0	4	47	0	1	127
Unskilled and defined decision making	14	64	0	0	14	16	0	0	108
Temporary employees	0	3	0	0	0	0	0	0	3
<b>Total</b>	<b>36</b>	<b>165</b>	<b>1</b>	<b>2</b>	<b>21</b>	<b>87</b>	<b>0</b>	<b>4</b>	<b>316</b>

Table 164: Occupational Categories

## d) Departments - Race

The table below shows the number of employees per department as well as the profile by race. The Engineering Services Department, being the service delivery arm of the Municipality, is the largest component.

Employee Distribution per Directorate					
Directorate	African	Coloured	Indian	White	Total
Municipal Manager	1	13	0	0	14
Financial Services	3	33	0	2	38
Support Services	13	100	1	1	115
Technical Services	40	103	0	3	146
<b>Total</b>	<b>57</b>	<b>249</b>	<b>1</b>	<b>6</b>	<b>313</b>

Table 165: Departments: Race

## 4.2.2 Vacancy Rate

The approved organogram for the Municipality had 408 posts for the financial year. Posts vacant at the end of 2021/22 resulted in a funded vacancy rate of 16.1% compared to 2022/23 resulting in a funded vacancy rate of 23%. Below is a table that indicates the vacancies within the Municipality:

Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	13	3
Financial Services	35	7
Support Services	117	39
Technical Services	148	46
<b>Total</b>	<b>313</b>	<b>95</b>

Table 166: Vacancies per Department

The table below indicates the number of staff per level expressed as total positions and current vacancies express as full time staff equivalent:

Salary Level	Number of current critical vacancies	Total posts as per organogram
Municipal Manager	0	1
Chief Financial Officer	1	1
Other Section 57 Managers	1	1
Senior management (T14-T19)	4	13
<b>Total</b>	<b>5</b>	<b>16</b>

Table 167: Full Time Staff Equivalents

## 4.2.3 Employee Movement

A higher turnover may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the employee movement in 2022/23.

Employee Movement					
Movement Type	African	Coloured	Indian	White	Total
Termination	1	30	0	2	33
Recruited Internal	0	0	0	0	0
Recruited External	0	5	0	0	5
Transferred / Placement	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>35</b>	<b>0</b>	<b>2</b>	<b>38</b>

Table 168: Employee Movement



### 4.3 MANAGING THE MUNICIPAL WORKFORCE

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

#### 4.3.1 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. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an increase from 14 employees injured in the 2021/22 financial year compared to 25 employees in the 2022/23 financial year. The table below indicates the total number of injuries within the different directorates:

Directorates	2021/22	2022/23
Municipal Manager	0	0
Support Services	0	0
Financial Services	1	2
Technical Services	13	23
<b>Total</b>	<b>14</b>	<b>25</b>

Table 169: Injuries

#### 4.3.2 Human Resource Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

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

Policies	
Name of policy	Policy approved Yes/No
Sexual Harassment	Yes
Subsistence and Travelling	Yes
Training and Development	Yes
Language	Yes
Cell Phone	Yes

Policies	
Study	Yes
IT	Yes
HIV/AIDS	Yes
Induction Programme	Yes
Recruitment and Selection	Yes
Acting	Yes
Leave	Yes
Employment Equity	Yes
Substance Abuse	Yes
Smoking	Yes
Overtime	Yes
Unauthorized Absence	Yes

Table 170: Human Resource Policies and Plans

## 4.4 CAPACITATING THE MUNICIPAL WORKFORCE

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

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff. Furthermore, after the promulgation of the Staff Regulations, Reg. 890 ad Guidelines 890, Chapter 4 has placed emphasis on the development of skills, as performance and skills development now goes hand-in-hand

## 4.4.1 Skills Matrix

The table below indicates the number of beneficiaries per occupational category who underwent training in the financial year. The total training budget for the 2022/23 financial year was R968 700.00. The actual spent on training for the same financial year was R988 437.26 which amounts to 98% spent. The tables below show the number of individuals (headcount) trained:

Occupational Category	Female				Male				Total
	A	C	I	W	A	C	I	W	
Legislators	0	0	0	0	0	6	0	1	7
Managers	0	1	0	1	0	11	0	0	13
Professionals	0	22	0	2	2	5	0	1	32
Technicians and Trade Workers	0	0	0	0	2	6	0	0	8
Community and Personal Service Workers	1	4	0	0	0	2	0	0	7
Clerical and Administrative Workers	0	0	0	0	0	0	0	0	0
Sales Workers	0	0	0	0	0	0	0	0	0
Machine Operators and Drivers	0	0	0	0	1	2	0	0	3
Elementary Workers	18	13	0	0	24	54	0	0	109
<b>Total</b>	<b>19</b>	<b>40</b>	<b>0</b>	<b>3</b>	<b>29</b>	<b>86</b>	<b>0</b>	<b>2</b>	<b>179</b>

Table 171: Skills Matrix

## 4.4.2 Skills Development - Budget Allocation

Year	Total Allocated	Total Spend	% Spent
2021/22	R 843 630	R 527 003	62.47%
2022/23	R 968 700	R 988 437	98%

Table 172: Budget Allocated for Skills Development

## 4.4.3 MFMA Competencies

In terms of Section 83(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 successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role-players in the local government sphere, develop an outcomes-based

NQF level 6 qualifications in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

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

Description	Total number of officials employed by the municipality (Regulation 14(4)(a) and (c))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>			
Accounting officer	1	1	1
Chief financial officer	1	1	1
Senior managers	1	1	1
Any other financial officials	0	0	0
<b>Supply Chain Management Officials</b>			
Heads of supply chain management units	1	1	1

Table 173: MFMA Competencies

## 4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 4.5.1 Personnel Expenditure

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

Financial year	2021/22		2022/23	
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	3 977 451	4 297 440	4 766 493	4 684 268
Pension Contributions	299 772	238 810	641 970	365 926
Medical Aid Contributions	99 738	99 750	100 571	86 666

Financial year	2021/22		2022/23	
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
Motor vehicle allowance	216 739	216 740	99 097	140 000.00
Cell phone allowance	406 404	320 470	448 800	420 640
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>5 000 104</b>	<b>5 173 210</b>	<b>6 056 931</b>	<b>5 697 499</b>
<b>Senior Managers of the Municipality</b>				
Basic Salary and Wages	4 543 129	4 020 260	3 852 982	2 301 333
Pension Contributions	181 660	500 480	120 932	127 834
Medical Aid Contributions	0	57 280	45 348	38 185
Performance Bonus	173 657	0	0	-89 378
Motor vehicle allowance	350 243	0	0	90 321
Cell phone allowance	113 000	432 000	151 072	107 536
Housing allowance	0	234 000	131 537	0
Other benefits or allowances	276	0	0	13 176
Leave Pay Out	0	0	0	0
Long Service Awards	0	0	0	0
<b>Sub Total</b>	<b>5 361 964</b>	<b>5 265 590</b>	<b>4 315 487</b>	<b>2 589 007</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	88 353 248	80 339 927	86 256 747	84 975 660
Pension Contributions	13 903 016	12 928 639	13 671 255	13 363 468
Medical Aid Contributions	4 504 348	4 982 746	5 119 426	4 415 502
Motor vehicle allowance	6 969 506	4 656 048	6 086 129	6 435 206
Cell phone allowance	430 627	245 788	457 040	405 908
Housing allowance	354 827	325 020	327 827	358 896
Overtime	4 213 922	3 287 260	4 429 863	4 024 171
Other benefits or allowances	5 134 237	4 034 512	5 306 445	5 032 168
Leave Pay Out	1 080 455	2 152 000	1 836 000	571 246
Long Service Awards	525 000	590 000	532 000	532 000
Post-retirement benefit obligations	1 549 000	1 754 000	2 154 000	2 154 000
<b>Sub Total</b>	<b>127 018 187</b>	<b>115 295 940</b>	<b>126 176 732</b>	<b>124 857 232</b>
<b>Total Municipality</b>	<b>137 380 255</b>	<b>125 734 740</b>	<b>136 549 150</b>	<b>130 554 731</b>

Table 174: Personnel Expenditure

## CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2022/23 financial year.

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

#### 5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2022/23 financial year:

Financial Summary						
R'000						
Description	2021/22	2022/23		2022/23 %Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Financial Performance</b>						
Property rates	52 404	67 173	70 103	70 382	4.56	0.40
Service charges	172 313	183 898	167 517	170 122	-8.10	1.53
Investment revenue	750	634	1 677	2 020	68.60	16.98
Transfers recognised - operational	96 033	94 193	102 416	90 589	-3.98	-13.06
Other own revenue	24 117	39 099	31 163	38 429	-1.74	18.91
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>345 618</b>	<b>384 997</b>	<b>372 876</b>	<b>371 542</b>	<b>-3.62</b>	<b>-0.36</b>
Employee costs	132 380	120 562	130 492	124 857	3.44	-4.51
Remuneration of councillors	5 000	5 173	6 057	5 697	9.20	-6.31
Debt Impairment	26 777	38 846	39 026	34 449	-12.76	-13.29
Depreciation & asset impairment	27 107	28 151	27 236	25 437	-10.67	-7.07
Finance charges	13 017	11 778	16 242	13 042	9.69	-24.54
Bulk Purchases	93 891	103 638	94 837	92 504	-12.04	-2.52
Other Materials	8 332	8 115	11 945	10 542	23.02	-13.31
Contracted Services	57 006	50 254	51 548	35 524	-41.47	-45.11
Transfers and grants	244	1 030	380	358	-187.55	-6.09
Other expenditure	23 620	25 881	26 263	24 123	-7.29	-8.87
Loss on disposal of Non-Monetary Assets	0	0	0	135	100.00	100.00
Actuarial Losses	865	2 000	910	0	0.00	0.00
<b>Total Expenditure</b>	<b>388 239</b>	<b>395 428</b>	<b>404 936</b>	<b>366 668</b>	<b>-7.84</b>	<b>-10.44</b>

Financial Summary						
R'000						
Description	2021/22	2022/23			2022/23 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Surplus/(Deficit)</b>	<b>(42 622)</b>	<b>(10 431)</b>	<b>(32 060)</b>	<b>4 874</b>	314.02	757.77
Transfers recognised - capital	45 632	58 400	51 413	43 139	-35.38	-19.18
Contributions recognised - capital & contributed assets	3 324	0	0	0	0.00	0.00
<b>Surplus/(deficit) after capital transfers &amp; contributions</b>	<b>6 334</b>	<b>47 969</b>	<b>19 353</b>	<b>48 013</b>	<b>0.09</b>	<b>59.69</b>
Capital Expenditure & Funds Sources						
Capital Expenditure						
Transfers recognized - capital	45 632	58 400	51 413	43 139	-35.38	-19.18
Public contributions & donations	0	0	0	0	0.00	0.00
Borrowing	150	8 600	0	0	0.00	0.00
Internally generated funds	7 464	3 530	11 539	4 910	28.11	-135.01
<b>Total sources of capital funds</b>	<b>53 247</b>	<b>70 530</b>	<b>62 952</b>	<b>48 049</b>	<b>-46.79</b>	<b>-31.02</b>
Financial Position						
Total current assets	63 403	40 445	42 108	76 825	47.35	45.19
Total non-current assets	732 308	818 457	770 086	757 543	-8.04	-1.66
Total current liabilities	140 797	118 393	123 165	114 812	-3.12	-7.27
Total non-current liabilities	86 219	111 650	93 953	102 849	-8.56	8.65
Community wealth/equity	568 694	628 859	595 076	616 707	-1.97	3.51
Cash Flows						
Net cash from (used) operating	47 549	69 830	54 623	69 550	-0.40	21.46
Net cash from (used) investing	(40 391)	(70 530)	(62 894)	(49 118)	-43.59	-28.05
Net cash from (used) financing	(5 093)	4 162	(3 516)	(3 470)	219.95	-1.32
<b>Cash/cash equivalents at the year end</b>	<b>11 815</b>	<b>3 746</b>	<b>28</b>	<b>28 778</b>	<b>86.98</b>	<b>99.90</b>
Cash Backing/Surplus Reconciliation						
Cash and investments available	11 815	3 746	28	28 778	86.98	99.90
Application of cash and investments	84 558	66 250	67 583	61 565	-7.61	-9.77
<b>Balance -surplus (shortfall)</b>	<b>(72 743)</b>	<b>(62 504)</b>	<b>(67 554)</b>	<b>(32 788)</b>	<b>-90.63</b>	<b>-106.04</b>
Asset Management						
Asset register summary (WDV)	732 308	818 457	770 086	757 471	-8.05	-1.67
Depreciation & asset impairment	27 107	28 151	27 236	24 715	-13.90	-10.20
Renewal of existing assets	1 907	0	1 540	1 237	100.00	-24.51

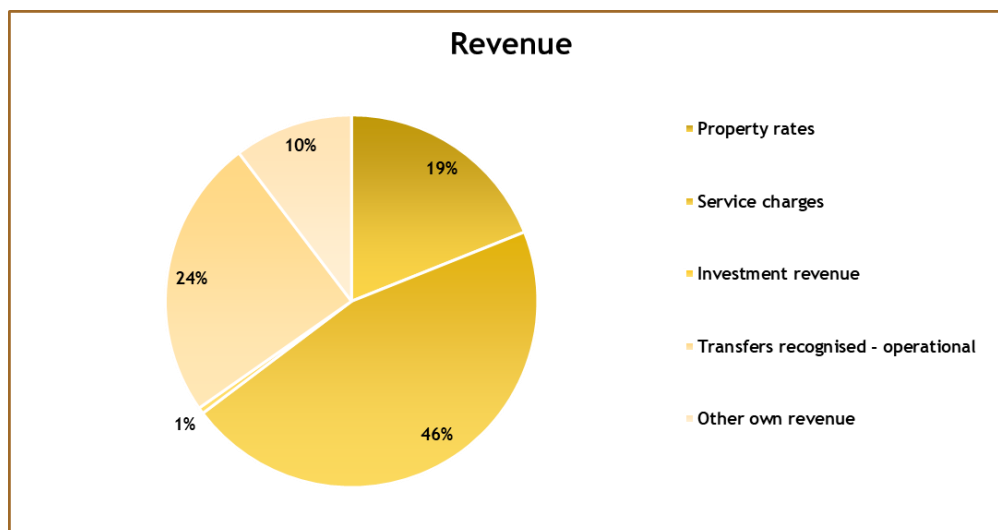
Financial Summary						
R'000						
Description	2021/22	2022/23			2022/23 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Repairs and maintenance	29 299	26 591	29 064	27 447	3.12	-5.89
Free Services						
Cost of free basic services provided	5 085	5 233	9 543	6 675	21.60	-42.97
Revenue cost of free services provided	3 803	7 542	8 100	8 124	0.00	0.00
<b>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</b>						

Table 175: Financial Performance 2022/23

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2021/22	349 287	345 618	(3 670)	-1	405 213	388 239	16 974	4
2022/23	372 876	371 542	(1 334)	0	404 936	366 668	38 268	9

Table 176: Performance Against Budgets

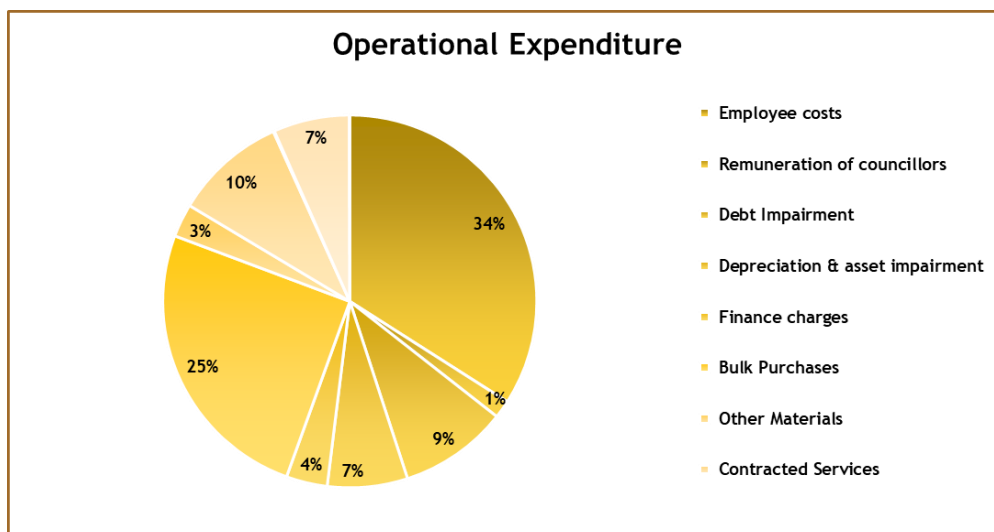
The following graph indicates the various types of revenue items in the municipal budget for 2022/23



Graph 3: Revenue



The following graph indicates the various types of expenditure items in the municipal Budget for 2022/23



Graph 4: Operating Expenditure

## 5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2021/22	2022/23			2022/23 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive and Council	49 959	10 129	10 129	50 960	80.12	80.12
Vote 2 - Office of Municipal Manager	39	0	0	0	#DIV/0!	#DIV/0!
Vote 3 - Financial Administrative Services	62 638	76 256	86 368	93 166	18.15	7.30
Vote 4 - Community Development Services	7 983	9 301	13 026	9 004	-3.29	-44.66
Vote 5 - Corporate and Strategic Services	547	2 437	902	804	-203.00	-12.20
Vote 6 - Planning and Development Services	2 684	2 979	2 611	2 632	-13.21	0.78
Vote 7 - Public Safety	12 467	24 836	14 450	13 804	-79.91	-4.67
Vote 8 - Electricity	133 391	161 556	146 192	131 551	-22.81	-11.13
Vote 9 - Waste Management	17 179	24 033	24 485	16 045	-49.78	-52.60
Vote 10 - Waste Water Management	21 103	35 009	25 035	19 970	-75.31	-25.36
Vote 11 - Water	56 450	65 428	51 665	35 683	-83.36	-44.79
Vote 12 - Housing	23 200	25 340	38 057	27 426	7.61	-38.76
Vote 13 - Road Transport	3 076	2 842	8 537	10 675	73.38	20.02
Vote 14 - Sports and Recreation	3 856	3 250	2 830	2 960	-9.81	4.39

Vote Description	2021/22	2022/23			2022/23 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Total Revenue by Vote</b>	<b>394 573</b>	<b>443 397</b>	<b>424 289</b>	<b>414 681</b>	<b>-6.92</b>	<b>-2.32</b>

Table 177: Revenue by Vote

## 5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2022/23 financial year:

Description	2021/22	2022/23			2022/23 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	52 404	67 173	70 103	70 382	4.56	0.40
Service Charges - electricity revenue	116 302	126 308	111 280	110 680	-14.12	-0.54
Service Charges - water revenue	31 228	29 456	29 223	30 633	3.84	4.60
Service Charges - sanitation revenue	12 004	14 316	12 851	14 417	0.70	10.86
Service Charges - refuse revenue	12 779	13 818	14 163	14 391	3.98	1.59
Rentals of facilities and equipment	829	437	724	747	41.52	3.05
Interest earned - external investments	750	634	1 677	2 020	68.60	16.98
Interest earned - outstanding debtors	4 288	4 006	10 153	9 837	59.28	-3.21
Fines	9 181	20 800	10 856	10 570	-96.79	-2.70
Licences and permits	3	3	2	2	-13.12	-0.01
Agency services	3 672	4 042	3 653	3 782	-6.85	3.43
Transfers recognised - operational	96 033	94 193	102 416	90 589	-3.98	-13.06
Other revenue	5 465	7 812	4 807	6 145	-27.13	21.78
Gains on disposal of PPE	679	2 000	968	7 346	72.77	86.82
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>345 618</b>	<b>384 997</b>	<b>372 876</b>	<b>371 542</b>	<b>-3.62</b>	<b>-0.36</b>

Table 178: Revenue by Source

## 5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2022/23 financial year:

Financial Performance of Operational Services						
Description	2021/22	2022/23			2022/23 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Operating Cost</b>						
Water	32 596	29 886	32 524	27 653	-8.07	-17.61
Waste Water (Sanitation)	18 373	17 088	18 607	18 656	8.40	0.26
Electricity	113 222	122 670	115 779	108 316	-13.25	-6.89
Waste Management	19 244	15 414	17 102	16 003	3.68	-6.87
Housing	24 570	26 877	25 941	16 617	-61.74	-56.11
<b>Component A: sub-total</b>	<b>208 005</b>	<b>211 936</b>	<b>209 954</b>	<b>187 245</b>	<b>-13.19</b>	<b>-12.13</b>
Roads and Stormwater	13 852	14 817	14 342	13 556	-9.31	-5.80
Transport	0	0	0	0	0.00	0.00
<b>Component B: sub-total</b>	<b>13 852</b>	<b>14 817</b>	<b>14 342</b>	<b>13 556</b>	<b>-9.31</b>	<b>-5.80</b>
Planning	9 621	6 959	8 763	8 572	18.82	-2.23
Local Economic Development	3 000	3 578	3 597	3 984	10.18	9.71
<b>Component C: sub-total</b>	<b>12 621</b>	<b>10 537</b>	<b>12 360</b>	<b>12 556</b>	<b>16.08</b>	<b>1.56</b>
Libraries	5 722	5 653	6 181	5 858	3.50	-5.51
Social Services & Community Development	6 735	5 444	6 146	3 454	-57.62	-77.94
<b>Component D: sub-total</b>	<b>12 456</b>	<b>11 097</b>	<b>12 327</b>	<b>9 312</b>	<b>-19.17</b>	<b>-32.38</b>
Environmental Protection	0	0	0	0	0.00	0.00
<b>Component E: sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
Traffic & Licensing	20 510	30 215	21 822	20 732	-45.75	-5.26
Fire Services and Disaster Management	4 152	2 945	4 254	1 873	-57.24	-127.17
<b>Component F: sub-total</b>	<b>24 661</b>	<b>33 160</b>	<b>26 076</b>	<b>22 604</b>	<b>-46.70</b>	<b>-15.36</b>
Holiday Resorts and Campsites	4 985	5 156	4 809	4 460	-15.61	-7.82
Swimming Pools - Stadiums and Sport Ground	2 164	1 620	1 861	1 772	8.57	-5.00
Community Halls Facilities Thusong Centres	7 062	6 193	7 041	6 921	10.51	-1.73
<b>Component G: sub-total</b>	<b>14 212</b>	<b>12 970</b>	<b>13 710</b>	<b>13 153</b>	<b>1.39</b>	<b>-4.24</b>
Financial Services	60 380	62 492	72 278	66 993	6.72	-7.89
Office of the MM	18 404	19 346	19 246	17 917	-7.97	-7.41

Financial Performance of Operational Services						
Description	2021/22	2022/23			2022/23 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Operating Cost</b>						
Administration	19 038	14 851	19 251	18 006	17.52	-6.91
Human Resources	4 609	4 222	5 392	5 326	20.74	-1.23
<b>Component H: sub-total</b>	<b>102 431</b>	<b>100 911</b>	<b>116 167</b>	<b>108 242</b>	<b>6.77</b>	<b>-7.32</b>
<b>Total Expenditure</b>	<b>388 239</b>	<b>395 428</b>	<b>404 936</b>	<b>366 668</b>	<b>-7.84</b>	<b>-10.44</b>
<i>In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 179: Operational Services Performance

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below indicate the financial performance per municipal function:

### 5.2.1 Water Services

Description	2021/22	2022/23			Variance to Budget
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>38 450</b>	<b>51 203</b>	<b>52 577</b>	<b>38 874</b>	<b>-31.72</b>
<b>Expenditure:</b>					
Bulk Purchases	803	1 051	1 051	758	-38.63
Debt Impairment	7 581	5 759	6 420	3 913	-47.19
Depreciation and Amortisation	5 075	6 085	5 493	5 026	-21.07
Contracted Services	1 065	1 643	1 113	1 040	-57.97
Employee Related Costs	12 821	11 518	11 958	11 683	1.41
Impairment	1 385	0	1 093	0	0.00
Other Expenditure	3 866	3 830	5 396	5 233	26.82
<b>Total Operational Expenditure</b>	<b>32 596</b>	<b>29 886</b>	<b>32 524</b>	<b>27 653</b>	<b>-8.07</b>
<b>Net Operational (Service) Expenditure</b>	<b>5 854</b>	<b>21 317</b>	<b>20 053</b>	<b>11 221</b>	<b>-89.99</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 180: Financial Performance: Water Services

## 5.2.2 Waste Water (Sanitation)

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>16 308</b>	<b>27 610</b>	<b>25 035</b>	<b>19 970</b>	<b>-38.25</b>
<b>Expenditure:</b>					
Contracted Services	1 813	1 605	1 573	1 339	-19.87
Debt Impairment	2 785	2 057	2 860	2 986	31.11
Depreciation and Amortisation	5 826	5 951	5 769	6 154	3.30
Employee Related Costs	4 825	4 181	5 150	4 982	16.08
Other Expenditure	3 124	3 295	3 255	3 195	-3.11
<b>Total Operational Expenditure</b>	<b>18 373</b>	<b>17 088</b>	<b>18 607</b>	<b>18 656</b>	<b>8.40</b>
<b>Net Operational (Service)</b>	<b>(2 065)</b>	<b>10 521</b>	<b>6 428</b>	<b>1 314</b>	<b>-700.45</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 181: Financial Performance: Waste Water (Sanitation) Services

## 5.2.3 Electricity

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>129 700</b>	<b>150 969</b>	<b>137 887</b>	<b>125 912</b>	<b>-19.90</b>
<b>Expenditure:</b>					
Bulk Purchases	93 891	103 638	94 837	92 504	-12.04
Contracted Services	2 880	2 270	1 682	1 319	-72.04
Debt Impairment	3 359	2 955	4 090	379	-679.34
Depreciation and Amortisation	4 108	5 008	4 432	4 067	-23.15
Employee Related Costs	7 294	7 251	7 577	7 459	2.79
Other Expenditure	1 689	1 548	3 161	2 588	40.19
<b>Total Operational Expenditure</b>	<b>113 222</b>	<b>122 670</b>	<b>115 779</b>	<b>108 316</b>	<b>-13.25</b>
<b>Net Operational (Service)</b>	<b>16 479</b>	<b>28 300</b>	<b>22 108</b>	<b>17 596</b>	<b>-60.83</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 182: Financial Performance: Electricity

## 5.2.4 Waste Management

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>17 179</b>	<b>24 033</b>	<b>24 485</b>	<b>16 045</b>	<b>-49.78</b>
<b>Expenditure:</b>					
Contracted Services	1 990	640	1 315	1 147	44.19
Debt Impairment	2 356	1 764	2 260	1 637	-7.76
Depreciation and Amortisation	1 842	2 430	1 656	1 516	-60.25
Employee Related Costs	11 291	9 152	9 328	9 363	2.26
Impairment	118	0	0	0	0.00
Other Expenditure	1 648	1 428	2 543	2 340	38.95
<b>Total Operational Expenditure</b>	<b>19 244</b>	<b>15 414</b>	<b>17 102</b>	<b>16 003</b>	<b>3.68</b>
<b>Net Operational (Service)</b>	<b>(2 065)</b>	<b>8 619</b>	<b>7 383</b>	<b>42</b>	<b>-20368.93</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 183: Financial Performance: Waste Management

## 5.2.5 Housing

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>21 911</b>	<b>15 340</b>	<b>23 467</b>	<b>14 095</b>	<b>-8.83</b>
<b>Expenditure:</b>					
Contracted Services	21 757	25 366	23 443	14 087	-80.07
Depreciation and Amortisation	19	7	7	2	-272.59
Employee Related Costs	2 699	1 276	2 325	2 476	48.44
Other Expenditure	96	228	167	53	-330.04
<b>Total Operational Expenditure</b>	<b>24 570</b>	<b>26 877</b>	<b>25 941</b>	<b>16 617</b>	<b>-61.74</b>
<b>Net Operational (Service)</b>	<b>(2 660)</b>	<b>(11 537)</b>	<b>(2 474)</b>	<b>(2 522)</b>	<b>-357.50</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 184: Financial Performance: Housing

## 5.2.6 Roads and Stormwater

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>377</b>	<b>371</b>	<b>1 114</b>	<b>1 319</b>	<b>71.89</b>
<b>Expenditure:</b>					
Contracted Services	325	808	691	607	-33.12
Depreciation and Amortisation	5 804	6 101	5 987	5 712	-6.82
Employee Related Costs	6 397	6 585	6 560	6 240	-5.54
Other Expenditure	1 326	1 323	1 103	998	-32.64
<b>Total Operational Expenditure</b>	<b>13 852</b>	<b>14 817</b>	<b>14 342</b>	<b>13 556</b>	<b>-9.31</b>
<b>Net Operational (Service)</b>	<b>(13 475)</b>	<b>(14 447)</b>	<b>(13 228)</b>	<b>(12 237)</b>	<b>-18.06</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 185: Financial Performance: Roads and Stormwater

## 5.2.7 Planning (Development Management Spatial Planning and Environmental Management Building Control and Property Management)

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>2 684</b>	<b>2 962</b>	<b>2 592</b>	<b>2 616</b>	<b>-13.25</b>
<b>Expenditure:</b>					
Contracted Services	1 048	524	330	182	-187.20
Depreciation and Amortisation	185	167	164	149	-11.87
Employee Related Costs	7 968	5 937	7 908	7 956	25.37
Other Expenditure	421	331	361	284	-16.27
<b>Total Operational Expenditure</b>	<b>9 621</b>	<b>6 959</b>	<b>8 763</b>	<b>8 572</b>	<b>18.82</b>
<b>Net Operational (Service)</b>	<b>(6 937)</b>	<b>(3 997)</b>	<b>(6 171)</b>	<b>(5 956)</b>	<b>32.90</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 186: Financial Performance: Planning

## 5.2.8 LED

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Expenditure:</b>					
Contracted Services	0	0	0	0	0.00
Depreciation and Amortisation	0	0	0	0	0.00
Employee Related Costs	2 927	2 100	3 492	3 951	46.84
Other Expenditure	24	478	105	33	-1340.78
Transfers and grants	50	1 000	0	0	0.00
<b>Total Operational Expenditure</b>	<b>3 000</b>	<b>3 578</b>	<b>3 597</b>	<b>3 984</b>	<b>10.18</b>
<b>Net Operational (Service)</b>	<b>(3 000)</b>	<b>(3 578)</b>	<b>(3 597)</b>	<b>(3 984)</b>	<b>10.18</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 187: Financial Performance: LED

## 5.2.9 Libraries

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>5 321</b>	<b>5 422</b>	<b>5 505</b>	<b>5 436</b>	<b>0.26</b>
<b>Expenditure:</b>					
Contracted Services	0	0	39	0	100.00
Depreciation and Amortisation	133	137	133	122	-12.01
Employee Related Costs	5 367	5 365	5 809	5 584	3.92
Other Expenditure	221	151	201	152	0.47
<b>Total Operational Expenditure</b>	<b>5 722</b>	<b>5 653</b>	<b>6 181</b>	<b>5 858</b>	<b>3.50</b>
<b>Net Operational (Service)</b>	<b>(400)</b>	<b>(231)</b>	<b>(676)</b>	<b>(422)</b>	<b>45.27</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 188: Financial Performance: Libraries



## 5.2.10 Traffic and Law Enforcement

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>12 465</b>	<b>24 834</b>	<b>14 437</b>	<b>13 792</b>	<b>-80.06</b>
<b>Expenditure:</b>					
Contracted Services	726	610	430	271	-125.18
Debt Impairment	7 976	17 538	9 816	9 104	-92.63
Depreciation and Amortisation	111	67	160	140	52.08
Employee Related Costs	10 899	11 267	10 483	10 326	-9.11
Other Expenditure	797	733	933	890	17.63
<b>Total Operational Expenditure</b>	<b>20 510</b>	<b>30 215</b>	<b>21 822</b>	<b>20 732</b>	<b>-45.75</b>
<b>Net Operational (Service)</b>	<b>(8 045)</b>	<b>(5 381)</b>	<b>(7 385)</b>	<b>(6 939)</b>	<b>22.46</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 189: Financial Performance: Traffic and Law Enforcement

## 5.2.11 Fire Services and Disaster Management

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>12</b>	<b>0.00</b>
<b>Expenditure:</b>					
Contracted Services	2 994	2 673	2 871	552	-384.10
Depreciation and Amortisation	2	2	2	1	-66.16
Employee Related Costs	1 073	169	1 216	1 191	85.79
Other Expenditure	83	100	166	129	22.08
Transfers and Grants	0	0	0	0	0.00
<b>Total Operational Expenditure</b>	<b>4 152</b>	<b>2 945</b>	<b>4 254</b>	<b>1 873</b>	<b>-57.24</b>
<b>Net Operational (Service)</b>	<b>(4 150)</b>	<b>(2 943)</b>	<b>(4 242)</b>	<b>(1 861)</b>	<b>-58.18</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 190: Financial Performance: Fire Services and Disaster Management

## 5.2.12 Holiday Resorts and Campsites

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>2 526</b>	<b>3 115</b>	<b>2 712</b>	<b>2 893</b>	<b>-7.70</b>
<b>Expenditure:</b>					
Contracted Services	26	151	42	11	-1293.43
Depreciation and Amortisation	159	170	163	162	-5.00
Employee Related Costs	4 518	4 470	4 263	4 002	-11.70
Other Expenditure	282	366	341	286	-28.12
<b>Total Operational Expenditure</b>	<b>4 985</b>	<b>5 156</b>	<b>4 809</b>	<b>4 460</b>	<b>-15.61</b>
<b>Net Operational (Service)</b>	<b>(2 460)</b>	<b>(2 041)</b>	<b>(2 097)</b>	<b>(1 567)</b>	<b>-30.22</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 191: Financial Performance: Holiday Resorts and Campsites

## 5.2.13 Stadiums and Sport Ground

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>461</b>	<b>135</b>	<b>78</b>	<b>67</b>	<b>-100.22</b>
<b>Expenditure:</b>					
Contracted Services	58	64	17	1	-4260.96
Depreciation and Amortisation	574	447	482	612	26.96
Employee Related Costs	1 482	1 052	1 267	1 106	4.93
Other Expenditure	50	58	94	52	-10.51
<b>Total Operational Expenditure</b>	<b>2 164</b>	<b>1 620</b>	<b>1 861</b>	<b>1 772</b>	<b>8.57</b>
<b>Net Operational (Service)</b>	<b>(1 703)</b>	<b>(1 485)</b>	<b>(1 783)</b>	<b>(1 705)</b>	<b>12.87</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 192: Financial Performance: Swimming Pools and Sport Grounds

## 5.2.14 Community Facilities and Thusong Centres

Description	2021/22	2022/23			
	Actual	Depreciation and Amortisation	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>214</b>	<b>444</b>	<b>924</b>	<b>415</b>	<b>-6.99</b>
<b>Expenditure:</b>					
Contracted Services	341	410	515	345	-18.84
Depreciation and Amortisation	86	108	112	64	-67.46
Employee Related Costs	6 002	5 132	5 823	5 925	13.39
Other Expenditure	633	543	591	586	7.25
<b>Total Operational Expenditure</b>	<b>7 062</b>	<b>6 193</b>	<b>7 041</b>	<b>6 921</b>	<b>10.51</b>
<b>Net Operational (Service)</b>	<b>(6 848)</b>	<b>(5 750)</b>	<b>(6 116)</b>	<b>(6 506)</b>	<b>11.62</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 193: Financial Performance: Community Facilities and Thusong Centres

## 5.2.15 Financial Services

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>62 638</b>	<b>76 256</b>	<b>86 368</b>	<b>93 166</b>	<b>18.15</b>
<b>Expenditure:</b>					
Contracted Services	11 100	5 770	6 713	4 691	-22.99
Debt Impairment	2 720	8 773	13 580	16 430	46.60
Depreciation and Amortisation	888	854	790	995	14.21
Employee Related Costs	21 925	23 133	23 864	22 174	-4.33
Finance Charges	13 017	11 778	16 242	13 042	9.69
Other Expenditure	9 866	10 184	10 179	9 526	-6.91
Loss on Disposal of PPE	0	0	0	135	100.00
Actuarial Losses	865	2 000	910	0	0.00
<b>Total Operational Expenditure</b>	<b>60 380</b>	<b>62 492</b>	<b>72 278</b>	<b>66 993</b>	<b>6.72</b>
<b>Net Operational (Service)</b>	<b>2 258</b>	<b>13 764</b>	<b>14 090</b>	<b>26 173</b>	<b>47.41</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 194: Financial Performance: Financial Services

## 5.2.16 Office of the Municipal Manager

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>49 998</b>	<b>10 129</b>	<b>10 129</b>	<b>50 960</b>	<b>80.12</b>
<b>Expenditure:</b>					
Contracted Services	2 667	3 466	2 604	2 565	-35.16
Depreciation and Amortisation	63	41	41	27	-52.20
Employee Related Costs	8 133	7 526	8 051	7 417	-1.47
Other Expenditure	2 441	3 140	2 493	2 211	-41.98
Remuneration of Councillors	5 000	5 173	6 057	5 697	9.20
Transfers and grants	98	0	0	0	0.00
<b>Total Operational Expenditure</b>	<b>18 404</b>	<b>19 346</b>	<b>19 246</b>	<b>17 917</b>	<b>-7.97</b>
<b>Net Operational (Service)</b>	<b>31 594</b>	<b>(9 217)</b>	<b>(9 116)</b>	<b>33 042</b>	<b>127.89</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 195: Financial Performance: Office of the Municipal Manager

## 5.2.17 Administration

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>207</b>	<b>2 249</b>	<b>336</b>	<b>238</b>	<b>-843.66</b>
<b>Expenditure:</b>					
Contracted Services	8 068	3 907	7 666	6 907	43.43
Depreciation and Amortisation	627	497	676	618	19.58
Employee Related Costs	7 303	6 756	6 999	7 141	5.39
Other Expenditure	3 040	3 690	3 910	3 340	-10.48
Transfers and grants	0	0	0	0	0.00
<b>Total Operational Expenditure</b>	<b>19 038</b>	<b>14 851</b>	<b>19 251</b>	<b>18 006</b>	<b>17.52</b>
<b>Net Operational (Service)</b>	<b>(18 831)</b>	<b>(12 602)</b>	<b>(18 915)</b>	<b>(17 768)</b>	<b>29.07</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 196: Financial Performance: Administration

## 5.2.18 Human Resources

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>340</b>	<b>188</b>	<b>566</b>	<b>566</b>	<b>66.77</b>
<b>Expenditure:</b>					
Contracted Services	101	319	477	447	28.56
Depreciation and Amortisation	17	14	13	12	0.00
Employee Related Costs	3 638	3 218	3 241	3 195	-0.73
Other Expenditure	758	670	1 311	1 323	49.34
Transfers and grants	95	0	350	350	100.00
<b>Total Operational Expenditure</b>	<b>4 609</b>	<b>4 222</b>	<b>5 392</b>	<b>5 326</b>	<b>20.74</b>
<b>Net Operational (Service)</b>	<b>(4 269)</b>	<b>(4 034)</b>	<b>(4 826)</b>	<b>(4 761)</b>	<b>15.27</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 197: Financial Performance: Human Resources

## 5.2.19 Social (Child Care; Aged Care; Social Programmes And Community Development)

Description	2021/22	2022/23			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>2 448</b>	<b>1 696</b>	<b>1 916</b>	<b>1 949</b>	<b>13.00</b>
<b>Expenditure:</b>					
Contracted Services	47	29	29	13	<b>-122.56</b>
Depreciation and Amortisation	82	65	63	57	<b>-14.33</b>
Employee Related Costs	6 467	5 173	5 877	3 295	<b>-56.97</b>
Other Expenditure	138	148	147	80	<b>-83.64</b>
Transfers and grants	-	30	30	9	<b>-252.94</b>
<b>Total Operational Expenditure</b>	<b>6 735</b>	<b>5 444</b>	<b>6 146</b>	<b>3 454</b>	<b>-57.62</b>
<b>Net Operational (Service)</b>	<b>(4 287)</b>	<b>(3 748)</b>	<b>(4 230)</b>	<b>(1 505)</b>	<b>-149.09</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 198: Financial Performance: Social

## 5.3 GRANTS

### 5.3.1 Grant Performance

Description	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>66 387</b>	<b>73 048</b>	<b>70 682</b>	<b>69 281</b>	<b>-5.44</b>	<b>-2.02</b>
Local Government Equitable Share	55 044	61 451	61 451	60 377	-1.78	-1.78
Finance Management	2 023	2 132	2 132	2 083	-2.37	-2.37
EPWP Incentive	1 755	1 359	1 359	1 359	0.00	0.00
Municipal Infrastructure Grant (PMU)	816	848	846	849	0.14	0.34
Municipal Infrastructure Grant (VAT)	1 665	2 145	1 807	1 518	-41.30	-19.06
Regional Bulk Infrastructure Grant (VAT)	2 670	1 982	20	110	-1708.49	82.03
Water Services Infrastructure Grant (VAT)	377	0	197	116	100.00	-69.49
Integrated National Electrification Grant (VAT)	2 037	3 130	2 870	2 870	-9.09	0.00
<b>Provincial Government:</b>	<b>29 647</b>	<b>21 145</b>	<b>31 735</b>	<b>21 308</b>	<b>0.76</b>	<b>-48.93</b>
PGWC Financial Management Capacity Building Grant	96	0	250	250	100.00	0.00
Road Maintenance (Proclaimed)	0	95	95	0	0.00	0.00
Library Services: MRFG	5 302	5 408	5 408	5 408	0.00	0.00
Thusong Service Centre (Sustainability Operational Support)	138	150	150	149	-0.72	-0.72
CDW Support	72	152	231	115	-31.94	-100.61
Human Settlement Development Grant	21 728	15 340	23 417	14 076	-8.98	-66.36
Public Employment Support Grant	1 010	0	90	90	100.00	0.00
Municipal Library Support Grant	2	0	77	8	100.00	-811.39
Financial Management Capability Grant	0	0	1 058	1 053	100.00	-0.48
Municipal Interventions Grant	0	0	359	158	100.00	-126.98
Municipal Water Resilience Grant (VAT)	0	0	391	0	0.00	0.00
Loadshedding Relief Grant (Vat)	0	0	209	0	0.00	0.00
Financial Management Support Grant	1 259	0	0	0	0.00	0.00
Internship Grant	39	0	0	0	0.00	0.00
<b>Other grant providers:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
West Coast District Municipality	0	0	0	0	0.00	0.00

Description	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
ASLA	0	0	0	0	0.00	0.00
<b>Capital expenditure of Transfers and Grants</b>						
<b>National Government:</b>	<b>45 632</b>	<b>48 400</b>	<b>32 640</b>	<b>29 919</b>	<b>-61.77</b>	<b>-9.09</b>
Municipal Infrastructure Grant (MIG)	10 153	14 316	12 068	10 688	-33.94	-12.90
Regional Bulk Infrastructure Grant	17 800	13 215	131	731	-1708.49	82.03
Water Services Infrastructure Grant	2 716	0	1 311	704	100.00	-86.07
Integrated National Electrification Grant (INEG)	14 963	0	19 130	17 796	-17.27	-7.50
<b>Provincial Government:</b>	<b>0</b>	<b>10 000</b>	<b>18 773</b>	<b>13 219</b>	<b>24.35</b>	<b>-42.01</b>
Municipal Library Support Grant (Capital)	0	0	127	5	100.00	-2249.03
Upgrade of Informal Settlements Partnership Grant	0	0	14 255	13 214	24.32	-7.88
Municipal Interventions Grant	0	0	391	0	0.00	0.00
Municipal Water Resilience Grant	0	0	2 609	0	0.00	0.00
Loadshedding Relief Grant	0	0	1 391	0	0.00	0.00
Library Services MRF Capital	0	0	0	0	0.00	0.00
<b>Total Operating Transfers and Grants</b>	<b>141 665</b>	<b>152 593</b>	<b>0</b>	<b>133 727</b>	<b>-14.11</b>	<b>-15.03</b>
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 199: Grant Performance for 2022/23

## 5.3.2 Conditional Grants

Details	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
<b>Operating Expenditure of Transfers and Grants</b>						
<b>National Government</b>						
Finance Management	2 023	2 132	2 132	2 083	-2.37	-2.37
EPWP Incentive	1 755	1 359	1 359	1 359	0.00	0.00
Municipal Infrastructure Grant (PMU)	816	848	846	849	0.14	0.34

Details	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
Municipal Infrastructure Grant (VAT)	1 665	2 145	1 807	1 518	-41.30	-19.06
Regional Bulk Infrastructure Grant (VAT)	2 670	1 982	20	110	-1708.49	82.03
Water Services Infrastructure Grant (VAT)	377	0	197	116	100.00	-69.49
Integrated National Electrification Grant (VAT)	2 037	3 130	2 870	2 870	-9.09	0.00
Municipal Disaster Relief Grant (COVID-19)	0	0	0	0	0.00	0.00
<b>Provincial Government</b>						
PGWC Financial Management Capacity Building Grant	96	0	250	250	100.00	0.00
Road Maintenance (Proclaimed)	0	95	95	0	0.00	0.00
Library Services: MRFG	5 302	5 408	5 408	5 408	0.00	0.00
Thusong Service Centre (Sustainability Operational Support)	138	150	150	149	-0.72	-0.72
CDW Support	72	152	231	115	-31.94	-100.61
Human Settlement Development Grant	21 728	15 340	23 417	14 076	-8.98	-66.36
Public Employment Support Grant	1 010	0	90	90	100.00	0.00
Municipal Library Support Grant	2	0	77	8	100.00	-811.39
Financial Management Capability Grant	0	0	1 058	1 053	100.00	-0.48
Municipal Interventions Grant	0	0	359	158	100.00	-126.98
Municipal Water Resilience Grant (VAT)	0	0	391	0	0.00	0.00
Loadshedding Relief Grant (Vat)	0	0	209	0	0.00	0.00
Financial Management Support Grant	1 259	0	0	0	0.00	0.00
Internship Grant	39	0	0	0	0.00	0.00
<b>Capital Expenditure of Transfers and Grants</b>						
<b>National Government</b>						
Municipal Infrastructure Grant (MIG)	10 153	14 316	12 068	10 688	-33.94	-12.90
Regional Bulk Infrastructure Grant	17 800	13 215	131	731	0.00	0.00
Water Services Infrastructure Grant	2 716	0	1 311	704	100.00	-86.07



Details	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
Integrated National Electrification Grant (INEG)	14 963	20 870	19 130	17 796	-17.27	-7.50
<b>Provincial Government:</b>						
Municipal Library Support Grant (Capital)	0	0	127	5	100.00	-2249.03
Upgrade of Informal Settlements Partnership Grant	0	10 000	14 255	13 214	24.32	-7.88
Municipal Interventions Grant	0	0	391	0	0.00	0.00
Municipal Water Resilience Grant	0	0	2 609	0	0.00	0.00
Loadshedding Relief Grant	0	0	1 391	0	0.00	0.00
Library Services MRF Capital	0	0	0	0	0.00	0.00
<b>Total</b>	<b>86 621</b>	<b>91 142</b>	<b>92 378</b>	<b>73 350</b>	<b>-24.26</b>	<b>-25.94</b>
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

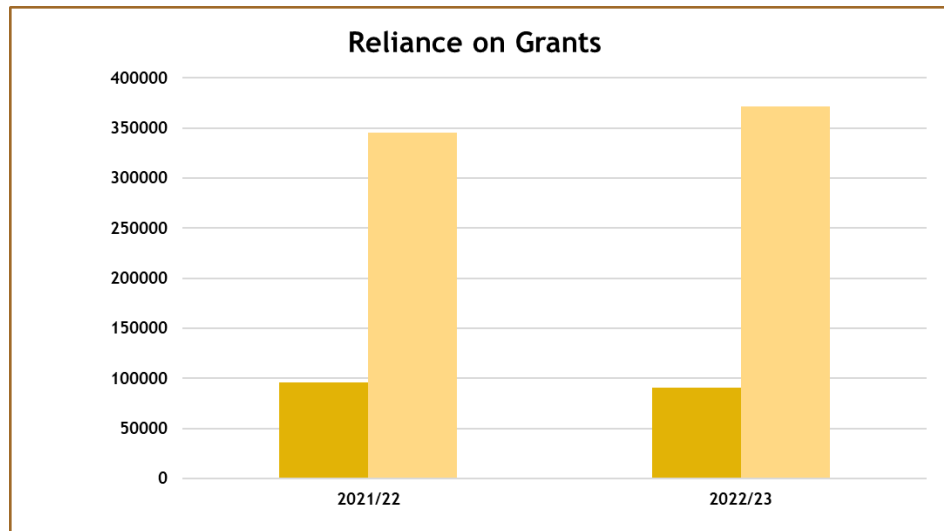
Table 200: Conditional Grant

### 5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2021/22	96 033	345 618	27.79
2022/23	90 589	371 542	24.38

Table 201: Reliance on Grants

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



Graph 5: Reliance on Grants

## 5.4 ASSET MANAGEMENT

### 5.4.1 Repairs and Maintenance

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	29 299	26 591	29 064	27 447	-5.56

Table 202: Repairs & Maintenance

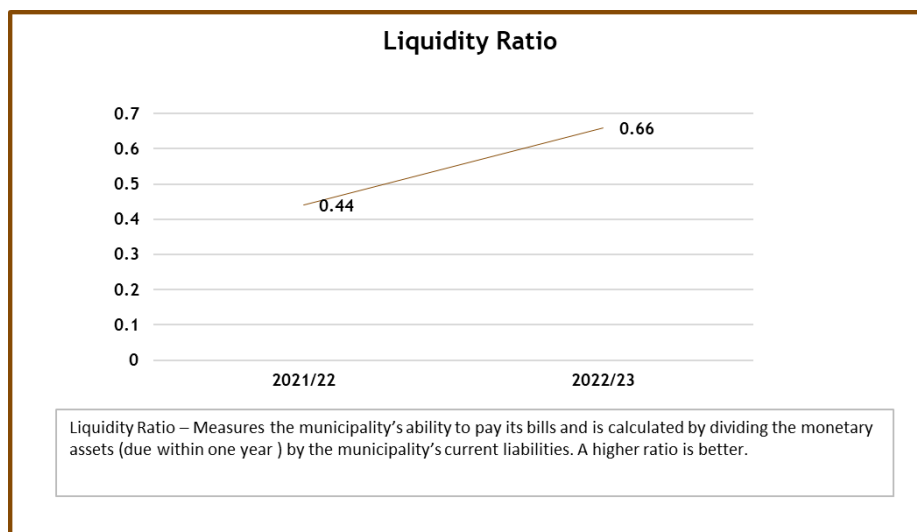
## 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2021/22	2022/23
Current Ratio	Current assets/current liabilities	0.45	0.67
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.45	0.67
Liquidity Ratio	Monetary assets/current liabilities	0.44	0.66

Table 203: Liquidity Financial Ratio

The following graph indicates the municipality's Liquidity Ratio as percentage for the last two financial years

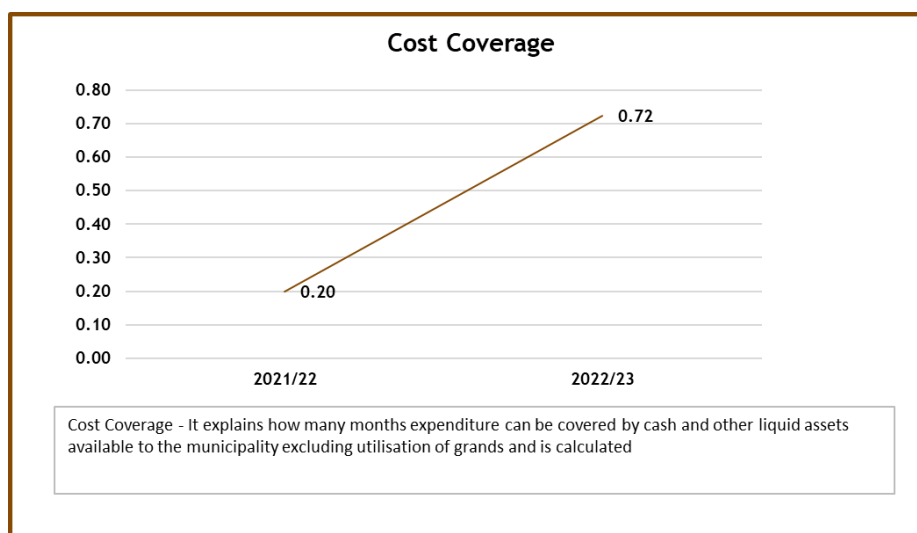


Graph 6: Liquidity Ratio

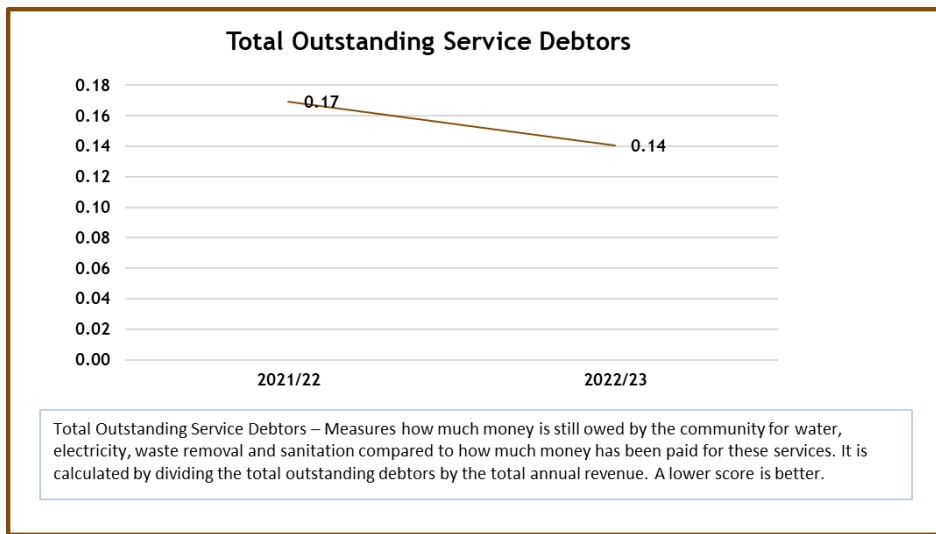
## 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2021/22	2022/23
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.20	0.72
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.17	0.14
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	72.79	150.56

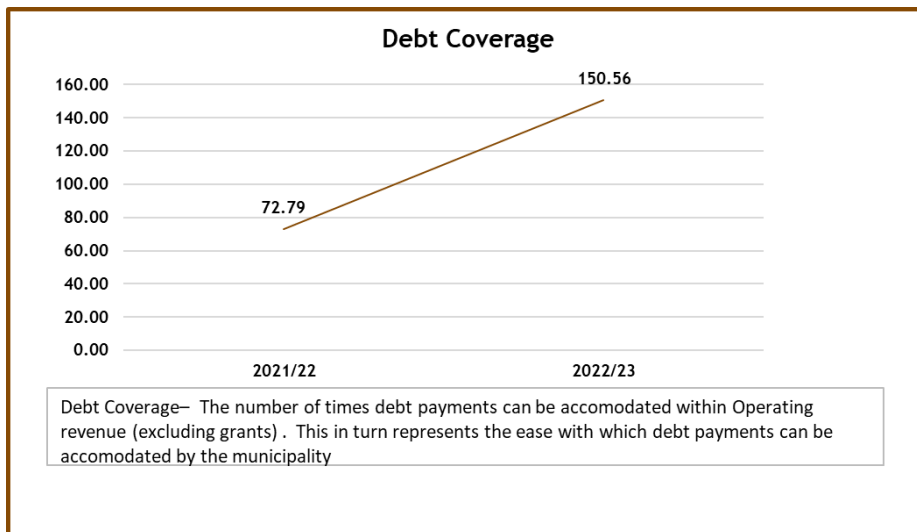
Table 204: Financial Viability National KPAs



Graph 7: Cost Coverage



Graph 8: Total Outstanding Service Debtors



Graph 9: Debt Coverage

## 5.5.3 Borrowing Management

Description	Basis of calculation	2021/22	2022/23
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.61%	1.18%

Table 205: Borrowing Management

## 5.5.4 Employee costs

Description	Basis of calculation	2021/22	2022/23
Employee costs	Employee costs/(Total Revenue - capital revenue)	38.30%	33.61%

Table 206: Employee Costs

## 5.5.5 Repairs & Maintenance

Description	Basis of calculation	2021/22	2022/23
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	8.48%	7.39%

Table 207: Repairs & Maintenance

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 SOURCES OF FINANCE

#### 5.6.1 Capital Expenditure by New Assets Program

Description	2021/22	2022/23			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
R'000							
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>37 581</b>	<b>45 624</b>	<b>36 326</b>	<b>32 337</b>	<b>51 137</b>	<b>56 065</b>	<b>64 383</b>
<b>Infrastructure: Road transport - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Roads, Pavements & Bridges	0	0	0	0	0	0	0
Stormwater	0	0	0	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	<b>14 986</b>	<b>22 320</b>	<b>19 205</b>	<b>17 923</b>	<b>33 041</b>	<b>11 712</b>	<b>7 826</b>

Description	2021/22	2022/23			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
<b>R'000</b>							
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	14 986	22 320	19 205	17 923	33 041	11 712	7 826
Street Lighting	0	0	0	0	0	0	0
<b>Infrastructure: Water - Total</b>	<b>17 800</b>	<b>18 215</b>	<b>12 120</b>	<b>2 478</b>	<b>9 702</b>	<b>22 746</b>	<b>13 927</b>
Dams & Reservoirs	0	0	2 224	-	5 826	3 913	-
Water Purification	0	0	0	0	0	0	0
Reticulation	17 800	18 215	9 896	2 478	3 876	18 833	13 927
<b>Infrastructure: Sanitation - Total</b>	<b>4 795</b>	<b>5 090</b>	<b>5 000</b>	<b>11 936</b>	<b>8 394</b>	<b>19 107</b>	<b>34 783</b>
Reticulation	-	5 090	5 000	11 936	0	0	0
Sewerage Purification	4 795	0	0	0	8 394	19 107	34 783
<b>Infrastructure: Other - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 500</b>	<b>7 848</b>
Waste Management	0	0	0	0	0	2 500	7 848
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
<b>Community - Total</b>	<b>1 514</b>	<b>2 139</b>	<b>4 889</b>	<b>1 317</b>	<b>5 492</b>	<b>10 153</b>	<b>0</b>
Parks & Gardens	0	0	0	0	0	0	0
Sports Fields & Stadia	0	0	0	0	0	0	0
Swimming Pools	0	0	0	0	0	0	0
Community Halls	150	2 139	4 554	1 199	0	0	0
Libraries	0	0	0	0	0	0	0
Recreational Facilities	0	0	0	0	0	0	0
Fire, Safety & Emergency	0	0	0	0	0	0	0
Security And Policing	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social Rental Housing	0	0	0	0	0	0	0
<b>Capital expenditure by Asset Class</b>	<b>5 952</b>	<b>9 707</b>	<b>9 732</b>	<b>1 533</b>	<b>17 086</b>	<b>0</b>	<b>0</b>
<b>Heritage assets - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Buildings	0	0	0	0	0	0	0
<b>Investment properties - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Housing Development	0	0	0	0	0	0	0
<b>Other assets</b>	<b>5 952</b>	<b>9 707</b>	<b>9 677</b>	<b>1 533</b>	<b>17 086</b>	<b>0</b>	<b>0</b>
General Vehicles	0	0	0	0	0	0	0
Specialised Vehicles	3 324	1 860	2 991	0	11 071	0	0
Plant & Equipment	1 202	7 350	5 970	1 231	4 328	0	0
Computers - Hardware/Equipment	394	497	488	245	1 513	0	0

Description	2021/22	2022/23			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
<b>R'000</b>							
Furniture And Other Office Equipment	1 033	0	228	57	173	0	0
Markets	0	0	0	0	0	0	0
Other Buildings	0	0	0	0	0	0	0
Other Land	0	0	0	0	0	0	0
<b>Intangibles</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Computers - Software & Programming	0	0	55	0	0	0	0
<b>Total Capital Expenditure on new assets</b>	<b>45 047</b>	<b>57 471</b>	<b>50 947</b>	<b>35 186</b>	<b>73 715</b>	<b>66 219</b>	<b>64 383</b>

Table 208: Capital Expenditure by New Assets Program

## 5.6.1 Capital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2021/22 financial year:

Capital Expenditure: Funding Sources						
Details	2021/22	2022/23				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<b>Source of Finance</b>						
Description	R'000				%	
External loans	150	8 600	0	0	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	45 632	58 400	51 413	43 139	-11.96	-14.17
Own funding	7 464	3 530	11 539	4 910	226.88	-187.79
<b>Total</b>	<b>53 247</b>	<b>70 530</b>	<b>62 952</b>	<b>48 049</b>	<b>-10.74</b>	<b>-21.13</b>
<b>Percentage of Finance</b>						
External loans	0	12	0	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	86	83	82	90		
Own funding	14	5	18	10		
<b>Capital Expenditure</b>						
Description	R'000				%	
Water and Sanitation	4 795	5 090	5 000	11 936	-1.77	136.26

Capital Expenditure: Funding Sources						
Details	2021/22	2022/23				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	R'000				%	
Electricity	14 986	22 320	19 205	17 923	-13.95	-5.74
Housing	0	0	0	0	0.00	0.00
Roads and Stormwater	0	0	0	0	0.00	0.00
Other	25 266	30 061	26 741	5 327	-11.04	-71.24
<b>Total</b>	<b>45 047</b>	<b>57 471</b>	<b>50 947</b>	<b>35 186</b>	<b>-11.35</b>	<b>-27.42</b>
Percentage of Expenditure						
Water and sanitation	11	9	10	34		
Electricity	33	39	38	51		
Housing	0	0	0	0		
Roads and stormwater	0	0	0	0		
Other	56	52	52	15		

Table 209: Capital Expenditure by Funding Source

## 5.6.2 Capital Spending on Largest Capital Projects

Name of Project	2022/23				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
MIG: Construction Of Multi-Purpose Centre (Phase 1) Graafwater	1 739	4 554	1 199	-31.05%	-73.67%
ISUPG: Clanwilliam Khayelitsha Water Services	5 000	9 255	0	-100.00%	-100.00%
ISUPG: Clanwilliam Khayelitsha Sanitation Services	5 000	5 000	0	-100.00%	-100.00%
MIG: Upgrade Roads and Stormwater Infrastructure -Graafwater	2 471	5 223	9 356	278.56%	79.12%
INEP - Bulk Electricity Upgrade Clanwilliam	20 870	19 130	17 796	-14.73%	-6.98%
<b>Name of Project - A</b>	<b>MIG: Construction Of Multi-Purpose Centre (Phase 1) Graafwater</b>				
<b>Objective of Project</b>	Construct a Multi-Purpose Centre in Graafwater				
<b>Delays</b>	None				
<b>Future Challenges</b>	No future challenges are anticipated				
<b>Anticipated citizen benefits</b>	Graafwater				



<b>Name of Project - B</b>	<b>ISUPG: Clanwilliam Khayelitsha Water Services</b>
<b>Objective of Project</b>	Provide water services to informal settlements
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Availability of water
<b>Name of Project - C</b>	<b>ISUPG: Clanwilliam Khayelitsha Sanitation Services</b>
<b>Objective of Project</b>	Provide sanitation services to informal settlements
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Availability of sanitation
<b>Name of Project - D</b>	<b>MIG: Upgrade Roads and Stormwater Infrastructure -Graafwater</b>
<b>Objective of Project</b>	Upgrading of gravel roads
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Improved roads
<b>Name of Project - E</b>	<b>INEP - Bulk Electricity Upgrade Clanwilliam</b>
<b>Objective of Project</b>	Upgrade 66kv line between Graafwater and Clanwilliam
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Improve electricity provision

Table 210: Capital Spending on Largest Capital Projects

### 5.6.3 Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs

The table below indicates the MIG expenditure on service backlogs:

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'000			%	%
<b>Infrastructure - Water</b>	<b>2 689</b>	<b>87</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Reservoirs</i>	2 689	87	0	0	0
<b>Infrastructure - Sanitation</b>	<b>7 399</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Reticulation</i>	7 399	0	0	0	0
<b>Other Specify:</b>	<b>1 739</b>	<b>4 929</b>	<b>1 317</b>	<b>-32.10</b>	<b>-274.42</b>
<i>Community Facilities</i>	1 739	4 554	1 199	-45.04	-279.76
<i>Informal Settlements</i>	0	335	117	100.00	-185.49

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'000			%	%
Outdoor Sport facilities	0	40	0	0	0
<b>Roads Infrastructure</b>	<b>2 471</b>	<b>7 032</b>	<b>9 356</b>	<b>73.58</b>	<b>24.83</b>
<b>Computer Equipment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>14 298</b>	<b>12 049</b>	<b>10 672</b>	<b>-33.98</b>	<b>-12.90</b>

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

Table 211: MIG Expenditure on Service Backlogs

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

### 5.7 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	233 759	248 665	238 147	251 336
Government Grants	125 241	152 593	147 953	124 088
Interest	3 629	634	1 677	5 291
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	(309 825)	(327 608)	(326 554)	(307 208)
Finance charges	(4 758)	(3 425)	(6 221)	(3 907)

Cash Flow Outcomes				
R'000				
Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Transfers and Grants	(244)	(1 030)	(380)	(358)
<b>Net cash from/(used) operating activities</b>	<b>47 802</b>	<b>69 830</b>	<b>54 623</b>	<b>69 243</b>
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	4 487	0	58	70
Decrease (increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	0	0	0	(563)
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(44 910)	(70 530)	(62 952)	(48 625)
<b>Net cash from/(used) investing activities</b>	<b>(40 423)</b>	<b>(70 530)</b>	<b>(62 894)</b>	<b>(49 118)</b>
Cash flows from financing activities				
Receipts				
Consumer Deposits	0	210	210	256
Borrowing long term/refinancing	0	8 600	0	0
Payments				
Repayment of borrowing	(5 314)	(4 648)	(3 726)	(3 726)
<b>Net cash from/(used) financing activities</b>	<b>(5 314)</b>	<b>4 162</b>	<b>(3 516)</b>	<b>(3 470)</b>
<b>Net increase/ (decrease) in cash held</b>	<b>2 065</b>	<b>3 461</b>	<b>(11 787)</b>	<b>16 655</b>
<b>Cash/cash equivalents at the year begin:</b>	<b>9 750</b>	<b>285</b>	<b>11 815</b>	<b>11 815</b>
<b>Cash/cash equivalents at the yearend:</b>	<b>11 815</b>	<b>3 746</b>	<b>28</b>	<b>28 778</b>

Table 212: Cash Flow

## 5.8 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Availability Charges	Trading services	Economic services	Housing rentals	Other	Total
			(Electricity and Water)	(Sanitation and Refuse)			
	R'000						
2021/22	35 660	6 844	51 144	23 049	0	10 203	126 899
2022/23	38 753	7 810	51 865	28 364	0	16 311	143 103

Financial year	Rates	Availability Charges	Trading services	Economic services	Housing rentals	Other	Total
			(Electricity and Water)	(Sanitation and Refuse)			
R'000							
Difference	3 093	966	721	5 315	0	6 109	16 204
% growth year on year	9	14	1	23	0	60	13

Note: Figures exclude provision for bad debt

Table 213: Gross Outstanding Debtors per Service

## 5.9 TOTAL DEBTORS AGE ANALYSIS

Financial year	0 - 30 Days (Current)	1 to 3 months	4 months to 1 year	Over 1 year	Total
	R'000				
2021/22	24 626	16 535	22 772	62 967	126 899
2022/23	26 356	19 541	29 522	67 685	143 103
Difference	1 730	3 005	6 750	4 718	16 204
% growth year on year	7	18	30	7	13

Note: Figures exclude provision for bad debt

Table 214: Service Debtor Age Analysis

## 5.10 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

### 5.10.1 Actual Borrowings

Actual Borrowings		
R' 000		
Instrument	2021/22	2022/23
	R'000	
Long-term loans (annuity/reducing balance)	4 385	2 443
Financial leases	0	0
<b>Total</b>	<b>4 385</b>	<b>2 443</b>

Table 215: Actual Borrowings

**5.10.2 Municipal Investments**

<b>Actual Investments</b>		
<b>R'000</b>		
<b>Investment type</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>Actual</b>	
	<b>R'000</b>	
Deposits - Bank	8 557	22 455
<b>Total</b>	<b>8 557</b>	<b>22 455</b>

Table 216: Municipal Investments

**5.10.3 Grants Made by the Municipality**

<b>All Organisation or Person in receipt of Grants provided by the municipality</b>	<b>Conditions attached to funding</b>	<b>Value 2022/23</b>	<b>Total amount committed over previous and future years</b>
		<b>R'000</b>	
Bursaries	n/a	350	200
Sport Councils	n/a	9	45
Social Relief	n/a	0	195

Table 217: Grants Made by the Municipality

## CHAPTER 6

### COMPONENT A: AUDITOR-GENERAL OPINION 2021/22

#### 6.1 AUDITOR-GENERAL REPORT 2021/22

2021/22	
Unqualified with findings	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Material Impairments	
As disclosed in note 3 to the financial statements, the material losses of R27 582 479 (2021: R21 823 091) was incurred as result of a write-off of irrecoverable receivables form exchange revenue.	Allocating sufficient staff/ capacity to proactively drive the revenue management and debt collection functions and policies, in order to intensify revenue collections.
As disclosed in note 4 to the financial statements, the material losses of R19 121 945 (2021: R28 997 999) was incurred as result of a write-off of irrecoverable receivables form non-exchange revenue.	Allocating sufficient staff/ capacity to proactively drive the revenue management and debt collection functions and policies, in order to intensify revenue collections. Start to handover the property rates debt to the attorneys and attach assets where necessary.
As disclosed in note 10 to the financial statements, material losses of R10 924 655 (2021: R9 539 724) was incurred as a result of an accumulated impairment of the Lamberts Bay Desalination Plant.	The project could not be completed due to a major geotechnical challenge encountered by the Contractor. The Municipality is in consultation with the Department Local Government and National Department Water and Sanitation for funding for a technical specialist opinion on the feasibility of the current methodology and the way forward. A detailed design shall then be based on this opinion and implemented.
Underspending of conditional grants	
As disclosed in note 20 to the financial statements, the municipality materially underspent on the Municipal Infrastructure Grant (MIG) by R3 685 824 (22.58%) and the Water Services Infrastructure Grant (WSIG) by R 1 507 344 (32.77%)	The Municipality has successfully applied for a rollover of unspent MIG funds. These funds shall be spent in the 2022/23 financial year.
Significant litigation	
With reference to note 57.09 in the financial statements, the municipality is the defendant in a claim relating to outstanding payment of R3 508 017. The claim is relating to the electricity supplied to the municipality. The municipality is opposing the claim.	The Municipality has instituted a counter claim based on unlawful use of their electrical supply by the claimant. This forms the basis to cancel the existing agreement. This should be instituted before the return date of the main hearing.

Table 218: AG Report on Financial Performance 2021/22

## COMPONENT B: AUDITOR-GENERAL OPINION 2022/23

### 6.2 AUDITOR-GENERAL REPORT 2022/23

Information pending the Audit Report for 2022/23

2022/23	
Unqualified with findings	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Restatement of corresponding figures	
As disclosed in note 45 to the financial statements, the corresponding figures for 30 June were restated as a result of error in the financial statements of the municipality at and for the year ended 30 June 2023	The matter was corrected in the financial statements of 2022/23.
Material Impairments	
As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchanges transactions of R70 373 186 (2021/22: R57 665 699).	This is due to non-payment of debtors for service charges. This amount is cumulative from the 2021/22 financial year. The current year movement amounts to R14.598m, with debt written off of R1.890m. Credit control measures are enforced.
As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchanges transactions of R54 567 7760 (2021/22: R40 921 114).	This is due to non-payment of debtors for property rates and availability charges, as well as non-payment of traffic fines. This amount is cumulative from the 2021/22 financial year. The current year movement amounts to R20.363m, with debt written off of R6.716m. Majority of the allowance for impairment is due to Property Rates and Traffic Fines. All unpaid traffic fines older than 1 year are impaired in full.
As disclosed in note 11 to the financial statements, the municipality provided for the accumulated impairment of the Lamberts Bay Desalination Plant of R10 924 655 (2021/22: R10 924 655).	Due to geo-technical complications the project has been delayed. The Geo-technical complication resulted in the difference of opinion between the Municipality and the contractor which ultimately led to a process of adjudication. A final decision by the adjudicator was only reached towards the end of the 2022/23 financial year. The Municipality is now in the process of determining the most feasible manner to proceed with the project. The significant time it is taking to complete the project led to wear and tear on components and this triggered indicators for impairment.
Underspending of conditional grants	
As disclosed in note 21, the municipality materially underspent on the Municipal Infrastructure Grant (MIG) by R2 739 284.	The underspending as on the Citrusdal Roads and Stormwater project. This was a roll-over approved in respect of the 2021/22 financial year. Significant delays were experienced in the completing the project, which led to time-related claims being made against the Municipality. This in turn led in an ongoing process of consultation and adjudication. The process was only finished in April 2023. The funds have been returned to the NRF.

Table 219: AG Report on Financial Performance 2022/23

# List of Abbreviations

## LIST OF ABBREVIATIONS

<b>AG</b>	Auditor-General	<b>IMFO</b>	Institute for Municipal Finance Officers
<b>AFS</b>	Annual Financial Statements	<b>KPA</b>	Key Performance Area
<b>CAPEX</b>	Capital Expenditure	<b>KPI</b>	Key Performance Indicator
<b>CBP</b>	Community Based Planning	<b>LED</b>	Local Economic Development
<b>CFO</b>	Chief Financial Officer	<b>MAYCOM</b>	Executive Mayoral Committee
<b>CMTPT</b>	Council Meets The People	<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>COGHSTA</b>	Department of Cooperative Governance, Human Settlements and Traditional Affairs	<b>MIG</b>	Municipal Infrastructure Grant
<b>DCOG</b>	Department of Cooperative Governance	<b>MISA</b>	Municipal Infrastructure Support Agent
<b>DCAS</b>	Department of Cultural Affairs and Sport	<b>MM</b>	Municipal Manager
<b>DEADP</b>	Department of Environmental Affairs and Development Planning	<b>MMC</b>	Member of Mayoral Committee
<b>DEDAT</b>	Department of Economic Development and Tourism	<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>DHS</b>	Department of Human Settlements	<b>MTECH</b>	Medium Term Expenditure Committee
<b>DOH</b>	Department of Health	<b>NCOP</b>	National Council of Provinces
<b>DPLG</b>	Department of Provincial and Local Government	<b>NERSA</b>	National Energy Regulator South Africa
<b>DSD</b>	Department of Social Development	<b>NGO</b>	Non-governmental organisation
<b>DRDLR</b>	Department of Rural Development and Land Reform	<b>NT</b>	National Treasury
<b>DWA</b>	Department of Water Affairs	<b>NYDA</b>	National Youth Development Agency
<b>ECD</b>	Early Childhood Development	<b>OPEX</b>	Operating expenditure
<b>EE</b>	Employment Equity	<b>PMS</b>	Performance Management System
<b>EPWP</b>	Extended Public Works Programme	<b>PT</b>	Provincial Treasury
<b>EXCO</b>	Executive Committee	<b>SALGA</b>	South African Local Government Association
<b>FBS</b>	Free Basic Services	<b>SAMDI</b>	South African Management Development Institute
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice	<b>SCAC</b>	Stop Crime Against Children
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>SCM</b>	Supply Chain Management
<b>HR</b>	Human Resources	<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>IDP</b>	Integrated Development Plan	<b>SDF</b>	Spatial Development Framework
<b>IFRS</b>	International Financial Reporting Standards	<b>WESGRO</b>	Western Cape Tourism, Trade and Investment Promotion Agency



# List of Tables

## LIST OF TABLES

Table 1: Demographic Profile.....	9	Table 36: Members of the Performance Audit Committee .....	42
Table 2: Geographical Context .....	10	Table 37: Newsletter .....	42
Table 3: Municipal Wards.....	12	Table 38: Awareness Campaigns.....	43
Table 4: Key Economic Activities.....	16	Table 39: Additional Communication Channels Utilised .....	44
Table 5: Basic Services Delivery Highlights .....	16	Table 40: Website Checklist .....	45
Table 6: Basic Services Delivery Challenges .....	17	Table 41: Top Layer SDBIP per Strategic Objectives.....	53
Table 7: Households with Minimum Level of Basic Services .....	18	Table 42: Improve and sustain basic service delivery and infrastructure development.....	59
Table 8: Financial Viability Highlights.....	18	Table 43: Strive for financial viability and economically sustainability .....	60
Table 9: Financial Viability Challenges.....	19	Table 44: Promote Good Governance, Community Development & Public Participation .....	61
Table 10: National KPI's for Financial Viability and Management.....	19	Table 45: Facilitate, expand and nurture sustainable economic growth and eradicate poverty .....	61
Table 11: Financial Overview .....	20	Table 46: Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade .....	61
Table 12: Total Capital Expenditure .....	20	Table 47: Facilitate social cohesion, safe and healthy communities..	62
Table 13: Opinion Received.....	21	Table 48: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council .....	62
Table 14: 2022/23 IDP/Budget Process .....	25	Table 49: Functional Areas.....	64
Table 15: National KPIs - Good Governance and Public Participation Performance .....	26	Table 50: Water Services Challenges.....	65
Table 16: Good Governance and Public Participation Performance Highlights.....	27	Table 51: Water Service Delivery Levels: Households .....	66
Table 17: Good Governance and Public Participation Challenges .....	27	Table 52: Employees: Water Services .....	67
Table 18: Council 2022/23 .....	28	Table 53: Capital Expenditure 2022/23: Water Services .....	67
Table 19: Executive Committee 2022/23.....	28	Table 54: Waste Water (Sanitation) Provision Highlights.....	68
Table 20: Portfolio Committees 2022/23.....	29	Table 55: Waste Water (Sanitation) Provision Challenges.....	69
Table 21: Administrative Governance Structure .....	30	Table 56: Waste Water (Sanitation) Provision Service Delivery Levels .....	70
Table 22: Intergovernmental Structures.....	31	Table 57: Employees Waste Water (Sanitation) Provision .....	70
Table 23: Joint Projects and Functions with Sector Departments .....	33	Table 58: Capital Expenditure 2022/23: Waste Water (Sanitation) Provision .....	71
Table 24: Ward 1: Committee Members.....	34	Table 59: Electricity Highlights.....	71
Table 25: Ward 2: Committee Members.....	34	Table 60: Electricity Challenges .....	72
Table 26: Ward 3: Committee Members.....	35	Table 61: Electricity Service Delivery Levels.....	72
Table 27: Ward 4: Committee Members.....	35	Table 62: Employees: Electricity Services.....	73
Table 28: Ward 5: Committee Members.....	35	Table 63: Capital Expenditure 2022/23: Electricity .....	73
Table 29: Ward 6: Committee Members.....	36	Table 64: Waste Management Highlights .....	74
Table 30: Labour Forum .....	36	Table 65: Waste Management Challenges .....	74
Table 31: Top Risks .....	38	Table 66: Waste Management Service Delivery Levels.....	75
Table 32: Risk Committee.....	39		
Table 33: Strategies.....	39		
Table 34: Implementation of the Strategies .....	40		
Table 35: Members of the Audit Committee.....	41		

# List of Tables

Table 67: Employees: Waste Management.....	76	Table 103: Challenges: Tourism.....	93
Table 68: Capital Expenditure 2022/23: Waste Management.....	76	Table 104: Employees: Tourism.....	94
Table 69: Housing Needs.....	78	Table 105: Libraries in the Municipal Area.....	94
Table 70: Housing Highlights.....	79	Table 106: Libraries Highlights.....	94
Table 71: Housing Challenges.....	79	Table 107: Libraries Challenges.....	95
Table 72: Applicants on the Western Cape Housing Demand Database.....	79	Table 108: Service Statistics for Libraries.....	95
Table 73: Housing Waiting List.....	80	Table 109: Employees: Libraries.....	96
Table 74: Houses Built and Sites Service.....	80	Table 110: Cemeteries Highlights.....	96
Table 75: Employees: Housing.....	80	Table 111: Cemeteries Challenges.....	96
Table 76: Capital Expenditure 2022/23: Housing.....	81	Table 112: Service Statistics for Cemeteries.....	97
Table 77: Free Basic Services to Indigent Households.....	81	Table 113: Capital Expenditure 2022/23: Community and Social Services.....	97
Table 78: Free Basic Electricity Services to Indigent Households.....	82	Table 114: Law Enforcement Highlights.....	97
Table 79: Free Basic Water Services to Indigent Households.....	82	Table 115: Law Enforcement Challenges.....	98
Table 80: Free Basic Sanitation Services to Indigent Households.....	82	Table 116: Service Statistics for Law Enforcement.....	98
Table 81: Free Basic Refuse Removal Services to Indigent Households.....	82	Table 117: Employees: Law Enforcement.....	99
Table 82: Cost to Municipality of Free Basic Services Delivered.....	82	Table 118: Traffic Services Highlights.....	100
Table 83: Roads and Stormwater Highlights.....	84	Table 119: Traffic Services Challenges.....	101
Table 84: Roads and Stormwater Challenge.....	84	Table 120: Service Statistics for Traffic Services.....	101
Table 85: Gravel Road Infrastructure.....	85	Table 121: Employees: Traffic Services.....	102
Table 86: Tarred Road Infrastructure.....	85	Table 122: Fire Services and Disaster Management Highlights.....	103
Table 87: Cost of Construction/Maintenance of Roads.....	85	Table 123: Fire Services and Disaster Management Challenges.....	103
Table 88: Stormwater Services Delivery Statistics.....	85	Table 124: Service Statistics for Fire Services.....	103
Table 89: Stormwater Services Delivery Statistics – Financials.....	86	Table 125: Employees: Fire Services and Disaster Management.....	104
Table 90: Employees: Roads and Stormwater.....	86	Table 126: Capital Expenditure 2022/23: Public Safety.....	104
Table 91: Capital Expenditure 2022/23: Roads and Stormwater.....	86	Table 127: Sport and Recreation Highlights.....	105
Table 92: Planning Highlights.....	87	Table 128: Sport and Recreation Challenges.....	105
Table 93: Planning Challenges.....	88	Table 129: Service Statistics for Sport and Recreation.....	106
Table 94: Applications for Land Use Development.....	88	Table 130: Employees: Resorts and Caravan Parks.....	106
Table 95: Additional Performance Town Planning and Building Control.....	88	Table 131: Employees: Parks and Gardens.....	107
Table 96: Employees: Planning.....	89	Table 132: Capital Expenditure 2022/23: Sport and Recreation.....	107
Table 97: Capital Expenditure 2022/23: Project Management and Town Planning.....	89	Table 133: Executive and Council Highlights.....	108
Table 98: LED Highlights.....	90	Table 134: Executive and Council Challenges.....	108
Table 99: Challenges LED.....	90	Table 135: Employees: Administrative Services.....	109
Table 100: Employees: LED.....	91	Table 136: Employees: Thusong Centres.....	109
Table 101: Tourism Strategic Objectives.....	92	Table 137: Financial Services Highlights.....	110
Table 102: Highlights: Tourism.....	93	Table 138: Financial Services Challenges.....	110
		Table 139: Debt Recovery.....	111
		Table 140: Employees: Financial Services.....	111

# List of Tables

Table 141: Capital Expenditure 2022/23: Finance and Administration .....	112	Table 173: MFMA Competencies .....	132
Table 142: Occupational Health and Safety 2022/23 .....	113	Table 174: Personnel Expenditure.....	133
Table 143: Human Resources Highlights .....	114	Table 175: Financial Performance 2022/23.....	136
Table 144: Human Resources Challenges .....	114	Table 176: Performance Against Budgets.....	136
Table 145: Employees: Human Resources.....	115	Table 177: Revenue by Vote .....	138
Table 146: ICT Highlights.....	116	Table 178: Revenue by Source .....	138
Table 147: ICT Challenges.....	116	Table 179: Operational Services Performance .....	140
Table 148: Employees: ICT Services .....	116	Table 180: Financial Performance: Water Services .....	140
Table 149: Legal Services Highlights .....	117	Table 181: Financial Performance: Waste Water (Sanitation) Services .....	141
Table 150: Legal Services Challenges .....	117	Table 182: Financial Performance: Electricity .....	141
Table 151: Employees: Legal Services .....	118	Table 183: Financial Performance: Waste Management.....	142
Table 152: Procurement Services Highlights.....	118	Table 184: Financial Performance: Housing.....	142
Table 153: Procurement Services Challenges.....	119	Table 185: Financial Performance: Roads and Stormwater .....	143
Table 154: Service Statistics for Procurement Division .....	119	Table 186: Financial Performance: Planning .....	143
Table 155: Statistics of Deviations from the SCM Policy .....	119	Table 187: Financial Performance: LED .....	144
Table 156: Improve and sustain basic service delivery and infrastructure development.....	122	Table 188: Financial Performance: Libraries .....	144
Table 157: Strive for financial viability and economically sustainability .....	123	Table 189: Financial Performance: Traffic and Law Enforcement.....	145
Table 158: Promote Good Governance, Community Development & Public Participation .....	124	Table 190: Financial Performance: Fire Services and Disaster Management.....	145
Table 159: Facilitate, expand and nurture sustainable economic growth and eradicate poverty.....	124	Table 191: Financial Performance: Holiday Resorts and Campsites ..	146
Table 160: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council.....	125	Table 192: Financial Performance: Swimming Pools and Sport Grounds .....	146
Table 161: 2022/23 EE Actual by Racial Classification.....	126	Table 193: Financial Performance: Community Facilities and Thusong Centres .....	147
Table 162: 2022/23 EE Actual by Gender Classification .....	126	Table 194: Financial Performance: Financial Services.....	147
Table 163: EE Population 2022/23 (including non-permanent officials) .....	127	Table 195: Financial Performance: Office of the Municipal Manager	148
Table 164: Occupational Categories .....	127	Table 196: Financial Performance: Administration .....	148
Table 165: Departments: Race.....	127	Table 197: Financial Performance: Human Resources .....	149
Table 166: Vacancies per Department .....	128	Table 198: Financial Performance: Social.....	149
Table 167: Full Time Staff Equivalents .....	128	Table 199: Grant Performance for 2022/23 .....	151
Table 168: Employee Movement.....	128	Table 200: Conditional Grant .....	153
Table 169: Injuries.....	129	Table 201: Reliance on Grants.....	153
Table 170: Human Resource Policies and Plans.....	130	Table 202: Repairs & Maintenance .....	154
Table 171: Skills Matrix.....	131	Table 203: Liquidity Financial Ratio .....	154
Table 172: Budget Allocated for Skills Development .....	131	Table 204: Financial Viability National KPAs .....	155
		Table 205: Borrowing Management.....	157
		Table 206: Employee Costs .....	157
		Table 207: Repairs & Maintenance .....	157
		Table 208: Capital Expenditure by New Assets Program .....	159

# List of Tables

Table 209: Capital Expenditure by Funding Source .....	160
Table 210: Capital Spending on Largest Capital Projects .....	161
Table 211: MIG Expenditure on Service Backlogs.....	162
Table 212: Cash Flow .....	163
Table 213: Gross Outstanding Debtors per Service.....	164
Table 214: Service Debtor Age Analysis .....	164
Table 215: Actual Borrowings .....	164
Table 216: Municipal Investments.....	165
Table 217: Grants Made by the Municipality .....	165
Table 218: AG Report on Financial Performance 2021/22 .....	166
Table 219: AG Report on Financial Performance 2022/23 .....	167

## LIST OF GRAPHS

Graph 1: Total Population.....	9
Graph 2: Top Layer SDBIP per Strategic Objectives .....	53
Graph 3: Revenue .....	136
Graph 4: Operating Expenditure .....	137
Graph 5: Reliance on Grants .....	154
Graph 6: Liquidity Ratio .....	155
Graph 7: Cost Coverage .....	156
Graph 8: Total Outstanding Service Debtors .....	156
Graph 9: Debt Coverage .....	156

## LIST OF FIGURES

Figure 1: Cederberg Area Map.....	11
Figure 2: Ward 1 .....	13
Figure 3: Ward 2.....	13
Figure 4: Ward 3.....	13
Figure 5: Ward 4.....	13
Figure 6: Ward 5.....	13
Figure 7: Components of the Municipal Scorecard (Top Layer) .....	49
Figure 8: SDBIP Measurement Criteria .....	52

# Annexure A

## Financial Statements

**CEDERBERG LOCAL MUNICIPALITY**



**AUDITED ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2023**

# CEDERBERG LOCAL MUNICIPALITY

## INDEX

<b>Content</b>	<b>Page</b>
General Information	1 - 2
Approval of the Financial Statements	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes In Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8 - 10
Accounting Policies	11 - 33
Notes to the Financial Statements	34 - 92
<b>APPENDICES - Unaudited</b>	
A Schedule of External Loans	93
B Disclosure of Grants and Subsidies	94
C National Treasury's Appropriation Statement	95 - 101

# CEDERBERG LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

Cederberg Local Municipality performs the functions as set out in the Constitution (Act no 105 of 1996).

### LEGAL FORM

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

### JURISDICTION

The Cederberg Local Municipality includes the following areas:

Algeria	Graafwater
Clanwilliam	Leipoltville
Lamberts Bay	Elands Bay
Citrusdal	

### MEMBERS OF THE COUNCIL

Ward 1	Cllr AM Scheepers
Ward 2	Cllr F Kamfer
Ward 3	Cllr M Heins
Ward 4	Cllr PJ Strauss
Ward 5	Cllr JP Hayes
Ward 6	Cllr AG Mouton
Proportional	Cllr RR Richards
Proportional	Cllr WJ Farmer
Proportional	Cllr L Venter
Proportional	Cllr JH van Heerden
Proportional	Cllr MG Bergh

### MEMBERS OF THE MAYORAL COMMITTEE

Cllr RR Richards (Executive Mayor)  
Cllr AG Mouton (Deputy Executive Mayor)  
Cllr JP Hayes (Speaker)  
Cllr L Venter  
Cllr JH van Heerden

### MUNICIPAL MANAGER

Mr GF Matthyse

### CHIEF FINANCIAL OFFICER

Mr MAN Smit (appointed 1 July 2023)  
Ms EH Visser (acting until 30 June 2023)

### AUDIT COMMITTEE

Omar Valley (Chairperson)  
Charles Beukes  
Omphile Sehunelo

### REGISTERED OFFICE

2A Voortrekker Road  
Clanwilliam  
8135

### POSTAL ADDRESS

Private Bag x2  
Clanwilliam  
8135



# CEDERBERG LOCAL MUNICIPALITY

## GENERAL INFORMATION

### AUDITORS

Office of the Auditor General (WC)

### PRINCIPLE BANKERS

Standard Bank of South Africa Ltd

### ATTORNEYS

Burger & Marias Attorneys

Enderstein Van der Merwe

Erasmus & Associates

Grant Spammer Attorneys

KM Ramodike Attorneys

Lizel Venter Attorneys

Mervin Doralingo

Turner Legal Consulting

### RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)

Collective Agreements

Division of Revenue Act

Electricity Act (Act no 41 of 1987)

Employment Equity Act (Act no 55 of 1998)

Housing Act (Act no 107 of 1997)

Infrastructure Grants

Municipal Budget and Reporting Regulations

Municipal Cost Containment Regulations 2019

Municipal Finance Management Act (Act no 56 of 2003)

Municipal Planning and Performance Management Regulations

Municipal Property Rates Act (Act no 6 of 2004)

Municipal Regulations on a Standard Chart of Accounts, 2014

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

National Environmental Management Act

Occupational Health and Safety Act

Preferential Procurement Policy Framework Act, 200

SALBC Leave Regulations

Skills Development Levies Act (Act no 9 of 1999)

Supply Chain Management Regulations, 2005

The Income Tax Act

Unemployment Insurance Act (Act no 30 of 1966)

Value Added Tax Act

Water Services Act (Act no 108 of 1997)

# CEDERBERG LOCAL MUNICIPALITY

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

### ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2023, which are set out on pages 1 to 92 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

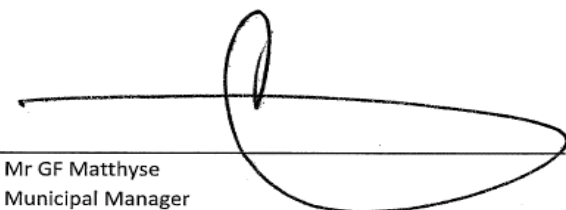
The annual financial statements have been prepared in accordance with GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2024 and I am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



Mr GF Matthyse  
Municipal Manager

31 AUGUST 2023  
Date

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	2023 R (Actual)	2022 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>76 825 092</b>	<b>63 402 571</b>
Cash and Cash Equivalents	2	28 777 549	11 815 140
Receivables from Exchange Transactions	3	26 166 677	26 729 374
Receivables from Non-Exchange Transactions	4	12 039 029	14 965 398
Taxes	5	8 431 665	8 438 034
Operating Lease Assets	6	112	222
Current Portion of Long-term Receivables	7	363 463	-
Inventory	8	1 046 596	1 454 402
<b>Non-Current Assets</b>			
		<b>757 542 917</b>	<b>732 308 192</b>
Long-term Receivables	7	71 945	-
Investment Property	10	74 313 391	74 399 016
Property, Plant and Equipment	11	682 313 875	656 865 185
Intangible Assets	12	843 706	1 043 991
<b>Total Assets</b>			
		<b>834 368 009</b>	<b>795 710 762</b>
<b>Current Liabilities</b>			
		<b>114 812 384</b>	<b>140 797 488</b>
Current Portion of Long-term Liabilities	13	27 328 579	3 725 600
Consumer Deposits	14	2 794 971	2 539 335
Payables from Exchange Transactions	15	60 630 956	113 852 683
Unspent Conditional Government Grants	16	10 823 121	6 385 961
Operating Lease Liabilities	6	774	4 758
Current Employee Benefits	17	13 233 983	14 289 151
<b>Non-Current Liabilities</b>			
		<b>102 848 707</b>	<b>86 218 953</b>
Long-term Liabilities	13	16 528 526	4 385 173
Employee Benefits	18	33 639 000	36 020 000
Non-Current Provisions	19	52 681 181	45 813 780
<b>Total Liabilities</b>			
		<b>217 661 091</b>	<b>227 016 441</b>
<b>NET ASSETS</b>			
		<b>616 706 918</b>	<b>568 694 322</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus		616 706 918	568 694 322
		<b>616 706 918</b>	<b>568 694 322</b>

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2023

		2023 R (Actual)	2022 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>211 226 704</b>	<b>187 641 711</b>
<b>Taxation Revenue</b>		<b>70 382 140</b>	<b>52 403 952</b>
Property Rates	20	70 382 140	52 403 952
<b>Transfer Revenue</b>		<b>119 651 219</b>	<b>123 260 559</b>
Government Grants and Subsidies - Operating	21	76 512 670	74 305 017
Government Grants and Subsidies - Capital	21	43 138 549	45 631 826
Contributed Assets	22	-	3 323 716
<b>Other Revenue</b>		<b>21 193 345</b>	<b>11 977 200</b>
Availability Charges	23	3 256 432	2 729 152
Insurance Refund		20 948	33 754
Fines, Penalties and Forfeits	24	10 569 862	9 181 345
Actuarial Gains	25	7 346 104	32 949
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>189 377 982</b>	<b>185 203 056</b>
<b>Operating Activities</b>		<b>189 377 982</b>	<b>185 203 056</b>
Service Charges	26	166 865 433	169 584 139
Rental of Facilities and Equipment	27	3 639 691	3 353 370
Interest Earned - external investments	28	2 020 003	749 712
Interest Earned - outstanding debtors		9 836 840	4 288 314
Agency Services	29	3 782 284	3 671 714
Other Income	30	3 233 731	2 909 674
Gain on disposal of Non-Monetary Assets	43	-	646 134
<b>CONSTRUCTION CONTRACTS</b>	31	14 076 138	21 728 358
<b>TOTAL REVENUE</b>		<b>414 680 824</b>	<b>394 573 125</b>
<b>EXPENDITURE</b>			
Employee Related Costs	32	125 463 823	133 027 571
Remuneration of Councillors	33	5 697 499	5 000 104
Debt Impairment	34	34 448 789	26 777 123
Depreciation and Amortisation	35	25 436 917	25 603 364
Impairment	36	-	1 503 145
Finance Charges	37	13 041 609	13 016 749
Bulk Purchases	38	93 261 997	94 693 660
Contracted Services	39	35 523 546	57 006 237
Transfers and Grants	40	358 199	243 742
Other Expenditure	41	33 300 492	30 502 519
Actuarial Losses	42	-	865 012
Loss on disposal of Non-Monetary Assets	43	135 355	-
<b>TOTAL EXPENDITURE</b>		<b>366 668 227</b>	<b>388 239 226</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>48 012 597</b>	<b>6 333 900</b>



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2023

	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2021</b>	<b>566 018 141</b>	<b>566 018 141</b>
Correction of error restatement - note 45.3	(3 657 719)	(3 657 719)
<b>Balance on 30 June 2021 - Restated</b>	<b>562 360 422</b>	<b>562 360 422</b>
Net Surplus for the year	6 333 900	6 333 900
<b>Balance on 30 June 2022 - Restated</b>	<b>568 694 322</b>	<b>568 694 322</b>
Net Surplus for the year	48 012 596	48 012 596
<b>Balance on 30 June 2023</b>	<b>616 706 918</b>	<b>616 706 918</b>



# CEDERBERG LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2023

	Notes	2023 R (Actual)	2022 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates		63 297 610	47 817 985
Service Charges		161 370 132	154 276 392
Other Revenue and Receipts		26 668 046	31 664 964
Government Grants		124 088 379	125 240 843
Interest		5 291 169	3 629 365
<b>Payments</b>			
Suppliers and employees		(307 207 564)	(309 825 431)
Finance charges		(3 906 932)	(4 758 298)
Transfers and Grants		(358 199)	(243 742)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>46</b>	<b>69 242 641</b>	<b>47 802 079</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of Property, Plant and Equipment		69 989	4 487 200
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(48 624 622)	(44 909 904)
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(48 554 633)</b>	<b>(40 422 704)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Loans repaid		(3 725 599)	(5 314 122)
<b>NET CASH USED FINANCING ACTIVITIES</b>		<b>(3 725 599)</b>	<b>(5 314 122)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>16 962 409</b>	<b>2 065 253</b>
Cash and Cash Equivalents at the beginning of the year		11 815 140	9 749 887
Cash and Cash Equivalents at the end of the year		28 777 549	11 815 140

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	3 746 225	(3 718 037)	28 188	6 322 844	6 294 656
Call investment deposits	-	-	-	22 454 705	22 454 705
Consumer debtors	27 093 247	2 374 852	29 468 099	35 235 125	5 767 026
Other Receivables	8 199 549	2 958 051	11 157 601	11 402 359	244 758
Current portion of long-term receivables	-	-	-	363 463	363 463
Inventory	1 406 014	48 388	1 454 402	1 046 596	(407 806)
<b>Total current assets</b>	<b>40 445 035</b>	<b>1 663 255</b>	<b>42 108 290</b>	<b>76 825 092</b>	<b>34 716 802</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	71 945	71 945
Investment property	76 952 848	(2 608 277)	74 344 571	74 313 391	(31 180)
Property, plant and equipment	740 666 083	(45 816 691)	694 849 392	682 313 875	(12 535 517)
Intangible Assets	838 359	53 633	891 991	843 706	(48 285)
<b>Total non current assets</b>	<b>818 457 290</b>	<b>(48 371 336)</b>	<b>770 085 954</b>	<b>757 542 917</b>	<b>(12 543 037)</b>
<b>TOTAL ASSETS</b>	<b>858 902 325</b>	<b>(46 708 081)</b>	<b>812 194 244</b>	<b>834 368 009</b>	<b>22 173 765</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	4 647 630	(2 691 151)	1 956 479	27 328 579	25 372 100
Consumer deposits	2 737 512	11 597	2 749 110	2 794 971	45 861
Trade and other payables	96 704 854	7 007 998	103 712 852	71 454 851	(32 258 001)
Provisions and Employee Benefits	14 303 499	442 995	14 746 494	13 233 983	(1 512 511)
<b>Total current liabilities</b>	<b>118 393 495</b>	<b>4 771 439</b>	<b>123 164 934</b>	<b>114 812 384</b>	<b>(8 352 550)</b>
<b>Non current liabilities</b>					
Borrowing	17 406 720	(14 978 026)	2 428 694	16 528 526	14 099 832
Provisions and Employee Benefits	94 243 512	(2 718 732)	91 524 780	86 320 181	(5 204 599)
<b>Total non current liabilities</b>	<b>111 650 232</b>	<b>(17 696 758)</b>	<b>93 953 474</b>	<b>102 848 707</b>	<b>8 895 233</b>
<b>TOTAL LIABILITIES</b>	<b>230 043 727</b>	<b>(12 925 319)</b>	<b>217 118 409</b>	<b>217 661 091</b>	<b>542 682</b>
<b>NET ASSETS</b>	<b>628 858 598</b>	<b>(33 782 763)</b>	<b>595 075 835</b>	<b>616 706 918</b>	<b>21 631 083</b>
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus	628 858 598	(33 782 763)	595 075 835	616 706 918	21 631 083
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>628 858 598</b>	<b>(33 782 763)</b>	<b>595 075 835</b>	<b>616 706 918</b>	<b>21 631 083</b>

Refer to note 48.2 for explanations of material variances.

Material variances are considered to be any variances greater than R3.5 million.

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>							
<b>REVENUE</b>							
Property Rates	67 172 781	2 929 787	70 102 568	-	70 102 568	70 382 140	279 572
Service Charges - Electricity Revenue	126 308 417	(15 028 417)	111 280 000	-	111 280 000	110 680 430	(599 570)
Service Charges - Water Revenue	29 455 510	(232 221)	29 223 289	-	29 223 289	30 632 980	1 409 691
Service Charges - Sanitation Revenue	14 315 710	(1 464 710)	12 851 000	-	12 851 000	14 417 295	1 566 295
Service Charges - Refuse Revenue	13 817 930	345 070	14 163 000	-	14 163 000	14 391 160	228 160
Rental of Facilities and Equipment	436 889	287 402	724 291	-	724 291	747 106	22 815
Interest Earned - External Investments	634 212	1 042 891	1 677 103	-	1 677 103	2 020 003	342 900
Interest Earned - Outstanding Debtors	4 006 026	6 146 974	10 153 000	-	10 153 000	9 836 840	(316 160)
Fines	20 800 290	(9 944 772)	10 855 518	-	10 855 518	10 569 862	(285 656)
Licences and Permits	2 796	(324)	2 472	-	2 472	2 472	(0)
Agency Services	4 041 536	(388 996)	3 652 540	-	3 652 540	3 782 284	129 744
Transfers Recognised - Operational	94 192 865	8 223 528	102 416 393	-	102 416 393	90 588 808	(11 827 585)
Other Revenue	7 811 606	(3 005 012)	4 806 594	-	4 806 594	6 144 791	1 338 197
Gains	2 000 000	(1 031 893)	968 107	-	968 107	7 346 104	6 377 997
<b>Total Revenue (excluding capital transfers)</b>	<b>384 996 568</b>	<b>(12 120 693)</b>	<b>372 875 875</b>	<b>-</b>	<b>372 875 875</b>	<b>371 542 275</b>	<b>(1 333 600)</b>
<b>EXPENDITURE</b>							
Employee Related Costs	120 561 530	9 933 309	130 494 839	(2 620)	130 492 219	124 857 232	(5 634 987)
Remuneration of Councillors	5 173 210	883 721	6 056 931	-	6 056 931	5 697 499	(359 432)
Debt Impairment	38 846 000	180 000	39 026 000	-	39 026 000	34 448 789	(4 577 211)
Depreciation and Asset Impairment	28 151 000	(915 000)	27 236 000	-	27 236 000	25 436 917	(1 799 083)
Finance Charges	11 778 000	3 635 842	15 413 842	827 737	16 241 579	13 041 609	(3 199 970)
Bulk purchases - electricity	103 638 000	(8 801 000)	94 837 000	-	94 837 000	92 503 879	(2 333 121)
Inventory consumed	8 115 358	3 494 338	11 609 696	335 350	11 945 046	10 541 717	(1 403 329)
Contracted Services	50 253 510	1 794 063	52 047 573	(499 550)	51 548 023	35 523 546	(16 024 477)
Transfers and Grants	1 030 000	(650 000)	380 000	-	380 000	358 199	(21 801)
Other Expenditure	25 881 241	1 042 775	26 924 016	(660 917)	26 263 099	24 123 484	(2 139 615)
Losses	2 000 000	(1 090 000)	910 000	-	910 000	135 355	(774 645)
<b>Total Expenditure</b>	<b>395 427 849</b>	<b>9 508 048</b>	<b>404 935 897</b>	<b>-</b>	<b>404 935 897</b>	<b>366 668 227</b>	<b>(38 267 670)</b>
<b>Surplus/(Deficit)</b>	<b>(10 431 281)</b>	<b>(21 628 741)</b>	<b>(32 060 022)</b>	<b>-</b>	<b>(32 060 022)</b>	<b>4 874 048</b>	<b>36 934 070</b>
Transfers and subsidies - capital (monetary) - Government	58 400 477	(6 987 460)	51 413 017	-	51 413 017	43 138 549	(8 274 468)
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>47 969 196</b>	<b>(28 616 201)</b>	<b>19 352 995</b>	<b>-</b>	<b>19 352 995</b>	<b>48 012 597</b>	<b>28 659 602</b>

Refer to note 48.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 48.3 for explanations of material variances.

Material variances are considered to be any variances greater than R3.5 million.



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>CASH FLOW STATEMENT</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	62 134 822	5 747 766	67 882 589	63 297 610	(4 584 979)
Service charges	170 975 302	(10 935 817)	160 039 485	161 933 321	1 893 836
Other revenue	15 555 117	(5 329 702)	10 225 415	12 386 272	2 160 857
Government Grants	152 593 342	(4 640 253)	147 953 089	138 114 517	(9 838 572)
Interest	634 212	1 042 891	1 677 103	5 291 169	3 614 066
<b>Payments</b>					
Suppliers and Employees	(327 608 249)	1 054 194	(326 554 055)	(307 207 564)	19 346 491
Finance Charges	(3 425 000)	(2 795 842)	(6 220 842)	(3 906 932)	2 313 910
Transfers and Grants	(1 030 000)	650 000	(380 000)	(358 199)	21 801
<b>Net Cash from/(used) Operating Activities</b>	<b>69 829 547</b>	<b>(15 206 763)</b>	<b>54 622 783</b>	<b>69 550 194</b>	<b>14 927 411</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	-	58 107	58 107	69 989	11 882
Decrease (increase) in non-current receivables	-	-	-	(563 189)	(563 189)
<b>Payments</b>					
Capital Assets	(70 530 477)	7 578 460	(62 952 017)	(48 624 622)	14 327 395
<b>Net Cash from/(used) Investing Activities</b>	<b>(70 530 477)</b>	<b>7 636 567</b>	<b>(62 893 910)</b>	<b>(49 117 822)</b>	<b>13 776 088</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	8 600 000	(8 600 000)	-	-	-
Increase/(Decrease) in Consumer Deposits	209 775	-	209 775	255 636	45 861
<b>Payments</b>					
Repayment of Borrowing	(4 647 630)	922 030	(3 725 600)	(3 725 599)	1
<b>Net Cash from/(used) Financing Activities</b>	<b>4 162 144</b>	<b>(7 677 970)</b>	<b>(3 515 826)</b>	<b>(3 469 963)</b>	<b>45 862</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>3 461 214</b>	<b>(15 248 166)</b>	<b>(11 786 952)</b>	<b>16 962 409</b>	<b>28 749 361</b>
Cash and Cash Equivalents at the year begin	285 011	11 530 129	11 815 140	11 815 140	-
Cash and Cash Equivalents at the year end	3 746 225	(3 718 037)	28 188	28 777 549	28 749 361

Refer to note 48.4 for explanations of material variances.

Material variances are considered to be any variances greater than R3.5 million.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1 ACCOUNTING POLICIES

#### 1.01 BASIS OF PREPARATION

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

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

#### 1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In terms of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

#### 1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

#### 1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis. Refer to note 63 for the going concern assessment performed by the Municipality.

#### 1.05 COMPARATIVE INFORMATION

##### 1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.05.2 Amended Accounting Policies

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

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

### 1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total actual operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Standards of GRAP set out how an item should be recognised, measured and disclosed in the financial statements. In some cases, the Municipality does not recognise, measure, present or disclose information in accordance with the specific requirements outlined in the Standards of GRAP if the effect of applying those requirements are immaterial.

### 1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

#### 1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

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

Pronouncement	Effective Date
Improvements to the Standards of GRAP (2020)	1 April 2023
Amendments to GRAP 1 on Presentation of Financial Statements (2019)	1 April 2023
iGRAP 21 on The Effect of Past Decisions on Materiality	1 April 2023

The effect of the above-mentioned pronouncements to the Standards of GRAP which were early adopted is considered insignificant. The early adopted pronouncements mainly relate to the clarification of accounting principles.

The Municipality further resolved not to early adopt the following Standards of GRAP which was issued but is not yet effective:

#### 1.08.1.1 GRAP 25 (Revised 2021) - Employee Benefits (effective 1 April 2023)

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

The impact of this Standard on the financial statements will not be significant.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.08.1.2 GRAP 104 (Revised 2019) - Financial Instruments (effective 1 April 2025)

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This Standard was revised to align it with IFRS 9 on Financial Instruments.

The impact of the revised Standard may be significant on the financial statements, due to the following key changes to the Standard:

- (a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.
- (b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.
- (c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on Provisions, Contingent Liabilities and Contingent Assets. When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.
- (d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

### 1.08.1.3 iGRAP 7 (Revised 2021) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective 1 April 2023)

This Interpretation addresses the following:

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

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

### 1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date for application, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

#### 1.08.2.1 GRAP 103 (Revised 2022) - Heritage Assets

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

This revised Standard may have a significant impact with regards to heritage assets which have a dual purpose. Even though some heritage assets can have cultural significance while being used in delivering services, the revised Standard will now require that all heritage assets be accounted for using GRAP 103. A consequence of this amendment is that a heritage asset will no longer be depreciated. Instead, a heritage asset should be tested for impairment when an impairment indicator has been triggered.

#### 1.08.2.2 Amendments to GRAP 1 on Presentation of Financial Statements (2022)

The amendments to the Standard clarifies how to apply going concern assumption in the public sector and improve disclosure on related judgements and conclusions.

The impact of these amendments to the Standard on the financial statements will not be significant.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.09 INVESTMENT PROPERTY

#### 1.09.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

#### 1.09.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

#### 1.09.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

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

	YEARS
Buildings	100

#### 1.09.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.09.5 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

### 1.10 PROPERTY, PLANT AND EQUIPMENT

#### 1.10.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

#### 1.10.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

#### 1.10.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

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

	YEARS		YEARS
<b>Land and Buildings</b>		<b>Community</b>	
Land	N/A	Community Facilities	16 - 101
Buildings	9 - 101	Sport and Recreational Facilities	20 - 101
		Work in progress	N/A
<b>Infrastructure</b>		<b>Other</b>	
Electrical	9 - 115	Computer Equipment	5 - 17
Roads	4 - 50	Furniture and Office Equipment	5 - 31
Sanitation	5 - 60	Machinery and Equipment	5 - 36
Storm Water	4 - 50	Transport Assets	8 - 26
Water Supply	8 - 60		
Work in progress	N/A		
<b>Finance lease assets</b>			
Office equipment	3 - 11		
Transport Assets	10		

### 1.10.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

### 1.10.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

## 1.11 INTANGIBLE ASSETS

### 1.11.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

### 1.11.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.

### 1.11.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

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

	Years
Computer Software	6-16

### 1.11.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

### 1.11.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.12 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

#### 1.12.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

#### 1.12.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### 1.12.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### 1.12.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.13 INVENTORIES

#### 1.13.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

#### 1.13.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

### 1.14 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.14.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

#### 1.14.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

#### 1.14.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

### 1.14.2 Long-term Benefits

#### 1.14.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

### 1.14.3 Short-term Benefits

#### 1.14.3.1 Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.14.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

### 1.14.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

## 1.15 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

## 1.16 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

### 1.16.1 Municipality as Lessee

#### 1.16.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

### 1.16.1.2 *Operating leases*

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

### 1.16.2 **Municipality as Lessor**

#### 1.16.2.1 *Finance Leases*

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

#### 1.16.2.2 *Operating Leases*

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

### 1.17 **FINANCIAL INSTRUMENTS**

#### 1.17.1 **Initial Recognition**

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

#### 1.17.2 **Subsequent Measurement**

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

(c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:

- (i) derivatives;
- (ii) combined instruments that are designated at fair value;
- (iii) instruments held for trading;
- (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

### 1.17.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

#### 1.17.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

#### 1.17.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

### 1.17.4 Derecognition of financial instruments

#### 1.17.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 1.17.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.17.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 1.18 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

#### 1.18.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

#### 1.18.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

#### 1.18.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

#### 1.18.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

### 1.19 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.20 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

### 1.21 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

### 1.22 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

### 1.23 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

### 1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

### 1.25 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.25.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

#### 1.25.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

#### 1.25.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

#### 1.25.1.3 Availability Charges

Availability charges are based on the approved tariffs of the Municipality. These charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity and sewerage) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

#### 1.25.1.4 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue.

#### 1.25.1.5 Insurance Refund

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

#### 1.25.1.6 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.

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

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

#### 1.25.1.8 Services in-kind

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

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

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

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

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

### 1.25.1.9 *Contributed Assets*

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

### 1.25.2 **Revenue from Exchange Transactions**

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

#### 1.25.2.1 *Service Charges*

Service Charges are levied in terms of approved tariffs.

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

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

#### 1.25.2.2 *Interest earned*

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

#### 1.25.2.3 *Rental income*

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

#### 1.25.2.4 *Income from Agency Services*

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

#### 1.25.2.5 *Other Tariffs*

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.25.2.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.25.2.7 Deferred payment

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

### 1.25.3 Construction Contracts

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Human Settlements. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Human Settlements to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme*. The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Human Settlements. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Human Settlements.

Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Human Settlements. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Human Settlements.

The binding agreements entered into with the provincial Department of Human Settlements are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the Department through a housing grant or subsidy.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.26 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

### 1.27 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.28 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.29 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.30 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

### 1.31 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

### 1.32 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.33 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the Municipality and a related party, regardless of whether a price is charged.

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

The Municipality is exempt from the disclosure requirements in relation to related party transactions if that transactions occurs within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and the terms and conditions are within the normal operating parameters established by Municipality's legal mandate.

Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the financial statements to understand the effect of related party transactions.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

### 1.34 ACCOUNTING BY PRINCIPALS AND AGENTS

An agent is an is an entity that has been directed another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (a) It does not have the power to determine the significant terms and conditions of the transaction.
- (b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principal, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

### 1.35 LIVING AND NON-LIVING RESOURCES

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

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

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

### 1.36 SEGMENT REPORTING

A segment is an activity of the Municipality:

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

Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation.

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

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

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

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

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

#### 1.37.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2009 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2009 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

#### 1.37.2 Impairment of Receivables

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

#### 1.37.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

#### 1.37.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

#### 1.37.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 1.37.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

### 1.37.7 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

### 1.37.8 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

### 1.37.9 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

In considering the revenue to which the Municipality is entitled, the Municipality considers other factors that may impact the inflow of future economic benefits or service potential on initial recognition of revenue. Such factors include fines issued which will be reduced or withdrawn after reporting date. The Municipality applies judgement based on past experience and current facts and circumstances in order to adjust the traffic fine revenue accordingly.

### 1.37.10 Recognition and Derecognition of Land

In order for land to meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

### 1.37.11 Materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality's circumstances. The assessment of materiality therefore requires management to apply judgement about:

- (a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.
- (b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 2 CASH AND CASH EQUIVALENTS

Bank Accounts	6 316 618	3 252 125
Call Investment Deposits	22 454 705	8 556 790
Cash Floats	6 226	6 226
<b>Total</b>	<b>28 777 549</b>	<b>11 815 140</b>

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following:

Department of Human Settlements - note 15	1 026 322	836 322
Unspent Conditional Government Grants - note 16	10 823 121	6 385 961
VAT Payable - note 51.3	-	646 605
Cash available for working capital requirements	16 928 106	3 946 252
<b>Total</b>	<b>28 777 549</b>	<b>11 815 140</b>

Overdraft facilities available during the financial year with Standard Bank

9 000 000

9 000 000

Guarantee in favour of Eskom registered with Standard Bank

2 900 000

2 900 000

#### 2.1 Bank Accounts

Standard Bank - Account number 082163324 (Main Current Account)	6 263 437	2 860 039
Standard Bank - Account number 072194480 (Traffic Account)	-	-
Standard Bank - Account number 072194774 (Service Account)	-	-
Standard Bank - Account number 032630263 (Current Account for debit orders)	53 173	392 016
Standard Bank - Account number 032630263 (Credit Card for Petty Cash)	9	70
<b>Total</b>	<b>6 316 618</b>	<b>3 252 125</b>

Bank accounts consists out of the following accounts:

##### **Standard Bank - Account number 082163324 (Main Current Account)**

Cash book balance at beginning of year	2 860 039	4 992 037
Cash book balance at end of year	6 263 437	2 860 039
Bank statement balance at beginning of year	2 423 268	4 779 214
Bank statement balance at end of year	5 742 493	2 423 268

##### **Standard Bank - Account number 072194480 (Traffic Account)**

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

##### **Standard Bank - Account number 072194774 (Service Account)**

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

##### **Standard Bank - Account number 032630263 (Current Account for debit orders)**

Cash book balance at beginning of year	392 016	319 377
Cash book balance at end of year	53 173	392 016
Bank statement balance at beginning of year	392 016	319 377
Bank statement balance at end of year	53 173	392 016

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 2 CASH AND CASH EQUIVALENTS (CONTINUED)

#### Standard Bank - Account number 032630263 (Credit Card for Petty Cash)

Cash book balance at beginning of year	70	80
Cash book balance at end of year	9	70
Bank statement balance at beginning of year	70	80
Bank statement balance at end of year	9	70

### 2.2 Call Investment Deposits

Call investment deposits consist out of the following accounts:

Standard Bank - Acc no 088893065-001	22 454 705	8 556 790
<b>Total</b>	<b>22 454 705</b>	<b>8 556 790</b>

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

#### Service Receivables

Electricity	19 962 997	23 069 730
Water	31 902 113	28 074 195
Refuse	11 482 006	9 143 362
Sewerage	16 881 608	13 905 193
Interest	15 425 579	9 421 812
Other	885 561	780 782

#### Total Gross Balance

96 539 864 84 395 073

Less: Allowance for Debt Impairment

(70 373 186) (57 665 699)

#### Total Net Receivable

26 166 677 26 729 374

Other Service Receivables consist out of sundry services and rentals.

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	57 665 699	69 261 971
Movement in the contribution to the provision	14 597 822	15 986 207

Electricity	(195 001)	3 125 921
Water	3 902 541	6 634 926
Refuse	1 828 245	2 024 706
Sewerage	2 784 853	2 509 767
Interest	6 147 635	1 775 977
Other	129 550	(85 091)

#### Bad Debts Written off

(1 890 334) (27 582 479)

Electricity	(599 735)	(3 255 192)
Water	(524 201)	(13 340 091)
Refuse	(107 694)	(4 672 236)
Sewerage	(224 024)	(4 718 965)
Interest	(434 681)	(1 548 202)
Other	-	(47 793)

Balance at the end of the year

70 373 186 57 665 699

The allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2023</b>			
<b>Service Receivables</b>			
Electricity	19 962 997	(7 285 428)	12 677 569
Water	31 902 113	(24 497 302)	7 404 811
Refuse	11 482 006	(9 010 949)	2 471 056
Sewerage	16 881 608	(14 150 619)	2 730 989
Interest	15 425 579	(14 729 074)	696 505
Other	885 561	(699 814)	185 748
<b>Total</b>	<b>96 539 864</b>	<b>(70 373 186)</b>	<b>26 166 677</b>
<b>30 June 2022</b>			
<b>Service Receivables</b>			
Electricity	23 069 730	(8 080 163)	14 989 567
Water	28 074 195	(21 118 962)	6 955 233
Refuse	9 143 362	(7 290 398)	1 852 964
Sewerage	13 905 193	(11 589 791)	2 315 402
Interest	9 421 812	(9 016 120)	405 691
Other	780 782	(570 264)	210 517
<b>Total</b>	<b>84 395 073</b>	<b>(57 665 699)</b>	<b>26 729 374</b>
<b>Ageing of Receivables from Exchange Transactions</b>			
<b>Electricity</b>			
0 - 30 Days (Current)		11 264 622	11 109 490
1 to 3 months		1 985 051	4 527 296
4 months to 1 year		1 932 600	2 768 154
Over 1 year		4 780 724	4 664 792
<b>Total</b>		<b>19 962 997</b>	<b>23 069 731</b>
<b>Water</b>			
0 - 30 Days (Current)		4 548 702	3 865 181
1 to 3 months		3 616 389	2 984 799
4 months to 1 year		5 501 499	5 320 892
Over 1 year		18 235 523	15 903 323
<b>Total</b>		<b>31 902 113</b>	<b>28 074 194</b>
<b>Refuse</b>			
0 - 30 Days (Current)		1 570 907	1 204 309
1 to 3 months		2 050 789	1 344 026
4 months to 1 year		3 336 091	2 443 767
Over 1 year		4 524 219	4 151 260
<b>Total</b>		<b>11 482 006</b>	<b>9 143 362</b>
<b>Sewerage</b>			
0 - 30 Days (Current)		2 683 502	1 104 930
1 to 3 months		1 933 284	1 719 179
4 months to 1 year		3 279 704	3 205 055
Over 1 year		8 985 118	7 876 028
<b>Total</b>		<b>16 881 608</b>	<b>13 905 193</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

<i>Figures in Rand</i>	2023	2022
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Interest</b>		
0 - 30 Days (Current)	958 065	385 612
1 to 3 months	3 895 151	1 045 656
4 months to 1 year	4 447 556	2 158 616
Over 1 year	6 124 807	5 831 928
<b>Total</b>	<b>15 425 579</b>	<b>9 421 812</b>
<b>Other</b>		
0 - 30 Days (Current)	85 467	100 392
1 to 3 months	123 580	84 393
4 months to 1 year	152 864	77 435
Over 1 year	523 650	518 561
<b>Total</b>	<b>885 561</b>	<b>780 781</b>
<b>Summary Ageing of all Receivables from Exchange Transactions</b>		
0 - 30 Days (Current)	21 111 265	17 769 913
1 to 3 months	13 604 242	11 705 350
4 months to 1 year	18 650 314	15 973 918
Over 1 year	43 174 042	38 945 892
<b>Total</b>	<b>96 539 864</b>	<b>84 395 072</b>
<b>4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>	46 563 252	42 504 325
Property Rates	38 752 907	35 659 886
Availability Charges	7 810 344	6 844 439
<b>Other Receivables</b>	20 043 538	13 382 186
Unpaid Traffic Fines	16 599 148	10 061 922
Other Receivables	873 113	876 213
Deposits	2 571 277	2 444 051
<b>Total Gross Balance</b>	<b>66 606 789</b>	<b>55 886 511</b>
Less: Allowance for Debt Impairment	(54 567 760)	(40 921 114)
<b>Total Net Receivable</b>	<b>12 039 029</b>	<b>14 965 398</b>
Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.		
<b>Reconciliation of Allowance for Debt Impairment</b>		
Balance at the beginning of the year	40 921 114	50 661 817
Movement in the contribution to the provision	20 362 649	9 381 242
Property Rates	10 093 545	101 423
Availability Charges	1 124 631	389 457
Traffic Fines	9 104 472	7 976 024
Other Receivables	40 000	914 338
Bad Debts Written off	(6 716 003)	(19 121 945)
Property Rates	(3 991 508)	(3 334 865)
Availability Charges	(138 248)	(203 657)
Traffic Fines	(2 586 247)	(15 355 194)
Other Receivables	-	(228 230)
Balance at the end of the year	<b>54 567 760</b>	<b>40 921 114</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

The allowance for debt impairment of property rates has been made for all balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the cumulative collection rate. All unpaid traffic fines older than 1 year are impaired in full.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2023</b>			
<b>Service Receivables</b>			
Property Rates	38 752 907	(30 189 288)	8 563 619
Availability Charges	7 810 344	(7 305 516)	504 828
<b>Other Receivables</b>			
Unpaid Traffic Fines	16 599 148	(16 346 848)	252 300
Other Receivables	873 113	(726 108)	147 005
Deposits	2 571 277	-	2 571 277
<b>Total</b>	<b>66 606 789</b>	<b>(54 567 760)</b>	<b>12 039 029</b>
<b>30 June 2022</b>			
<b>Service Receivables</b>			
Property Rates	35 659 886	(24 087 250)	11 572 635
Availability Charges	6 844 439	(6 319 133)	525 306
<b>Other Receivables</b>			
Unpaid Traffic Fines	10 061 922	(9 828 622)	233 300
Other Receivables	876 213	(686 108)	190 105
Deposits	2 444 051	-	2 444 051
<b>Total</b>	<b>55 886 511</b>	<b>(40 921 114)</b>	<b>14 965 398</b>

### Ageing of Receivables from Non-Exchange Transactions

#### Property Rates

0 - 30 Days (Current)		4 947 500	6 614 825
1 to 3 months		5 335 391	4 365 770
4 months to 1 year		9 694 154	5 880 628
Over 1 year		18 775 863	18 798 662
<b>Total</b>		<b>38 752 907</b>	<b>35 659 886</b>

#### Availability Charges

0 - 30 Days (Current)		297 065	240 858
1 to 3 months		601 024	464 101
4 months to 1 year		1 177 120	917 104
Over 1 year		5 735 135	5 222 377
<b>Total</b>		<b>7 810 344</b>	<b>6 844 439</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

<i>Figures in Rand</i>	<b>2023</b>	<b>2022</b>
<b>5 TAXES</b>		
VAT Claimable/(Payable)	727 662	(935 829)
VAT Input in Suspense	10 182 861	11 970 495
VAT Output in Suspense - net	(2 478 859)	(2 596 632)
VAT Output in Suspense	(10 069 170)	(9 547 481)
Less: VAT on Allowance for Debt Impairment	7 590 312	6 950 849
<b>Total</b>	<b>8 431 665</b>	<b>8 438 034</b>
As previously reported		8 289 923
Correction of error restatement - note 45.2		148 112
Restated balance		8 438 034
<b>Reconciliation of VAT on Allowance for Debt Impairment</b>		
Balance at beginning of year	6 950 849	8 360 523
Debt Impairment for current year	639 463	(1 409 674)
Balance at the end of the year	<b>7 590 312</b>	<b>6 950 849</b>
<b>6 OPERATING LEASES</b>		
<b>6.1 OPERATING LEASE ASSETS</b>		
Operating Lease Asset	<b>112</b>	<b>222</b>
The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.		
<b>Reconciliation of Operating Lease Asset</b>		
Balance at the beginning of the year	222	4 956
Movement during the year	(110)	(4 733)
Balance at the end of the year	<b>112</b>	<b>222</b>
<b>The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.</b>		
Within 1 Year	2 022	3 930
Between 1 and 5 Years	-	2 022
After 5 Years	-	-
Total operating lease payments	<b>2 022</b>	<b>5 953</b>
This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
The leases are in respect of land and buildings being leased. Escalation of 6% are applicable on the leases. The renewal option after lapsing of the contracts are available.		
The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.		
<b>6.2 OPERATING LEASE LIABILITIES</b>		
Operating Lease Liability	<b>774</b>	<b>4 758</b>
The operating lease liability is derived from contracts where the Municipality acts as the lessee in the agreement.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

<i>Figures in Rand</i>	2023	2022
<b>6 OPERATING LEASES (CONTINUED)</b>		
<b>Reconciliation of Operating Lease Liability</b>		
Balance at the beginning of the year	4 758	7 570
Movement during the year	(3 984)	(2 812)
Balance at the end of the year	<u><u>774</u></u>	<u><u>4 758</u></u>
<b>The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.</b>		
Within 1 Year	428 785	33 606
Between 1 and 5 Years	420 000	8 785
After 5 Years	-	-
Total operating lease payments	<u><u>848 785</u></u>	<u><u>42 390</u></u>
The leases are in respect of land and buildings being leased. Escalations between 4% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.		
The Municipality does not engage in any sub-lease arrangements.		
The Municipality did not pay any contingent rent during the year.		
<b>7 LONG-TERM RECEIVABLES</b>		
Receivables with repayment arrangements	563 189	-
Less: Allowance for Debt Impairment	(127 781)	-
<b>Total Net Receivable</b>	<b>435 408</b>	-
Less: Current portion of Long-term Receivables	<b>363 463</b>	-
Receivables with repayment arrangements	<u>363 463</u>	<u>-</u>
<b>Total</b>	<u><u>71 945</u></u>	<u><u>-</u></u>
Debtors amounting to R563 189 (2022 - Rnil) have arranged to settle their account over a re-negotiated period. Total payments to the value of R118 094 (2022 - Rnil) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.		
<b>Reconciliation of Allowance for Debt Impairment</b>		
Balance at the beginning of the year	-	-
Movement in the contribution to the provision	127 781	-
Balance at the end of the year	<u><u>127 781</u></u>	<u><u>-</u></u>
The allowance for debt impairment of arrangements has been made for all balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.		
<b>8 INVENTORY</b>		
Maintenance Materials - at cost	955 553	1 380 943
Water – at cost	91 043	73 459
<b>Total</b>	<u><u>1 046 596</u></u>	<u><u>1 454 402</u></u>
Inventory are disclosed at the lower of cost or net realisable value.		
No inventory were pledged as security for liabilities.		



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 9 INVENTORY (CONTINUED)

Inventory written down due to losses identified during the annual stores counts

Inventory recognised as an expense during the year

Maintenance Materials

Water - by nature of expense

Bulk Purchases

Contracted Services

Depreciation and Amortisation

Employee Related Costs

Internal Charges

Other Expenditure

**Total**

	2023	2022
Inventory written down due to losses identified during the annual stores counts	-	-
Inventory recognised as an expense during the year		
Maintenance Materials	1 597 361	2 278 827
Water - by nature of expense	11 117 071	10 442 450
Bulk Purchases	758 118	802 586
Contracted Services	324 613	175 691
Depreciation and Amortisation	1 495 573	1 563 732
Employee Related Costs	3 799 581	3 570 568
Internal Charges	4 246 752	4 080 043
Other Expenditure	492 434	249 830
<b>Total</b>	<b>12 714 432</b>	<b>12 721 276</b>

### 10 INVESTMENT PROPERTY

Investment Property - Carrying Value

As previously reported

Correction of error restatement - note 45.1

Restated balance

The carrying value of Investment Property is reconciled as follows:

**Opening Carrying Value**

Cost

Accumulated Depreciation

Accumulated Impairment

Depreciation for the year

Disposals

**Closing Carrying Value**

Cost

Accumulated Depreciation

Accumulated Impairment

	2023	2022
Investment Property - Carrying Value	<b>74 313 391</b>	<b>74 399 016</b>
As previously reported		74 397 571
Correction of error restatement - note 45.1		1 445
Restated balance		<b>74 399 016</b>
<b>Opening Carrying Value</b>	<b>74 399 016</b>	<b>77 314 544</b>
Cost	75 130 252	77 993 530
Accumulated Depreciation	(731 236)	(678 986)
Accumulated Impairment	-	-
Depreciation for the year	(52 250)	(52 250)
Disposals	(33 375)	(2 863 278)
<b>Closing Carrying Value</b>	<b>74 313 391</b>	<b>74 399 016</b>
Cost	75 096 877	75 130 252
Accumulated Depreciation	(783 486)	(731 236)
Accumulated Impairment	-	-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

No significant operating expenditure was incurred on investment property during the 2022/23 and 2021/22 financial year.

**Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)**

**2 023 600**

**2 023 600**

The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 11 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
<b>30 June 2023</b>				
Land and Buildings	22 446 748	(1 620 614)	-	20 826 135
Infrastructure	910 151 285	(336 164 336)	(10 924 655)	563 062 293
Leased Assets	943 824	(234 878)	-	708 945
Community Assets	79 519 938	(7 564 553)	-	71 955 385
Other Assets	41 127 939	(23 158 651)	-	17 969 288
Capitalised Restoration Cost	22 153 402	(13 635 510)	(726 064)	7 791 829
<b>Total</b>	<b>1 076 343 136</b>	<b>(382 378 542)</b>	<b>(11 650 719)</b>	<b>682 313 875</b>

### 30 June 2022

Land and Buildings	22 446 748	(1 487 436)	-	20 959 312
Infrastructure	864 519 137	(315 797 367)	(10 924 655)	537 797 115
Leased Assets	7 702 495	(1 912 371)	-	5 790 124
Community Assets	78 320 837	(6 667 173)	-	71 653 664
Other Assets	33 569 115	(19 204 648)	-	14 364 467
Capitalised Restoration Cost	19 396 951	(12 370 384)	(726 064)	6 300 503
<b>Total</b>	<b>1 025 955 283</b>	<b>(357 439 379)</b>	<b>(11 650 719)</b>	<b>656 865 185</b>

As previously reported

Correction of error restatement - note 45.1

Restated balance

658 928 369

(2 063 184)

656 865 185

#### 11.1 Repairs and maintenance incurred on Property, Plant and Equipment

7 785 006

8 844 262

#### 11.2 Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)

658 700

658 700

The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.

#### 11.3 Capital Restorations Costs

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

#### 11.4 Carrying value of Property, Plant and Equipment pledged as security

708 945

5 790 124

The leased assets are financed through a finance lease agreement and are secured as set out in note 13.

#### 11.5 Change in estimate useful lives

During the current year the remaining useful lives of Property, Plant and Equipment were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2023	2024	After 2024
Increase / (Decrease) in Depreciation and Amortisation	(1 339 542)	964 822	493 732
Increase / (Decrease) in Accumulated Surplus	1 339 542	(964 822)	(493 732)
Increase / (Decrease) in Property, Plant and Equipment	1 339 542	(964 822)	(493 732)

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

<i>Figures in Rand</i>	2023	2022
<b>11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>11.6 Work in Progress projects taking a significant longer period to complete</b>		
(a) <i>Lamberts Bay Desalination Plant</i>	77 787 911	76 588 236
Due to geo-technical complications the project has been delayed. The Geo-technical complication resulted in the difference of opinion between the Municipality and the contractor which ultimately led to a process of adjudication. A final decision by the adjudicator was only reached towards the end of the 2022/23 financial year. The Municipality is now in the process of determining the most feasible manner to proceed with the project.		
(b) <i>Clanwilliam Water Treatment Works</i>	4 021 319	4 021 319
The project is registered with the Regional Bulk Infrastructure Grant (RBIG) of the Department of Water and Sanitation. The Implementation Readiness Study (IRS) which is a requirement for RBIG projects was approved by the RBIG committee and is awaiting Cederberg Council approval. However, counter-funding in the region of R 32 million is required from the Municipality as its non-social component contribution towards the project. The waiver of counter funding applications to National Treasury have been unsuccessful in previous financial years. The Municipality intends to submit a revised application for the waiver of co-funding again on 31 July 2023.		
(c) <i>Upgrade sidewalks and build new sidewalks in Denne Street</i>	119 281	119 281
This project is about 70% completed and will be completed once internal funding becomes available.		
(d) <i>Construction of sewerage pump stations</i>	-	7 245 604
The project has been completed in the current financial year.		
(e) <i>Upgrading of sport fields - Lamberts Bay</i>	95 641	95 641
Project will be completed once internal funds become available.		
(f) <i>Upgrading of sport fields - Clanwilliam</i>	-	9 693 439
The project has been completed in the current financial year.		
(g) <i>Upgrade roads and stormwater infrastructure - Citrusdal</i>	3 515 305	-
The contractor's contract was terminated due to non-performance. This project is currently in the tender phase to appoint a new contractor, which should be by September 2023		
<b>Total</b>	<b>85 539 456</b>	<b>97 763 519</b>
The accumulated impairment recognised on the above-mentioned Work in Progress are as follow:		
(a) <i>Lamberts Bay Desalination Plant</i>	10 924 655	10 924 655
<b>Total</b>	<b>10 924 655</b>	<b>10 924 655</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 11.7 Reconciliation of Carrying Value

	Cost						Accumulated Depreciation and Impairment						Carrying Value
	Opening Balance	Additions	Disposals and Write-offs	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Transfers	Disposals and Write-offs	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R
<b>30 June 2023</b>													
<b>Land and Buildings</b>	<b>22 446 748</b>	-	-	-	-	<b>22 446 748</b>	<b>1 487 436</b>	<b>133 177</b>	-	-	-	<b>1 620 614</b>	<b>20 826 135</b>
Land	9 398 084	-	-	-	-	9 398 084	-	-	-	-	-	-	9 398 084
Buildings	13 048 664	-	-	-	-	13 048 664	1 487 436	133 177	-	-	-	1 620 614	11 428 050
<b>Infrastructure</b>	<b>864 519 137</b>	<b>45 632 147</b>	-	-	-	<b>910 151 285</b>	<b>326 722 022</b>	<b>20 366 969</b>	-	-	-	<b>347 088 991</b>	<b>563 062 293</b>
Electrical	166 216 433	188 681	-	-	2 802 320	169 207 434	94 822 246	3 972 663	-	-	-	98 794 909	70 412 525
Roads	172 068 627	-	-	-	-	172 068 627	81 730 908	5 122 832	-	-	-	86 853 740	85 214 886
Sanitation	198 415 284	220 616	-	-	17 151 279	215 787 179	50 960 334	6 100 150	-	-	-	57 060 484	158 726 696
Storm Water	27 747 507	-	-	-	-	27 747 507	7 253 280	549 585	-	-	-	7 802 866	19 944 641
Water Supply	174 322 414	33 715	-	-	1 403 656	175 759 785	81 030 599	4 621 738	-	-	-	85 652 338	90 107 447
Work in progress	125 748 872	45 189 135	-	-	(21 357 255)	149 580 753	10 924 655	-	-	-	-	10 924 655	138 656 098
<b>Leased Assets</b>	<b>7 702 495</b>	-	<b>(179 491)</b>	-	<b>(6 579 181)</b>	<b>943 824</b>	<b>1 912 371</b>	<b>187 866</b>	-	<b>(1 796 852)</b>	<b>(68 507)</b>	<b>234 878</b>	<b>708 945</b>
Furniture and Office Equipment	3 527 655	-	-	-	(2 583 831)	943 824	805 920	157 304	-	(728 346)	-	234 878	708 945
Transport Assets	4 174 840	-	(179 491)	-	(3 995 350)	-	1 106 451	30 562	-	(1 068 506)	(68 507)	-	-
<b>Community Assets</b>	<b>78 320 837</b>	<b>1 199 101</b>	-	-	-	<b>79 519 938</b>	<b>6 667 173</b>	<b>897 380</b>	-	-	-	<b>7 564 553</b>	<b>71 955 385</b>
Community Facilities	15 886 163	-	-	-	-	15 886 163	1 258 134	133 909	-	-	-	1 392 042	14 494 121
Sport and Recreational Facilities	62 188 651	-	-	-	-	62 188 651	5 409 039	763 472	-	-	-	6 172 511	56 016 141
Work in progress	246 023	1 199 101	-	-	-	1 445 124	-	-	-	-	-	-	1 445 124
<b>Other Assets</b>	<b>33 569 115</b>	<b>1 217 342</b>	<b>(237 699)</b>	-	<b>6 579 181</b>	<b>41 127 939</b>	<b>19 204 648</b>	<b>2 333 866</b>	-	<b>1 796 852</b>	<b>(176 715)</b>	<b>23 158 651</b>	<b>17 969 288</b>
Computer Equipment	3 115 914	221 329	(77 190)	-	-	3 260 053	2 040 435	172 012	-	-	(54 028)	2 158 419	1 101 634
Furniture and Office Equipment	7 057 852	101 477	(56 952)	-	2 583 831	9 686 208	4 762 515	698 181	-	728 346	(52 574)	6 136 469	3 549 740
Machinery and Equipment	10 548 472	859 535	(103 557)	-	-	11 304 450	6 884 957	481 180	-	-	(70 113)	7 296 024	4 008 426
Transport Assets	12 846 877	35 000	-	-	3 995 350	16 877 227	5 516 741	982 492	-	1 068 506	-	7 567 739	9 309 488
<b>Capitalised Restoration Cost</b>	<b>19 396 951</b>	<b>2 862 895</b>	<b>(106 444)</b>	-	-	<b>22 153 402</b>	<b>13 096 448</b>	<b>1 265 126</b>	-	-	-	<b>14 361 574</b>	<b>7 791 829</b>
Landfill Site Rehabilitation	19 396 951	2 862 895	(106 444)	-	-	22 153 402	13 096 448	1 265 126	-	-	-	14 361 574	7 791 829
	<b>1 025 955 283</b>	<b>50 911 486</b>	<b>(523 633)</b>	-	-	<b>1 076 343 136</b>	<b>369 090 098</b>	<b>25 184 384</b>	-	-	<b>(245 222)</b>	<b>394 029 261</b>	<b>682 313 875</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

### 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 11.7 Reconciliation of Carrying Value

	Cost						Accumulated Depreciation and Impairment						Carrying Value (Restated)
	Opening Balance	Additions	Disposals and Write-offs	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Transfers	Disposals and Write-offs	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R
<b>30 June 2022</b>													
<b>Land and Buildings</b>	<b>22 514 858</b>	-	<b>(68 110)</b>	-	-	<b>22 446 748</b>	<b>1 362 209</b>	<b>134 077</b>	-	-	<b>(8 849)</b>	<b>1 487 436</b>	<b>20 959 312</b>
Land	9 398 084	-	-	-	-	9 398 084	-	-	-	-	-	-	9 398 084
Buildings	13 116 774	-	(68 110)	-	-	13 048 664	1 362 209	134 077	-	-	(8 849)	1 487 436	11 561 228
<b>Infrastructure</b>	<b>819 180 410</b>	<b>46 432 689</b>	<b>(1 093 962)</b>	-	-	<b>864 519 137</b>	<b>305 716 411</b>	<b>20 155 918</b>	<b>1 384 931</b>	-	<b>(535 238)</b>	<b>326 722 022</b>	<b>537 797 115</b>
Electrical	166 006 739	209 694	-	-	-	166 216 433	90 822 366	3 999 880	-	-	-	94 822 246	71 394 187
Roads	172 068 627	-	-	-	-	172 068 627	76 537 592	5 193 316	-	-	-	81 730 908	90 337 719
Sanitation	198 252 747	50 664	(430 260)	-	542 134	198 415 284	45 572 130	5 784 553	-	-	(396 349)	50 960 334	147 454 950
Storm Water	27 747 507	-	-	-	-	27 747 507	6 703 695	549 585	-	-	-	7 253 280	20 494 227
Water Supply	172 309 244	1 335 617	(215 551)	-	893 104	174 322 414	76 540 904	4 628 584	-	-	(138 888)	81 030 599	93 291 814
Work in progress	82 795 547	44 836 713	(448 150)	-	(1 435 238)	125 748 872	9 539 724	-	1 384 931	-	-	10 924 655	114 824 217
<b>Leased Assets</b>	<b>7 966 690</b>	<b>943 824</b>	<b>(1 208 018)</b>	-	-	<b>7 702 495</b>	<b>2 074 688</b>	<b>736 342</b>	-	-	<b>(898 658)</b>	<b>1 912 371</b>	<b>5 790 124</b>
Furniture and Office Equipment	3 791 849	943 824	(1 208 018)	-	-	3 527 655	1 201 139	503 439	-	-	(898 658)	805 920	2 721 734
Transport Assets	4 174 840	-	-	-	-	4 174 840	873 549	232 902	-	-	-	1 106 451	3 068 389
<b>Community Assets</b>	<b>76 435 740</b>	<b>1 885 097</b>	-	-	-	<b>78 320 837</b>	<b>5 837 463</b>	<b>829 710</b>	-	-	-	<b>6 667 173</b>	<b>71 653 664</b>
Community Facilities	15 886 163	-	-	-	-	15 886 163	1 124 225	133 909	-	-	-	1 258 134	14 628 029
Sport and Recreational Facilities	51 359 848	-	-	-	10 828 803	62 188 651	4 713 237	695 801	-	-	-	5 409 039	56 779 612
Work in progress	9 189 729	1 885 097	-	-	(10 828 803)	246 023	-	-	-	-	-	-	246 023
<b>Other Assets</b>	<b>29 881 957</b>	<b>661 279</b>	<b>(297 837)</b>	<b>3 323 716</b>	-	<b>33 569 115</b>	<b>17 521 172</b>	<b>1 931 007</b>	-	-	<b>(247 532)</b>	<b>19 204 648</b>	<b>14 364 467</b>
Computer Equipment	3 005 707	201 282	(91 075)	-	-	3 115 914	1 869 540	240 457	-	-	(69 562)	2 040 435	1 075 480
Furniture and Office Equipment	7 034 065	142 398	(118 612)	-	-	7 057 852	4 402 185	467 245	-	-	(106 915)	4 762 515	2 295 337
Machinery and Equipment	10 314 899	317 598	(84 025)	-	-	10 548 472	6 199 832	752 055	-	-	(66 930)	6 884 957	3 663 515
Transport Assets	9 527 286	-	(4 125)	3 323 716	-	12 846 877	5 049 615	471 250	-	-	(4 124)	5 516 741	7 330 136
<b>Capitalised Restoration Cost</b>	<b>23 069 258</b>	<b>101 050</b>	<b>(3 773 357)</b>	-	-	<b>19 396 951</b>	<b>11 424 404</b>	<b>1 553 830</b>	<b>118 214</b>	-	-	<b>13 096 448</b>	<b>6 300 503</b>
Landfill Site Rehabilitation	23 069 258	101 050	(3 773 357)	-	-	19 396 951	11 424 404	1 553 830	118 214	-	-	13 096 448	6 300 503
	<b>979 048 914</b>	<b>50 023 938</b>	<b>(6 441 284)</b>	<b>3 323 716</b>	-	<b>1 025 955 283</b>	<b>343 936 346</b>	<b>25 340 884</b>	<b>1 503 145</b>	-	<b>(1 690 277)</b>	<b>369 090 098</b>	<b>656 865 185</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

	2023	2022
<b>12 INTANGIBLE ASSETS</b>		
Intangible Assets - Carrying Value	<u>843 706</u>	<u>1 043 991</u>
The carrying value of intangible Assets is reconciled as follows:		
<b>Opening Carrying Value</b>	<b>1 043 991</b>	<b>1 254 359</b>
Cost	2 354 497	2 356 547
Accumulated Amortisation	(1 310 505)	(1 102 188)
Accumulated Impairment	-	-
Additions	-	-
Amortisation	(200 283)	(210 230)
Disposal	(2)	(138)
Cost	(3 728)	(2 050)
Accumulated Amortisation	3 726	1 913
<b>Closing Carrying Value</b>	<b>843 706</b>	<b>1 043 991</b>
Cost	2 350 769	2 354 497
Accumulated Amortisation	(1 507 063)	(1 310 505)
Accumulated Impairment	-	-

Intangible Assets consist only out of software.

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

During the current year the remaining useful lives of Intangible Assets were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2023	2024	After 2024
Increase / (Decrease) in Depreciation and Amortisation	(9 821)	5 101	4 720
Increase / (Decrease) in Accumulated Surplus	9 821	(5 101)	(4 720)
Increase / (Decrease) in Intangible Assets	9 821	(5 101)	(4 720)

### 13 LONG-TERM LIABILITIES

Annuity Loans	3 871 874	7 138 925
Finance Lease Liabilities	513 300	971 848
Payables with Repayment Arrangements	39 471 931	-
<b>Sub-Total</b>	<b>43 857 105</b>	<b>8 110 773</b>
Less: Current portion of Long-term Liabilities	<b>27 328 579</b>	<b>3 725 600</b>
Annuity Loans	1 609 946	3 267 052
Finance Lease Liabilities	332 078	458 548
Payables with Repayment Arrangements	25 386 555	-
<b>Total</b>	<b>16 528 526</b>	<b>4 385 173</b>

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up	4 385 174	8 110 773
Used to finance Property, Plant and Equipment at cost	(4 385 174)	(8 110 773)
<b>Unspent Borrowings</b>	<b>-</b>	<b>-</b>

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act No. 56 of 2003.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 13 LONG-TERM LIABILITIES (CONTINUED)

#### 13.1 Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
ABSA (038-723-0992)	9.84%	1 April 2025	853 792	1 221 812
ABSA (038-723-0993)	10.43%	17 June 2025	1 451 695	2 072 429
ABSA (038-723-0994)	10.45%	17 Nov 2025	714 845	952 355
ABSA (038-723-0995)	11.33%	30 Jun 2026	851 543	1 077 177
Standard Bank (03-263-793-4)	10.36%	31 Mar 2023	-	1 815 152
Total			<b>3 871 874</b>	<b>7 138 925</b>

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	1 985 577	3 943 090
Payable within two to five years	2 496 397	4 481 974
<b>Total amount payable</b>	<b>4 481 974</b>	<b>8 425 064</b>
Less: Outstanding Future Finance Charges	(610 100)	(1 286 139)
<b>Present value of annuity loans</b>	<b>3 871 874</b>	<b>7 138 925</b>

#### 13.2 Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

Description	Maturity Date	Carrying Value of Liability	
Printers and Copiers	31 Dec 2024	513 300	808 641
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	-	4 874
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	-	4 874
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	-	4 874
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	-	3 649
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	-	3 649
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	-	4 938
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	-	9 755
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	-	17 215
Isuzu N Series NLR 150	1 Aug 2022	-	18 620
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	-	9 755
Isuzu N Series NLR 150	1 Aug 2022	-	18 620
Isuzu N Series NLR 150	1 Aug 2022	-	18 620
Isuzu N Series NLR 150	1 Aug 2022	-	18 620
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	-	9 755
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	-	7 694
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	-	7 694
Total		<b>513 300</b>	<b>971 848</b>

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 11.

Leased assets remain the property of the lessor after maturity and new lease contracts are negotiated to replace lapsed contracts.

Finance Lease Liabilities are payable as follows:

Payable within one year	375 000	540 287
Payable within two to five years	187 500	562 500
<b>Total amount payable</b>	<b>562 500</b>	<b>1 102 787</b>
Less: Outstanding Future Finance Charges	(49 200)	(130 939)
<b>Present value of finance lease liabilities</b>	<b>513 300</b>	<b>971 848</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 13 LONG-TERM LIABILITIES (CONTINUED)

#### 13.3 Payables with Repayment Arrangements

The Municipality entered into the following repayment arrangements:

Supplier	Rate	Maturity Date	Carrying Value of Liability	
Eskom Holdings SOC Ltd (Clanwilliam Account)	Prime + 2.5%	31 Dec 2024	19 722 325	-
Eskom Holdings SOC Ltd (Citrusdal Account)	Prime + 2.5%	31 Dec 2024	19 273 627	-
Eskom Holdings SOC Ltd (Lamberts Bay Account)	Prime + 2.5%	31 Jul 2023	475 979	-
<b>Total</b>			<b>39 471 931</b>	<b>-</b>

All payables with repayment arrangements are unsecured.

Payables with Repayment Arrangements are payable as follows:

Payable within one year	25 386 555	-
Payable within two to five years	14 085 376	-
<b>Total amount payable</b>	<b>39 471 931</b>	<b>-</b>
Less: Outstanding Future Finance Charges	-	-
<b>Present value of finance lease liabilities</b>	<b>39 471 931</b>	<b>-</b>

### 14 CONSUMER DEPOSITS

Water and Electricity Deposits

2 794 971

2 539 335

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

### 15 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	52 346 453	104 232 216
Retentions	1 033 225	2 827 032
Payments received in advance	3 055 582	2 546 069
Pre-paid Electricity	729 183	738 586
Sundry Creditors	698 101	1 105 600
Sundry Deposits	125 334	97 254
Accrued Interest	35 461	93 110
Unknown Receipts	70 320	85 041
Land Sales Deposits	1 510 975	1 291 452
Department of Human Settlements	1 026 322	836 322
<b>Total</b>	<b>60 630 956</b>	<b>113 852 683</b>

As previously reported

109 198 456

Correction of error restatement - note 45.2

5 114 883

Reclassification - note 44.1

(460 657)

Restated balance

113 852 683

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include hall, builders, housing deposits and a performance guarantees paid by contractors.

Department of Human Settlements balance consist of the following:

- Advances received for the construction of housing top structures	469 322	469 322
- Advances received in terms of principle-agent arrangements	557 000	367 000
<b>Total</b>	<b>1 026 322</b>	<b>836 322</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

	2023	2022
<b>15 PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
The following serves as security for payables:		
- Bank guarantee as per note 2	2 900 000	2 900 000
- Cash deposits as per note 4	2 571 277	2 444 051
<b>Total</b>	<b>5 471 277</b>	<b>5 344 051</b>
<b>16 UNSPENT CONDITIONAL GOVERNMENT GRANTS</b>		
National Government	5 319 820	5 702 805
Provincial Government	5 503 301	683 156
<b>Total</b>	<b>10 823 121</b>	<b>6 385 961</b>
Detail reconciliations of all grants received and grant conditions met are included in note 21. Unspent grant balances are recognised to the extent that conditions are not yet met.		
No grants were withheld in the current year.		
Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.		
<b>17 CURRENT EMPLOYEE BENEFITS</b>		
Bonuses	3 307 247	3 461 973
Staff Leave	6 991 780	7 650 260
Performance Bonuses	202 645	528 261
Standby and Overtime	619 311	460 657
Current portion of Non-Current Employee Benefits - note 18	2 113 000	2 188 000
Post Retirement Medical Benefits	1 455 000	1 284 000
Long Service Awards	658 000	904 000
<b>Total</b>	<b>13 233 983</b>	<b>14 289 151</b>
As previously reported		13 828 494
Reclassification - note 44.1		460 657
Restated balance		14 289 151
The movement in current employee benefits are reconciled as follows:		
<b>17.1 Bonuses</b>		
Opening Balance	3 461 973	3 259 292
Contribution during the year	6 240 554	6 386 947
Payments made	(6 395 280)	(6 184 265)
Balance at the end of the year	<b>3 307 247</b>	<b>3 461 973</b>
Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.		
<b>17.2 Staff Leave</b>		
Opening Balance	7 650 260	7 809 929
Contribution during the year	571 246	1 080 455
Payments made	(1 229 725)	(1 240 125)
Balance at the end of the year	<b>6 991 780</b>	<b>7 650 260</b>
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.		



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

		2023	2022
<b>17</b>	<b>CURRENT EMPLOYEE BENEFITS (CONTINUED)</b>		
<b>17.3</b>	<b>Performance Bonuses</b>		
	Opening Balance	528 261	194 728
	Contribution during the year	(131 558)	333 533
	Payments made	(194 058)	-
	Balance at the end of the year	<b>202 645</b>	<b>528 261</b>
	Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.		
<b>17.4</b>	<b>Standby and Overtime</b>		
	Opening Balance	460 657	546 488
	Contribution during the year	619 311	460 657
	Payments made	(460 657)	(546 488)
	Balance at the end of the year	<b>619 311</b>	<b>460 657</b>
	Standby and overtime worked by staff in current financial year, but paid in following financial year.		
<b>18</b>	<b>EMPLOYEE BENEFITS</b>		
	Post Retirement Medical Benefits	30 069 000	32 232 000
	Long Service Awards	5 683 000	5 976 000
	<b>Sub-Total</b>	<b>35 752 000</b>	<b>38 208 000</b>
	Less: Current portion of Employee Benefits	<b>2 113 000</b>	<b>2 188 000</b>
	Post Retirement Medical Benefits	1 455 000	1 284 000
	Long Service Awards	658 000	904 000
	<b>Total</b>	<b>33 639 000</b>	<b>36 020 000</b>
<b>18.1</b>	<b>Post Retirement Medical Benefits</b>		
	The movement in Post Retirement Medical Benefits are reconciled as follows:		
	Opening Balance	32 232 000	28 110 000
	Contribution during the year	5 890 000	4 380 000
	Current Service Cost	2 154 000	1 549 000
	Interest Cost	3 736 000	2 831 000
	Payments made	(1 332 780)	(1 123 012)
	Actuarial Loss/(Gain)	(6 720 220)	865 012
	Total balance at year-end	30 069 000	32 232 000
	Less: Current portion	(1 455 000)	(1 284 000)
	<b>Total</b>	<b>28 614 000</b>	<b>30 948 000</b>
	The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
	In-service members	125	142
	In-service non-members	184	201
	Continuation members	29	27
	<b>Total</b>	<b>338</b>	<b>370</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 18 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2023	9 999 000	2 286 000	17 784 000	30 069 000
30 June 2022	13 029 000	2 344 000	16 859 000	32 232 000
30 June 2021	12 661 000	2 186 000	13 263 000	28 110 000
30 June 2020	11 693 000	1 710 000	10 215 000	23 618 000
30 June 2019	12 962 106	1 661 921	11 498 117	26 122 144

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2023	(2 794 000)	-
30 June 2022	562 000	-
30 June 2021	(257 000)	-
30 June 2020	(668 000)	-
30 June 2019	1 369 000	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas  
LA Health  
Hosmed  
Samwumed  
Keyhealth

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

Discount rate	12.57%	11.82%
Health Care Cost Inflation Rate	8.25%	8.44%
Net Effective Discount Rate	3.99%	3.12%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

#### ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

#### iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62, which then implicitly allows for expected rates of early and ill-health retirement.

#### iv) Last Valuation

The last valuation was performed on 26 June 2023.

#### v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 18 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	12 285 000	17 784 000	30 069 000	
Health care inflation rate ( + 1% )	14 826 000	19 559 000	34 385 000	14%
Health care inflation rate ( - 1% )	10 267 000	16 251 000	26 518 000	-12%
Discount rate ( + 1% )	10 351 000	16 318 000	26 669 000	-11%
Discount rate ( - 1% )	14 742 000	19 502 000	34 244 000	14%
Post-employment mortality ( + 1 year )	11 981 000	17 280 000	29 261 000	-3%
Post-employment mortality ( - 1 year )	12 585 000	18 286 000	30 871 000	3%
Average retirement age ( - 1 year )	13 675 000	17 784 000	31 459 000	5%
Membership Continuation ( - 10% )	10 741 000	17 784 000	28 525 000	-5%

#### Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2023/24	1 300 000	3 691 000	4 991 000	
Health care inflation rate ( + 1% )	1 580 000	4 233 000	5 813 000	16%
Health care inflation rate ( - 1% )	1 082 000	3 245 000	4 327 000	-13%
Discount rate ( + 1% )	1 099 000	3 523 000	4 622 000	-7%
Discount rate ( - 1% )	1 557 000	3 880 000	5 437 000	9%
Post-employment mortality ( + 1 year )	1 268 000	3 589 000	4 857 000	-3%
Post-employment mortality ( - 1 year )	1 332 000	3 792 000	5 124 000	3%
Average retirement age ( - 1 year )	1 406 000	3 866 000	5 272 000	6%
Membership Continuation ( - 10% )	1 137 000	3 497 000	4 634 000	-7%

### 18.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	5 976 000	5 613 000
Contribution during the year	1 155 000	1 029 000
Current Service Cost	532 000	525 000
Interest Cost	623 000	504 000
Payments made	(822 116)	(633 051)
Actuarial Loss/(Gain)	(625 884)	(32 949)
Total balance at year-end	<b>5 683 000</b>	<b>5 976 000</b>
Less: Current portion	(658 000)	(904 000)
<b>Total</b>	<b>5 025 000</b>	<b>5 072 000</b>

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards

309	343
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The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	Unfunded Liability R
30 June 2023	5 683 000
30 June 2022	5 976 000
30 June 2021	5 613 000
30 June 2020	5 188 000
30 June 2019	4 662 853

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 18 EMPLOYEE BENEFITS (CONTINUED)

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
<b>Experience adjustments were calculated as follows:</b>		
30 June 2023	(278 884)	-
30 June 2022	52 051	-
30 June 2021	202 915	-
30 June 2020	362 667	-
30 June 2019	267 536	-

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

Discount rate	11.74%	11.25%
General Salary Inflation (long-term)	7.01%	7.42%
Net Effective Discount Rate applied to salary-related Long Service Awards	4.42%	3.56%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

#### ii) Last Valuation

The last valuation was performed on 26 June 2023.

#### iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

#### Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General earnings inflation rate ( + 1%)	5 683 000	6 060 000	7%
General earnings inflation rate ( - 1%)	5 683 000	5 341 000	-6%
Discount rate ( + 1%)	5 683 000	5 335 000	-6%
Discount rate ( - 1%)	5 683 000	6 072 000	7%
Average retirement age ( + 2 years )	5 683 000	6 448 000	13%
Average retirement age ( - 2 years )	5 683 000	5 020 000	-12%
Withdrawal rates ( x 2 )	5 683 000	4 548 000	-20%
Withdrawal rates ( x 0.5 )	5 683 000	6 452 000	14%

#### Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2023/24	493 000	630 000	1 123 000	
General earnings inflation rate ( + 1%)	534 000	674 000	1 208 000	8%
General earnings inflation rate ( - 1%)	456 000	590 000	1 046 000	-7%
Discount rate ( + 1%)	460 000	639 000	1 099 000	-2%
Discount rate ( - 1%)	530 000	618 000	1 148 000	2%
Average retirement age ( + 2 years )	549 000	719 000	1 268 000	13%
Average retirement age ( - 2 years )	435 000	553 000	988 000	-12%
Withdrawal rates ( x 2 )	362 000	497 000	859 000	-24%
Withdrawal rates ( x 0.5 )	589 000	720 000	1 309 000	17%

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

**2023**

**2022**

**18 EMPLOYEE BENEFITS (CONTINUED)**

**18.3 Other Pension Benefits**

**Defined Benefit Plans**

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	107 820	121 001
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The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2022 revealed that the fund is in a sound financial position with a funding level of 104.5% (30 June 2021 - 102.0%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	11 008 553	12 375 473
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The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2022 revealed that the fund is in a sound financial position with a funding level of 100.4% (30 June 2021 - 100.5%).

<b>Total</b>	<b>11 116 373</b>	<b>12 496 473</b>
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Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

**Defined Contribution Plans**

Council contributes to the following defined contribution plans:

National Funds for Municipal Workers	803 880	741 542
SAMWU National Provident Fund	1 253 566	1 272 902

<b>Total</b>	<b>2 057 446</b>	<b>2 014 444</b>
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The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

**19 NON-CURRENT PROVISIONS**

Provision for Rehabilitation of Landfill-sites	<b>52 681 181</b>	<b>45 813 780</b>
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The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	45 813 780	45 320 512
Contribution during the year	6 867 401	493 268
Increase/(decrease) in estimate added to /(deducted from) cost of related asset	2 756 451	(3 672 307)
Decrease in estimate recognised in surplus	(722 376)	-
Interest Cost	4 833 326	4 165 575
<b>Total</b>	<b>52 681 181</b>	<b>45 813 780</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 19 NON-CURRENT PROVISIONS (CONTINUED)

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life.

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate (SA Government Bond yield) of between 9.18% and 11.90% depending on the estimated decommission date.

The total obligation at year-end can be attributed to the following sites:

Location	Discount Rate	Site Dimensions	Estimated Decommission Date	Cost of Rehabilitation	Cost of Rehabilitation
Clanwilliam	11.90%	23 616 m <sup>2</sup>	2028	16 258 029	14 517 494
Lambert's Bay	11.90%	17 580 m <sup>2</sup>	2029	13 194 367	11 982 713
Citrusdal	11.90%	26 505 m <sup>2</sup>	2035	13 486 495	9 863 982
Graafwater	11.90%	3 000 m <sup>2</sup>	2029	3 427 344	3 813 450
Elands Bay	9.18%	5 060 m <sup>2</sup>	2024	6 314 947	5 636 141
<b>Total</b>				<b>52 681 181</b>	<b>45 813 780</b>

### 20 PROPERTY RATES

Rateable Land and Buildings	78 506 157	56 206 568
Less: Rebates	(8 124 017)	(3 802 616)
<b>Total</b>	<b>70 382 140</b>	<b>52 403 952</b>

Property rate levied are based on the following rateable valuations:

Residential	3 338 255 000	2 316 636 400
Business and Industrial	964 879 000	490 911 200
State-owned	242 000 000	182 742 000
Agricultural, Public Service Infrastructure and Public Benefit Organisations	4 368 854 000	2 972 426 620
Impermissible	552 874 000	377 578 700
<b>Total Valuation</b>	<b>9 466 862 000</b>	<b>6 340 294 920</b>

Rate that is applicable to the valuations above:

Residential	1.339c/R	1.456c/R
Business and Industrial	1.732c/R	1.882c/R
State-owned	1.732c/R	1.882c/R
Agricultural, Public Service Infrastructure and Public Benefit Organisations	0.334c/R	0.363c/R
Impermissible	0.000c/R	0.000c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2022. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Properties used only for residential purposes are exempted from property rates in terms of the Municipality's policy as follow:

- Properties with a value of less than R100 000	85 000	85 000
- Properties with a value of more than R100 000	85 000	35 000

Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

	2023	2022
<b>21 GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Unconditional Grants - National Government</b>	<b>60 377 000</b>	<b>55 044 000</b>
Equitable Share	60 377 000	55 044 000
<b>Conditional Grants - National Government</b>	<b>38 823 298</b>	<b>56 974 478</b>
Municipal Infrastructure Grant (MIG)	13 055 540	12 634 176
Financial Management Grant (FMG)	2 082 589	2 023 000
Integrated National Electrification Programme (INEP)	20 665 406	17 000 000
Expanded Public Works Program (EPWP)	1 359 000	1 755 000
Water Service Infrastructure Grant (WSIG)	820 450	3 092 656
Municipal Disaster Relief Grant (COVID-19)	-	-
Regional Bulk Infrastructure Grant (RBIG)	840 313	20 469 645
<b>Conditional Grants - Provincial Government</b>	<b>20 450 921</b>	<b>7 918 365</b>
Library Services MRF	5 408 000	5 302 000
CDW Support	115 205	71 883
Municipal Drought Support Grant	-	-
Local Government Graduate Internship Grant	-	39 170
Financial Management Support Grant	-	1 259 377
Municipal Capacity Building Grant	250 000	95 797
Thusong Service Centre Grant	148 932	138 144
Public Employment Support Grant	89 939	1 010 061
Municipal Library Support Grant	13 782	1 934
Financial Management Capability Grant	1 053 257	-
Municipal Interventions Grant	158 033	-
Municipal Water Resilience Grant	-	-
Loadshedding Relief Grant	-	-
Informal Settlements Upgrading Partnership Grant	13 213 773	-
<b>Total</b>	<b>119 651 219</b>	<b>119 936 843</b>
Disclosed as:		
Government Grants and Subsidies - Operating	76 512 670	74 305 017
Government Grants and Subsidies - Capital	43 138 549	45 631 826
<b>Total</b>	<b>119 651 219</b>	<b>119 936 843</b>
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	60 377 000	55 044 000
Vote 1 - Executive and Council	-	-
Vote 2 - Office of Municipal Manager	-	39 170
Vote 3 - Financial Administrative Services	3 036 147	3 282 377
Vote 4 - Community Development Services	8 308 680	7 197 078
Vote 5 - Corporate and Strategic Services	464 904	167 680
Vote 6 - Planning and Development Services	1 023 482	816 000
Vote 7 - Public Safety	-	-
Vote 8 - Electricity	20 665 406	17 000 000
Vote 9 - Waste Management	89 939	1 010 061
Vote 10 - Waste Water Management	-	5 695 633
Vote 11 - Water	1 660 763	24 137 748
Vote 12 - Housing	13 350 336	1 471 277
Vote 13 - Road Transport	10 674 560	3 075 820
Vote 14 - Sports and Recreation	-	1 000 000
<b>Total</b>	<b>119 651 219</b>	<b>119 936 843</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

#### 21.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received / (Repaid)	60 377 000	55 044 000
Transferred to Revenue - Operating	(60 377 000)	(55 044 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

#### 21.02 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	3 685 824	-
Grants Received / (Repaid)	12 109 000	16 320 000
Transferred to Revenue - Operating	(2 367 147)	(2 481 051)
Transferred to Revenue - Capital	(10 688 393)	(10 153 125)
Closing Unspent Balance	<b>2 739 284</b>	<b>3 685 824</b>

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

#### 21.03 Financial Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	2 132 000	2 023 000
Transferred to Revenue - Operating	(2 082 589)	(2 023 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<b>49 411</b>	-

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management

#### 21.04 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	22 000 000	17 000 000
Transferred to Revenue - Operating	(2 869 565)	(2 036 960)
Transferred to Revenue - Capital	(17 795 840)	(14 963 040)
Closing Unspent Balance	<b>1 334 594</b>	-

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

#### 21.05 Expanded Public Works Program (EPWP)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 359 000	1 755 000
Transferred to Revenue - Operating	(1 359 000)	(1 755 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

	2023	2022
<b>21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>21.06 Water Service Infrastructure Grant (WSIG)</b>		
Opening Unspent Balance	1 507 344	149 281
Grants Received / (Repaid)	-	4 450 719
Transferred to Revenue - Operating	(116 003)	(376 688)
Transferred to Revenue - Capital	(704 447)	(2 715 968)
Closing Unspent Balance	<b>686 894</b>	<b>1 507 344</b>
This grant is utilised for an array of water infrastructure which includes but is not limited to reservoirs, boreholes and oxidation ponds.		
<b>21.07 Municipal Disaster Relief Grant (COVID-19)</b>		
Opening Unspent Balance	-	76 531
Grants Received / (Repaid)	-	(76 531)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-
This grant was utilised for the purchase of personal protective equipment in the fight against the COVID-19 pandemic.		
<b>21.08 Regional Bulk Infrastructure Grant (RBIG)</b>		
Opening Unspent Balance	509 637	-
Grants Received / (Repaid)	840 313	20 979 282
Transferred to Revenue - Operating	(109 606)	(2 669 954)
Transferred to Revenue - Capital	(730 707)	(17 799 692)
Closing Unspent Balance	<b>509 637</b>	<b>509 637</b>
This grant is used to develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries.		
<b>21.09 Library Services MRF</b>		
Opening Unspent Balance	-	4 568
Grants Received / (Repaid)	5 408 000	5 297 432
Transferred to Revenue - Operating	(5 408 000)	(5 302 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-
The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.		
<b>21.10 CDW Support</b>		
Opening Unspent Balance	79 117	169 000
Grants Received / (Repaid)	152 000	(18 000)
Transferred to Revenue - Operating	(115 205)	(71 883)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<b>115 912</b>	<b>79 117</b>
This grant is used to provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 21.11 Municipal Drought Support Grant

Opening Unspent Balance	-	105 486
Grants Received / (Repaid)	-	(105 486)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is utilised for the completion of the desalination plant in Lambert's Bay.

#### 21.12 Local Government Graduate Internship Grant

Opening Unspent Balance	-	39 170
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	(39 170)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is used to provide financial assistance to municipalities in support of capacity building for the future by means of internship programme.

#### 21.13 Financial Management Support Grant

Opening Unspent Balance	-	301 050
Grants Received / (Repaid)	-	958 327
Transferred to Revenue - Operating	-	(1 259 377)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The Financial Management Grant is paid by Provincial Treasury to municipalities to help implement revenue enhancement.

#### 21.14 Municipal Capacity Building Grant

Opening Unspent Balance	299 178	214 617
Grants Received / (Repaid)	(49 177)	180 358
Transferred to Revenue - Operating	(250 000)	(95 797)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	299 178

This grant is utilised as a capacity initiative for graduates to enter the workforce in local government.

#### 21.15 Thusong Service Centre Grant

Opening Unspent Balance	11 856	22 258
Grants Received / (Repaid)	138 144	127 742
Transferred to Revenue - Operating	(148 932)	(138 144)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	1 068	11 856

This grant is used to provide financial assistance to municipalities, ensuring the financial sustainability of the Thusong Service Centres.

#### 21.16 Public Employment Support Grant

Opening Unspent Balance	89 939	-
Grants Received / (Repaid)	-	1 100 000
Transferred to Revenue - Operating	(89 939)	(1 010 061)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	89 939

This grant is used to coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 21.17 Municipal Library Support Grant

Opening Unspent Balance	203 066	-
Grants Received / (Repaid)	-	205 000
Transferred to Revenue - Operating	(8 394)	(1 934)
Transferred to Revenue - Capital	(5 388)	-
Closing Unspent Balance	<b>189 284</b>	<b>203 066</b>

This grant funding is utilized for personnel, operational and/or capital costs of libraries in the municipal area.

#### 21.18 Financial Management Capability Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 058 327	-
Transferred to Revenue - Operating	(1 053 257)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<b>5 070</b>	-

This grant is utilized for revenue enhancement and bursary programmes for external students.

#### 21.19 Municipal Interventions Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	750 000	-
Transferred to Revenue - Operating	(158 033)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<b>591 967</b>	-

This grant is utilized to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

#### 21.20 Municipal Water Resilience Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	3 000 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<b>3 000 000</b>	-

This grant is used to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management.

#### 21.21 Loadshedding Relief Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 600 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<b>1 600 000</b>	-

This grant is used for the installation of back-up energy supply for water and wastewater infrastructure.

#### 21.22 Informal Settlements Upgrading Partnership Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	13 213 773	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(13 213 773)	-
Closing Unspent Balance	-	-

This grant is used for the installation of water and sanitation infrastructure at the Khayelitsha informal settlement in Clanwilliam.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

	2023	2022
<b>21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>21.23 Total Grants</b>		
Opening Unspent Balance	6 385 962	1 081 961
Grants Received / (Repaid)	124 088 380	125 240 844
Transferred to Revenue - Operating	(76 512 670)	(74 305 017)
Transferred to Revenue - Capital	(43 138 549)	(45 631 826)
Closing Unspent Balance	<b>10 823 123</b>	<b>6 385 962</b>
<b>22 CONTRIBUTED ASSETS</b>		
Property, Plant and Equipment	-	3 323 716
<b>Total</b>	<b>-</b>	<b>3 323 716</b>
Contributed Assets consists out of the following:		
- Skip Loader Truck	-	2 849 049
- Traffic Law Enforcement Vehicles	-	474 667
<b>Total</b>	<b>-</b>	<b>3 323 716</b>
The contributed assets were donated from the following parties:		
- Department of Forestry, Fisheries and the Environment	-	2 849 049
- TMT Services and Supplies (Pty) Ltd	-	474 667
<b>Total</b>	<b>-</b>	<b>3 323 716</b>
<b>23 AVAILABILITY CHARGES</b>		
Electricity	1 976 530	1 935 632
Water	813 017	506 682
Sewerage and Sanitation	466 885	286 837
<b>Total</b>	<b>3 256 432</b>	<b>2 729 152</b>
Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity and sewerage) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.		
<b>24 FINES, PENALTIES AND FORFEITS</b>		
Traffic	10 006 065	8 315 900
Overdue Book Fines	2 435	4 693
Illegal Connections	123 020	31 750
Retentions	425 465	216 867
Unclaimed Money	12 876	612 135
<b>Total</b>	<b>10 569 862</b>	<b>9 181 345</b>
In terms of the requirements of GRAP 23 and IGRAP 1, all fines issued during the year less any cancellations or reductions identified are recognised as revenue.		
<b>25 ACTUARIAL GAINS</b>		
Post Retirement Medical Benefits	6 720 220	-
Long Service Awards	625 884	32 949
<b>Total</b>	<b>7 346 104</b>	<b>32 949</b>
The actuarial gains mainly originated as a result of an increase in the net discount rate being used by the actuaries to calculate the employee benefits.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

		2023	2022
<b>26</b>	<b>SERVICE CHARGES</b>		
	Electricity	108 765 322	114 430 288
	Water	32 208 520	31 799 104
	Sewerage and Sanitation	17 597 384	15 120 903
	Refuse	14 969 138	13 319 031
	<b>Total Revenue</b>	<b>173 540 364</b>	<b>174 669 326</b>
	Less: Rebates	(6 674 931)	(5 085 187)
	Electricity	(61 421)	(64 315)
	Water	(2 388 558)	(1 077 502)
	Sewerage and Sanitation	(3 646 974)	(3 403 708)
	Refuse	(577 977)	(539 663)
	<b>Total</b>	<b>166 865 433</b>	<b>169 584 139</b>
	Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.		
<b>27</b>	<b>RENTAL OF FACILITIES AND EQUIPMENT</b>		
	Halls and Sportfields	180 153	200 922
	Camping and Entrance Fees	2 892 584	2 524 056
	Commonage	465 479	545 242
	Hawker Stands	101 474	83 150
	<b>Total</b>	<b>3 639 691</b>	<b>3 353 370</b>
<b>28</b>	<b>INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
	Bank Accounts	366 792	148 773
	Call Investment Deposits	1 525 985	561 058
	Other Deposits	127 226	39 881
	<b>Total</b>	<b>2 020 003</b>	<b>749 712</b>
<b>29</b>	<b>AGENCY SERVICES</b>		
	Drivers Licence Applications	155 941	206 591
	Drivers Licences Issued	347 636	357 572
	Duplicate Registration Certificates	43 256	50 914
	Keeping of Registration Number	9 643	11 200
	Learner Licence Applications	86 839	93 571
	Learner Licences Issued	28 216	28 775
	Professional Drivers Permit Applications	79 880	80 541
	Professional Drivers Permits Issued	56 050	46 959
	Roadworthy Certificate Applications	226 306	210 243
	Roadworthy Certificates Issued	57 733	42 045
	Temporary and special permits	34 391	24 399
	Vehicle Registration	2 656 392	2 518 905
	<b>Total</b>	<b>3 782 284</b>	<b>3 671 714</b>

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 56.1 for additional disclosure in this regard.

The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

**2023**

**2022**

### 30 OTHER INCOME

Application Fees for Land Usage	188 463	47 650
Building Plan Approval	889 585	1 562 425
Cemetery and Burial	124 715	147 356
Clearance and Valuation Certificates	149 151	140 511
Commission	265 400	132 344
Development Charges	393 700	113 033
Landfill Sites - iGRAP 2 adjustments	722 376	-
Photocopies and Faxes	10 039	11 861
Skills Development Levy Refund	216 211	244 514
Sub-division and Consolidation Fees	33 426	47 847
Tender Documents	122 344	226 838
Sundry Income	118 321	235 294
<b>Total</b>	<b>3 233 731</b>	<b>2 909 674</b>

Sundry income represents sundry income such as sale of sundry items (wood, sand and stones) and fees for items not included under service charges

Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.

### 31 CONSTRUCTION CONTRACTS

Department of Human Settlements	14 076 138	21 728 358
<b>Total</b>	<b>14 076 138</b>	<b>21 728 358</b>
As previously reported		-
Correction of error restatement - note 45.4		21 728 358
Restated balance		21 728 358

The Municipality has assessed that it acts as the Developer for the Department of Human Settlements for the construction of top structures.

As the contracts with the Department of Human Settlements are non-commercial contracts with no profit margins, the revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the top structures, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

### 32 EMPLOYEE RELATED COSTS

Basic Salaries and Wages	81 078 619	86 349 554
Pension and UIF Contributions	13 491 302	14 084 676
Medical Aid Contributions	4 453 687	4 504 348
Overtime	4 024 171	4 213 922
Motor Vehicle Allowances	6 525 528	7 319 749
Cell Phone Allowances	513 444	543 626
Housing Allowances	358 896	354 827
Other benefits and allowances	5 045 344	5 134 513
Bargaining Council	42 346	44 948
Group Life Insurance	1 734 806	1 782 998
Scarcity Allowances	388 788	365 441
Standby Allowances	2 879 403	2 941 126
Contributions to Employee Benefits	9 366 242	9 874 935
Bonuses	6 240 554	6 386 947
Staff Leave	571 246	1 080 455
Performance Bonus	(131 558)	333 533
Long Service Awards	532 000	525 000
Post Retirement Medical Benefits	2 154 000	1 549 000
Workmens Compensation Fund	606 591	647 420
<b>Total</b>	<b>125 463 823</b>	<b>133 027 571</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 32 EMPLOYEE RELATED COSTS (CONTINUED)

#### 32.01 Remuneration of Management Personnel

##### Municipal Manager - GF Matthyse (appointed June 2023)

Annual Remuneration	91 552	-
Car Allowance	5 000	-
Cellphone Allowance	4 500	-
Rural Allowance	6 759	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	188	-
<b>Total</b>	<b>107 998</b>	<b>-</b>

##### Municipal Manager - DJ Adonis (March 2022 - August 2022)

Annual Remuneration	155 999	316 043
Car Allowance	26 000	52 000
Cellphone Allowance	9 000	18 000
Rural Allowance	15 374	30 747
Contributions to UIF, Medical, Pension Funds and Bargaining Council	38 002	71 957
Leave Payout	47 315	-
Settlement Agreement	369 512	-
<b>Total</b>	<b>661 201</b>	<b>488 747</b>

##### Director: Community Services - HG Slimmert (April 2021 - February 2023)

Annual Remuneration	537 531	895 163
Performance Bonus / 13th Cheque	122 783	-
Car Allowance	37 321	60 000
Cellphone Allowance	37 321	60 000
Rural Allowance	50 487	82 304
Contributions to UIF, Medical, Pension Funds and Bargaining Council	149 490	228 113
Leave Payout	159 421	-
<b>Total</b>	<b>1 094 354</b>	<b>1 325 580</b>

##### Director: Finance - M Memani (May 2021 - March 2022)

Annual Remuneration	-	663 705
Performance Bonus / 13th Cheque	71 275	-
Car Allowance	-	90 000
Cellphone Allowance	-	45 000
Rural Allowance	-	72 469
Leave Payout	-	58 639
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	120 612
<b>Total</b>	<b>71 275</b>	<b>1 050 426</b>

##### Director: Technical Services - R Kearns (May 2021 - July 2021)

Annual Remuneration	-	66 694
Car Allowance	-	20 000
Cellphone Allowance	-	3 000
Rural Allowance	-	6 069
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	187
<b>Total</b>	<b>-</b>	<b>95 950</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 32 EMPLOYEE RELATED COSTS (CONTINUED)

#### Director: Technical Services - AB Allison (September 2021 - July 2022)

Annual Remuneration	78 694	786 939
Car Allowance	8 000	80 000
Cellphone Allowance	10 000	50 000
Rural Allowance	6 069	60 686
Contributions to UIF, Medical, Pension Funds and Bargaining Council	365	1 812
Leave Payout	55 723	-
<b>Total</b>	<b>158 850</b>	<b>979 437</b>

#### 32.02 Employees acting in management positions

The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are remuneration received for the period in which they acted in the respective positions.

#### Acting Municipal Manager - Mr M Memani (2022 - 28 days)

Acting Allowance	-	18 895
<b>Total</b>	<b>-</b>	<b>18 895</b>

Mr M Memani's full remuneration, excluding Acting Allowance, is already disclosed as part of this note.

#### Acting Municipal Manager - Mr CP Sheldon for 72 days

Annual Remuneration	178 072	-
Cellphone Allowance	2 601	-
Car Allowance	39 551	-
Acting Allowance	15 735	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	46 351	-
<b>Total</b>	<b>282 310</b>	<b>-</b>

#### Acting Municipal Manager - BW Kannemeyer for 93 days

Annual Remuneration	258 053	-
Car Allowance	60 000	-
Cellphone Allowance	13 500	-
Rural Allowance	22 174	-
Leave Payout	9 322	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	657	-
<b>Total</b>	<b>363 706</b>	<b>-</b>

#### Acting Municipal Manager - Mr A Titus for 78 days (2022 - 215 days)

Annual Remuneration	158 573	414 645
Performance Bonus / 13th Cheque	-	58 810
Housing Allowance	2 529	6 689
Car Allowance	33 681	89 379
Cellphone Allowance	10 300	6 242
Contributions to UIF, Medical, Pension Funds and Bargaining Council	44 724	85 126
Acting Allowance	4 370	296 739
<b>Total</b>	<b>254 178</b>	<b>957 629</b>

#### Acting Municipal Manager - GF Matthyse for 43 days

Annual Remuneration	136 042	-
Car Allowance	14 000	-
Cellphone Allowance	4 900	-
Rural Allowance	10 503	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	376	-
<b>Total</b>	<b>165 821</b>	<b>-</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

		2023	2022
<b>32</b>	<b>EMPLOYEE RELATED COSTS (CONTINUED)</b>		
	<b>Acting Director: Community Services - Mr D Frantz (2022 - 45 days)</b>		
	Annual Remuneration	-	52 365
	Car Allowance	-	13 285
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	10 969
	Acting Allowance	-	29 259
	<b>Total</b>	<b>-</b>	<b>105 877</b>
	<b>Acting Director: Community Services - Mr A Titus for 287 days (2022 - 11 days)</b>		
	Annual Remuneration	529 260	21 062
	Acting Allowance	26 768	1 131
	Annual Bonus	62 266	-
	Cellphone Allowance	16 600	319
	Housing Allowance	8 647	342
	Car Allowance	114 992	4 612
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	166 884	4 369
	<b>Total</b>	<b>925 418</b>	<b>31 835</b>
	<b>Acting Director: Finance - CA Appel for 299 days</b>		
	Annual Remuneration	901 121	-
	Cellphone Allowance	43 714	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	2 156	-
	Leave Payout	29 596	-
	<b>Total</b>	<b>976 588</b>	<b>-</b>
	<b>Acting Director: Finance - Mev EH Visser for 30 days</b>		
	Annual Remuneration	62 266	-
	Car Allowance	13 915	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	14 890	-
	<b>Total</b>	<b>91 070</b>	<b>-</b>
	<b>Acting Director: Technical Services - Mr R Kearns (2022 - 21 days)</b>		
	Annual Remuneration	-	57 350
	Car Allowance	-	12 903
	Cellphone Allowance	-	1 000
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	187
	Acting Allowance	-	24 509
	<b>Total</b>	<b>-</b>	<b>95 950</b>
	<b>Acting Director: Technical Services - MB Machaba for 58 days</b>		
	Annual Remuneration	165 507	-
	Cellphone Allowance	8 591	-
	Rural Allowance	11 585	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	511	-
	Leave Payout	15 658	-
	<b>Total</b>	<b>201 851</b>	<b>-</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 33 REMUNERATION OF COUNCILLORS

Executive Mayor	882 792	861 529
Deputy Executive Mayor	728 313	686 401
Speaker	761 470	692 302
Mayoral Committee Members	1 365 212	973 250
All Other Councillors	1 959 713	1 786 623
<b>Total</b>	<b>5 697 499</b>	<b>5 000 104</b>

	Basic Salary	Cell Phone Allowances	Total
<b>2023</b>			
Executive Mayor	843 526	39 266	882 792
Deputy Executive Mayor	689 048	39 265	728 313
Speaker	720 670	40 800	761 470
Mayoral Committee Members	1 287 231	77 981	1 365 212
All Other Councillors	1 736 384	223 329	1 959 713
<b>Total</b>	<b>5 276 859</b>	<b>420 640</b>	<b>5 697 499</b>
<b>2022</b>			
Executive Mayor	824 990	36 539	861 529
Deputy Executive Mayor	659 993	26 408	686 401
Speaker	659 993	32 309	692 302
Mayoral Committee Members	880 672	92 578	973 250
All Other Councillors	1 561 252	225 370	1 786 623
<b>Total</b>	<b>4 586 900</b>	<b>413 204</b>	<b>5 000 104</b>

#### The positions of Executive Mayor, Deputy Mayor and Speaker were filled as follow:

Executive Mayor	- RR Richards (1 March 2023 to date) WJ Farmer (15 August 2022 - 28 February 2023) F Kamfer (27 July 2022 - 14 August 2022) WJ Farmer (13 July 2022 - 26 July 2022) RR Richards (16 November 2021 to 12 July 2022) NS Qunta (16 October 2019 to 15 November 2021)
Deputy Mayor	- AG Mouton ( 1 March 2023 to date) F Kamfer (1 August 2022 - 28 February 2023) WC Van Neel (14 July 2022 - 31 July 2022) JH Van Heerden (16 November 2021 - 12 July 2022) L Scheepers (16 October 2019 to 15 November 2021)
Speaker	- J Jayes (1 March 2023 to date) M Heins (13 Jul 2022 - 28 February 2023) WJ Farmer (16 November 2021 to 12 Jul 2022) P Straus (16 October 2019 to 15 November 2021)

#### In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee member serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

		2023	2022
<b>34</b>	<b>DEBT IMPAIRMENT</b>		
	Receivables from Exchange Transactions	14 597 822	15 986 207
	Receivables from Non-Exchange Transactions	20 362 649	9 381 242
	Current Portion of Long-term Liabilities	127 781	-
	<b>Total Debt Impairment</b>	<b>35 088 252</b>	<b>25 367 449</b>
	Movement in VAT included in debt impairment	(639 463)	1 409 674
	<b>Total</b>	<b>34 448 789</b>	<b>26 777 123</b>
<b>35</b>	<b>DEPRECIATION AND AMORTISATION</b>		
	Investment Property	52 250	52 250
	Property, Plant and Equipment	25 184 384	25 340 884
	Intangible Assets	200 283	210 230
	<b>Total</b>	<b>25 436 917</b>	<b>25 603 364</b>
	As previously reported		25 347 264
	Correction of error restatement - note 45.1		256 100
	Restated balance		25 603 364
<b>36</b>	<b>IMPAIRMENT</b>		
	Water Infrastructure	-	1 384 931
	Capitalised Restoration Cost	-	118 214
	<b>Total</b>	<b>-</b>	<b>1 503 145</b>
	Impairment on Water Infrastructure relates to the Lamberts Bay desalination plant which is not yet in operation. The impairment is based on the estimated refurbishment cost to reinstate the plant to its original condition in order to commence with operations.		
	Impairment on Capitalised Restoration Cost relates to an increase in the landfill site rehabilitation provision of which the corresponding asset is no longer in use. In terms of iGRAP 2, the increase in the provision will result in an increase in the corresponding asset, but as the asset is no longer in use, the said increase in the asset is impaired in full.		
<b>37</b>	<b>FINANCE CHARGES</b>		
	<b>Cash</b>	3 849 283	5 516 174
	Long-term Liabilities	701 328	1 251 624
	Bank Overdraft	46 795	47 788
	Overdue Accounts	3 101 160	4 216 763
	<b>Non-cash</b>	9 192 326	7 500 575
	Post Retirement Medical Benefits	3 736 000	2 831 000
	Long Service Awards	623 000	504 000
	Rehabilitation of Landfill Sites	4 833 326	4 165 575
	<b>Total</b>	<b>13 041 609</b>	<b>13 016 749</b>
	As previously reported		12 206 355
	Correction of error restatement - note 45.2		810 394
	Restated balance		13 016 749
	Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 37 FINANCE CHARGES (CONTINUED)

The Municipality entered into a repayment agreement with Eskom. In terms of the agreement, the outstanding amount shall bear interest, compounded monthly from the due date to date of payment, at a rate per annum equal to the prevailing prime rate plus 2.50%. Interest will be reversed after 6 months on the conditions that the Municipality adhere to the payment of the current account and arrangement amount on the due date. Interest amounting to R3 161 491 was reversed during the year and accordingly set-off against interest expenditure.

### 38 BULK PURCHASES

Electricity	92 503 879	93 891 074
Water	758 118	802 586
<b>Total</b>	<b>93 261 997</b>	<b>94 693 660</b>

Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including the Department of Water and Sanitation and a number of private suppliers.

### 39 CONTRACTED SERVICES

Accounting and Auditing	1 663 698	4 824 683
Construction of Housing Top Structures	14 026 138	21 728 358
Engineering Services	30 417	1 079 283
Fire Services - West Coast District Municipality	438 895	2 639 027
Human Resources	410 013	123 928
Laboratory Services	324 613	258 770
Legal Cost	3 157 970	4 548 412
Maintenance Services	5 073 188	5 913 688
Research and Advisory	1 629 836	3 767 459
Safeguard and Security	7 389 235	8 174 792
Traffic Fines Management	-	481 730
Valuers and Assessors	396 631	1 173 345
Other Contracted Services	982 913	2 292 761
<b>Total</b>	<b>35 523 546</b>	<b>57 006 237</b>

As previously reported		32 970 953
Correction of error restatement - note 45.2		2 306 925
Correction of error restatement - note 45.4		21 728 358
Restated balance		57 006 237

### 40 TRANSFERS AND GRANTS

Bursaries	349 699	95 270
Sport Councils	8 500	-
Social Relief	-	98 471
Tourism	-	50 000
<b>Total</b>	<b>358 199</b>	<b>243 742</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

	2023	2022
<b>41 OTHER EXPENDITURE</b>		
Advertising, Publicity and Marketing	160 428	236 308
Bank Charges	883 247	797 007
Chemicals	429 420	278 199
Cleaning Materials	206 013	260 222
Commission - Prepaid Electricity	854 326	1 996 051
Computer Services	1 830 653	1 639 161
Drivers Licences and Permits	241 176	231 353
External Audit Fees	4 809 649	4 302 952
Fuel and Oil	6 338 206	3 926 579
Hire Charges	2 264 014	1 804 693
Insurance	1 590 395	1 291 963
Maintenance Materials and Tools	2 711 817	2 930 574
Motor Vehicle Licence and Registrations	232 038	204 502
Electricity - Internal usage	4 287 124	4 405 533
Printing and Stationery	914 530	912 199
Professional Bodies, Membership and Subscription	1 472 219	1 404 070
Remuneration of Ward Committees	11 500	-
Skills Development Fund Levy	1 053 599	1 111 925
Telephone	755 222	659 782
Training	988 437	527 003
Travel and Subsistence	318 838	287 282
Uniform and Protective Clothing	477 205	681 103
Other Expenditure	470 434	614 059
<b>Total</b>	<b>33 300 492</b>	<b>30 502 519</b>
<b>42 ACTUARIAL LOSSES</b>		
Post Retirement Medical Benefits	-	865 012
<b>Total</b>	<b>-</b>	<b>865 012</b>
<p>The actuarial loss mainly originated as a result of a decrease in the net discount rate being used by the actuaries to calculate the employee benefits.</p>		
<b>43 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS</b>		
Proceeds	69 989	4 487 200
Less: Carrying value of Investment Property disposed	(33 375)	(2 863 278)
Less: Carrying value of Property, Plant and Equipment disposed	(171 968)	(977 650)
Less: Carrying value of Intangible Assets disposed	(2)	(138)
<b>Total</b>	<b>(135 355)</b>	<b>646 134</b>
As previously reported		643 507
Correction of error restatement - note 45.1		2 627
Restated balance		646 134
<b>44 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATION</b>		
<b>44.1 Overtime and Standby</b>		
<p>Overtime and standby worked in June, but only paid in July was classified as Payables from Exchange Transactions. It was assessed that given the nature of the items, it would be more appropriate to disclose it as part of Current Employee Benefits.</p>		
<p>The net effect of the above-mentioned reclassification was as follow:</p>		
- Payables from Exchange Transactions - note 15	Overstated	(460 657)
- Current Employee Benefits - note 17	Understated	460 657

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 45 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

#### 45.1 Property, Plant and Equipment

Corrections made to Property, Plant and Equipment include the following:

- Properties with a carrying value of R869 080 of which the Municipality never exercised control, was removed from the asset register.
- Properties with a carrying value of R10 000 of which the Municipality exercise control, was not included in the asset register.
- Movable assets with a carrying value of R2 628 were incorrectly disposed in prior periods.
- Movable assets previously not included in the asset register were identified during the current year's asset verification with a carrying value of R32 179.
- Completed projects amounting to R17 873 892 were incorrectly included as work in progress which resulted that depreciation amounting to R1 237 467 was not recognised on the said completed projects.

The net effect of the above-mentioned errors were as follow:

- Investment Property - note 10	Understated	1 445
- Property, Plant and Equipment - note 11	Overstated	(2 063 184)
- Depreciation and Amortisation - note 35	Understated	256 100
- Gain on disposal of Non-Monetary Assets - note 43	Understated	2 627
- Accumulated Surplus - note 45.3	Overstated	(1 808 267)

#### 45.2 Payables from Exchange Transactions

Corrections made to Payables from Exchange Transactions include the following:

- Interest on outstanding Eskom accounts amounting to R810 394 was not raised as on 30 June 2022.
- An outstanding amount of R3 168 965 was not raised on 30 Junie 2022. The said amount relates to an agreement (MOU) with West Coast District Municipality for the provision of fire services.
- Trade Payables amounting to R1 135 523 (VAT Inclusive) was not raised as on 30 June 2022.

The net effect of the above-mentioned errors were as follow:

- Taxes - note 5	Understated	148 112
- Payables from Exchange Transactions - note 15	Understated	5 114 883
- Finance Charges - note 37	Understated	810 394
- Contracted Services - note 39	Understated	2 306 925
- Accumulated Surplus - note 45.3	Overstated	(1 849 452)

#### 45.3 Accumulated Surplus

Property, Plant and Equipment - note 45.1	Overstated	(1 808 267)
Payables from Exchange Transactions - note 45.2	Overstated	(1 849 452)
<b>Total</b>		<b>(3 657 719)</b>

#### 45.4 Accounting treatment of funds received from the Department of Human Settlements

In the prior year all funds received from the Department of Human Settlements and expenditure incurred were treated as a principle-agent arrangement, resulting that no revenue or expenditure were recognised in the Statement of Financial Performance.

The Auditor-General issued a finding during the 2021/22 statutory audit and assessed that the Municipality acts as the developer. Accordingly, GRAP 11 (Construction Contracts) should be applied to account for the construction of housing top structure, whereby the revenue and expenditure should be recognised in the Statement of Financial Performance.

The net effect of the above-mentioned errors were as follow:

- Construction Contracts - note 31	Understated	21 728 358
- Contracted Services - note 39	Understated	21 728 358

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

	2023	2022
<b>45 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR</b>		
<b>46 NET CASH FROM OPERATING ACTIVITIES</b>		
Net Surplus for the year	48 012 597	6 333 900
Adjusted for:		
Non-cash revenue included in Net Surplus	(8 068 370)	(3 998 066)
Contributed Assets	-	(3 323 716)
Actuarial Gains	(7 346 104)	(32 949)
Rental of Facilities and Equipment - decrease in operating lease asset	110	4 733
Other Income - Decrease in landfill site rehabilitation provision	(722 376)	-
Gain on disposal of Non-Monetary Assets	-	(646 134)
Non-cash expenditure included in Net Surplus	79 194 956	72 581 999
Employee Related Costs - Contributions towards	9 985 553	10 335 592
Post Retirement Medical Benefits	2 154 000	1 549 000
Long Service Awards	532 000	525 000
Bonuses	6 240 554	6 386 947
Staff Leave	571 246	1 080 455
Performance Bonuses	(131 558)	333 533
Standby and Overtime	619 311	460 657
Debt Impairment	34 448 789	26 777 123
Depreciation and Amortisation	25 436 917	25 603 364
Impairment	-	1 503 145
Finance Charges	9 192 326	7 500 575
Post Retirement Medical Benefits	3 736 000	2 831 000
Long Service Awards	623 000	504 000
Provision for Rehabilitation of Landfill-sites	4 833 326	4 165 575
Other Expenditure - decrease in operating lease liability	(3 984)	(2 812)
Actuarial Losses	-	865 012
Loss on disposal of Non-Monetary Assets	135 355	-
Cash expenditure not included in Net Surplus	(10 434 617)	(9 726 941)
Post Retirement Medical Benefits	(1 332 780)	(1 123 012)
Long Service Awards	(822 116)	(633 051)
Bonuses	(6 395 280)	(6 184 265)
Staff Leave	(1 229 725)	(1 240 125)
Performance Bonus	(194 058)	-
Standby and Overtime	(460 657)	(546 488)
Operating Surplus before changes in working capital	108 704 567	65 190 892
Movement in working capital	(39 461 926)	(17 388 813)
Receivables from Exchange Transactions	(14 035 125)	(17 861 942)
Receivables from Non-Exchange Transactions	(17 436 281)	(12 962 277)
Inventory	407 806	(177 041)
Long-term Receivables	(563 189)	31 969
Consumer Deposits	255 636	221 372
Long-term Liabilities (Repayment Arrangements)	39 471 931	-
Payables from exchange transactions - Operating	(52 645 696)	13 441 192
Total	(53 221 727)	17 510 352
Add back: Capital included in Trade Payables	(1 217 776)	(5 996 726)
Add back: Retentions	1 793 807	1 927 566
Unspent Conditional Government Grants	4 437 160	5 304 000
Taxes	645 832	(5 386 086)
<b>Cash Flow from Operating Activities</b>	<b>69 242 641</b>	<b>47 802 079</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 47 CASH AND CASH EQUIVALENTS (FOR CASH FLOW STATEMENT PURPOSES)

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	6 316 618	3 252 125
Call and Notice Deposits	22 454 705	8 556 790
Cash Floats	6 226	6 226
<b>Total</b>	<b>28 777 549</b>	<b>11 815 140</b>

Refer to note 2 for more details relating to cash and cash equivalents.

### 48 BUDGET COMPARISONS

#### 48.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats.

The following items are affected by these classification differences:

#### Statement of Financial Position

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

#### Statement of Financial Performance

The following actual results were reclassified to ensure that the performance for the year is measured on a comparable basis to the budget approved, which are guided by mSCOA and National Treasury (NT) classifications and principles:

Item	GRAP Classification	Budget Classification	Amount
<b>Revenue</b>			
Camping and Entrance Fees	Rentals of Facilities and Equipment	Other Revenue	2 892 584
Sundry Income	Other Revenue	Licences and Permits	2 472
Department of Human Settlements	Construction Contracts	Transfers and subsidies - Operating	14 076 138
<b>Expenditure</b>			
Workmens Compensation Fund	Employee Related Cost	Other Expenditure	606 591
Water	Bulk Purchases	Inventory Consumed	758 118
Chemicals	Other Expenditure	Inventory Consumed	429 420
Cleaning Materials	Other Expenditure	Inventory Consumed	206 013
Fuel and Oil	Other Expenditure	Inventory Consumed	6 338 206
Maintenance Materials and Tools	Other Expenditure	Inventory Consumed	2 260 343
Other Expenditure	Other Expenditure	Inventory Consumed	227 969
Printing and Stationery	Other Expenditure	Inventory Consumed	321 649



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

		2023	2022
48	<b>BUDGET COMPARISONS (CONTINUED)</b>		
		<b>Actuals per Statement of Financial Performance R</b>	<b>Reclassification due to mSCOA versus GRAP classification R</b>
	<b>Summary of Reclassification to Actuals</b>		<b>Actuals per Budget Comparison R</b>
	<b>REVENUE</b>		
	Property Rates	70 382 140	70 382 140
	Service Charges - Electricity Revenue	110 680 430	110 680 430
	Service Charges	108 703 901	
	Availability Charges	1 976 530	
	Service Charges - Water Revenue	30 632 980	30 632 980
	Service Charges	29 819 962	
	Availability Charges	813 017	
	Service Charges - Sanitation Revenue	14 417 295	14 417 295
	Service Charges	13 950 410	
	Availability Charges	466 885	
	Service Charges - Refuse Revenue	14 391 160	14 391 160
	Rental of Facilities and Equipment	3 639 691	747 106
	Interest Earned - External Investments	2 020 003	2 020 003
	Interest Earned - Outstanding Debtors	9 836 840	9 836 840
	Fines	10 569 862	10 569 862
	Licences and Permits	-	2 472
	Agency Services	3 782 284	3 782 284
	Transfers Recognised - Operational	76 512 670	90 588 808
	Other Revenue	3 254 678	6 144 791
	Insurance Refund	20 948	
	Other Income	3 233 731	
	Gains	7 346 104	7 346 104
	Actuarial Gains	7 346 104	
	Gain on disposal of Non-Monetary Assets	-	
	Construction Contracts	14 076 138	-
	<b>Total Revenue (excluding capital transfers)</b>	<b>371 542 275</b>	<b>371 542 275</b>
	<b>EXPENDITURE</b>		
	Employee Related Costs	125 463 823	124 857 232
	Remuneration of Councillors	5 697 499	5 697 499
	Debt Impairment	34 448 789	34 448 789
	Depreciation and Asset Impairment	25 436 917	25 436 917
	Depreciation and Amortisation	25 436 917	
	Impairment	-	
	Finance Charges	13 041 609	13 041 609
	Bulk purchases	93 261 997	92 503 879
	Inventory consumed	-	10 541 717
	Contracted Services	35 523 546	35 523 546
	Transfers and Grants	358 199	358 199
	Other Expenditure	33 300 492	24 123 484
	Losses	135 355	135 355
	<b>Total Expenditure</b>	<b>366 668 227</b>	<b>366 668 227</b>
	<b>Surplus/(Deficit)</b>	<b>4 874 048</b>	<b>4 874 048</b>
	Transfers and subsidies - capital (monetary) - Government	43 138 549	43 138 549
	Transfers and subsidies - capital (monetary) - Other	-	-
	Transfers and subsidies - capital (in-kind)	-	-
	<b>Surplus/(Deficit) for the year</b>	<b>48 012 597</b>	<b>48 012 597</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 48 BUDGET COMPARISONS (CONTINUED)

#### Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects, except for following:

- Consumer Deposits are budgeted under "Increase/(Decrease) in Consumer Deposits", but for GRAP purposes are disclosed as "Other Revenue".
- Debtors with arrangements are budgeted as "Decrease (increase) in non-current receivables", but for GRAP purposes are disclosed as "Service Charges".
- Funding received from the Department of Human is budgeted as part of "Government Grants", but for GRAP purposes are disclosed as "Other Revenue".

The actuals of the cash flow statement were adjusted as follow in order to be on a comparable basis:

Item as per Cash Flow Statement	As per GRAP Cash Flow Statement	Adjustment	As per Budget Cash Flow Statement
Service Charges	161 370 132	563 189	161 933 321
Other Revenue and Receipts	26 668 046	(14 281 774)	12 386 272
Government Grants	124 088 379	14 026 138	138 114 517
Decrease (increase) in non-current receivables	-	(563 189)	(563 189)
Increase (decrease) in consumer deposits	-	255 636	255 636

### 48.2 Statement of Financial Position

#### Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2021/22.

#### Actual Amounts vs Final Budget

Cash and Call Investment Deposits	More cash was available at year-end due to general savings on operating expenditure and an underspending on capital expenditure. Also less creditors were paid at year-end than anticipated.
Consumer debtors	Actuals are more than budget due to a lower allowance for debt impairment, as a direct result of stricter credit controls implemented. Collection rate on debtors increased from 90% to 92%.
Property, plant and equipment	Actuals are less than budget due to 76% of capital budget spent during the year.
Borrowing (current) Trade and other payables Borrowing (non-current)	The variances noted on the three budget line-items is a direct result of the repayment arrangement entered into with Eskom. The unpaid arrangement amount of R39 471 931 as at year-end, is disclosed as part of Borrowing (current portion R25 386 554 and non-current portion of R14 085 376). The mSCOA version 6.6.1 chart did not make provision for repayment arrangements to be budgeted as part of Borrowings, and accordingly the Municipality budgeted for it as per of Trade and other payables.
Provisions and Employee Benefits	Actuals are less than budget due to the actuarial gains (as calculated by the actuaries) which resulted in a decrease in the provision.
Accumulated Surplus	Actuals are more than budget as a result of the items listed under the "Statement of Financial Performance" section.

### 48.3 Statement of Financial Performance

#### Adjustments to Original Budget

Service Charges - Electricity Revenue	Decreased due to an increase in load-shedding and more consumers making use of alternative electricity resources.
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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 48 BUDGET COMPARISONS (CONTINUED)

Interest Earned - Outstanding Debtors	Increased due to an increase in the prime rate from 8.25% to 11.25%. Interest on outstanding debtors are being charged at prime +1%.
Fines	Decreased as no service provider was appointed during the course of the year, and therefore no speeding fines were issued.
Transfers Recognised - Operational	Increased due to an additional grant allocation from the Department of Human Settlements (as per the DoRA).
Employee Related Costs	Increased as the original budget did not make provision for an annual salary increase as part of the Budget Funding Plan. The application for no salary increase was rejected by SALGA and accordingly the salary increase was applied retrospectively from 1 July 2022.
Finance Charges	Increased to make provision for an increase in interest charged by Eskom as a result of the increase in the prime rate.
Bulk purchases - electricity	Decreased due to an increase in load-shedding and more consumers making use of alternative electricity resources.
Inventory consumed	Increased to make provision for fuel cost to run generators during load-shedding stages.
Transfers and subsidies - capital (monetary) - Government	Decreased mainly due to the Regional Bulk Infrastructure Grant (RBIG) not realising.

#### Virements

All virements were done in line with the approved virement policy of the Municipality where funds are transferred from one line item. No material virements were done since the final approved budget.

#### Actual Amounts vs Final Budget

Transfers Recognised - Operational	Actuals are less than budget mainly due to the Lamberts Bay housing top structure project that was postponed as a result of a water shortage in the town.
Gains	Gains were more than budget due to the actuarial gains which originated as a result of an increase in the net discount rate being used by the actuaries to calculate the employee benefits.
Employee Related Costs	Actuals less than budget as budgeted positions were still vacant at year-end.
Debt Impairment	Actuals less than budget due to an increase in the collection rate from 90% to 92%, as a direct result of stricter credit controls implemented.
Contracted Services	Actuals are less than budget mainly due to the Lamberts Bay housing top structure project that was postponed as a result of a water shortage in the town.
Transfers and subsidies - capital (monetary) - Government	Actuals are less than budget as not all grant funded capital projects were concluded prior to year-end. 84% of the grant funded capital budget was spent during the year.

### 48.4 Cash Flow Statement

#### Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Decreased due to the Regional Bulk Infrastructure Grant (RBIG) not realising and the loss of income as a result of load-shedding.
Net Cash from/(used) Investing Activities	Increased due to the Regional Bulk Infrastructure Grant (RBIG) not realising which were to be utilised for capital expenditure.
Net Cash from/(used) Financing Activities	Decreased due to a decrease in capital expenditure funded from borrowings.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 48 BUDGET COMPARISONS (CONTINUED)

#### Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	<p>The actual collections for property rates were less than budget, as the actual collection rate was 90%, whereas a collection rate of 97% was budgeted for based on the 2021/22 actual outcomes.</p> <p>Government Grants was less than budget mainly due to the Lamberts Bay housing top structure project that was postponed as a result of a water shortage in the town.</p> <p>Suppliers and Employees were less than budget mainly due on to the underspending of the operating expenditure budget as a result of the items listed under the "Statement of Financial Performance" section.</p>
Net Cash from/(used) Investing Activities	Actuals are less than budget due to 76% of capital budget spent during the year.

### 49 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

#### 49.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	-	1 749 171
Unauthorised expenditure current year - operating	48 658	-
Unauthorised expenditure current year - capital	2 320 548	-
Approved by Council	-	(1 749 171)
<b>Unauthorised expenditure awaiting further action</b>	<b>2 369 206</b>	<b>-</b>

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2023 (Actual) R	2023 (Final Budget) R	2023 (Unauthorised) R	2022 (Unauthorised) R
<b>Unauthorised expenditure - Operating</b>				
Vote 1 - Executive and Council	8 170 919	8 697 549	-	-
Vote 2 - Office of Municipal Manager	13 730 062	14 144 993	-	-
Vote 3 - Financial Administrative Services	66 992 945	72 278 248	-	-
Vote 4 - Community Development Services	10 431 276	13 271 161	-	-
Vote 5 - Corporate and Strategic Services	23 332 291	24 642 702	-	-
Vote 6 - Planning and Development Services	8 571 898	8 763 273	-	-
Vote 7 - Public Safety	22 604 262	26 076 356	-	-
Vote 8 - Electricity	108 316 019	115 779 390	-	-
Vote 9 - Waste Management	16 003 091	17 102 042	-	-
Vote 10 - Waste Water Management	18 655 874	18 607 216	48 658	-
Vote 11 - Water	27 653 183	32 523 991	-	-
Vote 12 - Housing	16 617 092	25 941 155	-	-
Vote 13 - Road Transport	13 555 615	14 341 768	-	-
Vote 14 - Sports and Recreation	12 033 702	12 766 053	-	-
<b>Total</b>	<b>366 668 227</b>	<b>404 935 897</b>	<b>48 658</b>	<b>-</b>

The overspending incurred is attributable to the following:

- Depreciation and Amortisation (non-cash)	48 658	-
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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 49 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

	2023 (Actual) R	2023 (Final Budget) R	2023 (Unauthorised) R	2022 (Unauthorised) R
<b>Unauthorised expenditure - Capital</b>				
Vote 1 - Executive and Council	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-
Vote 3 - Financial Administrative Services	225 466	360 000	-	-
Vote 4 - Community Development Services	1 204 489	4 680 317	-	-
Vote 5 - Corporate and Strategic Services	239 285	520 000	-	-
Vote 6 - Planning and Development Services	9 371 892	7 051 344	2 320 548	-
Vote 7 - Public Safety	-	700 000	-	-
Vote 8 - Electricity	21 396 019	24 441 738	-	-
Vote 9 - Waste Management	3 198	2 604 000	-	-
Vote 10 - Waste Water Management	261 830	615 000	-	-
Vote 11 - Water	1 972 108	6 897 787	-	-
Vote 12 - Housing	13 331 173	14 590 163	-	-
Vote 13 - Road Transport	43 130	451 304	-	-
Vote 14 - Sports and Recreation	-	40 364	-	-
<b>Total</b>	<b>48 048 591</b>	<b>62 952 017</b>	<b>2 320 548</b>	<b>-</b>

The overspending incurred is attributable to the following:

- The unauthorised expenditure relate to MIG funded projects. A Detail Project Implementation Plan (DPIP) was approved by Council on 31 May 2023, which was after the final adjustment budget was approved. Accordingly, the adjustment budget was not aligned to the expenditure requirements of the DPIP. The approval of the DPIP itself does not meet the conditions to table an adjustment budget as set out in the MFMA and Budget Regulations.

<b>Total</b>			<b>2 320 548</b>	<b>-</b>
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### 49.2 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance		35 203 795	14 398 811
Irregular expenditure identified in current year, which was incurred as follow:		36 233 137	33 598 600
Current year		33 958 467	33 598 600
Prior years		2 274 669	-
Approved by Council		-	(12 753 616)
Amounts to be recovered		-	(40 000)
<b>Irregular expenditure awaiting further action</b>		<b>71 436 932</b>	<b>35 203 795</b>

Details of irregular expenditure identified in the current year

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	29 267 845	26 566 920
(b) Non-compliance with SCM Regulation	2 585 137	6 703 224
(c) Goods delivered and services rendered without an order	-	328 456
(d) Services rendered after contract expired	163 214	-
(e) Goods and services above R200 000 not procured through a competitive bidding process	459 531	-
(f) SCM Policy exclusions not in accordance with MFMA Section 112	1 272 080	-
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	1 093 294	-
(h) Written price quotations were not obtained from at least three different prospective suppliers	239 762	-
(i) Supplier declaration of interest not provided	303 600	-
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	848 674	-
<b>Total</b>	<b>36 233 137</b>	<b>33 598 600</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 49 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Details of irregular expenditure awaiting further action:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	55 834 765	26 566 920
(b) Non-compliance with SCM Regulation	10 893 556	8 308 419
(c) Goods delivered and services rendered without an order	328 456	328 456
(d) Services rendered after contract expired	163 214	-
(e) Goods and services above R200 000 not procured through a competitive bidding process	459 531	-
(f) SCM Policy exclusions not in accordance with MFMA Section 112	1 272 080	-
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	1 093 294	-
(h) Written price quotations were not obtained from at least three different prospective suppliers	239 762	-
(i) Supplier declaration of interest not provided	303 600	-
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	848 674	-
<b>Total</b>	<b>71 436 932</b>	<b>35 203 795</b>

Incidents/cases identified in the current year include:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	-
(b) Non-compliance with SCM Regulation	-	5
(c) Goods delivered and services rendered without an order	-	3
(d) Services rendered after contract expired	1	-
(e) Goods and services above R200 000 not procured through a competitive bidding process	-	1
(f) SCM Policy exclusions not in accordance with MFMA Section 112	4	-
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	75	-
(h) Written price quotations were not obtained from at least three different prospective suppliers	3	-
(i) Supplier declaration of interest not provided	1	-
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	1	-

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

### 49.3 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	8 199 226	4 792 858
Fruitless and wasteful expenditure incurred - current year	3 101 160	3 406 368
Fruitless and wasteful expenditure incurred - prior year	810 394	-
Fruitless and wasteful expenditure recovered	-	-
Approved by Council	-	-
<b>Fruitless and wasteful expenditure awaiting further action</b>	<b>12 110 781</b>	<b>8 199 226</b>

Details of fruitless and wasteful expenditure incurred

(a) Interest levied on overdue accounts	70	260
(b) Interest levied by Eskom on overdue accounts	3 911 485	3 406 109
<b>Total</b>	<b>3 911 555</b>	<b>3 406 368</b>

Disciplinary steps or criminal proceedings undertaken on above-mentioned fruitless and wasteful expenditure incurred:

- The matter will be tabled to MPAC for resolution.
- The matter will be tabled to MPAC for resolution.

Details of fruitless and wasteful expenditure awaiting further action:

(a) Interest levied on overdue accounts	2 324	2 254
(b) Interest levied by Eskom on overdue accounts	11 936 345	8 024 860
(c) Payment to supplier for goods and services not yet rendered	172 112	172 112
<b>Total</b>	<b>12 110 781</b>	<b>8 199 226</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

	2023	2022
<b>50 MATERIAL LOSSES</b>		
<b>50.1 Water distribution losses</b>		
Kilo litres disinfected/purified/purchased	2 407 326	2 728 321
Kilo litres sold and free basic services	(1 744 751)	(2 078 118)
Kilo litres lost during distribution	662 575	650 203
Percentage lost during distribution	27.52%	23.83%
Normal pipe bursts and field leakages are responsible for water losses.		
The prior year water losses was restated, due to kilo litres of free basic services relating to the Citrusdal informal settlement which was duplicated.		
<b>50.2 Electricity distribution losses</b>		
Units purchased (Kwh)	51 403 622	61 734 166
Units sold, free basic services and standard friction losses	(48 244 167)	(57 210 549)
Units lost during distribution (Kwh)	3 159 455	4 523 617
Percentage lost during distribution	6.15%	7.33%
Electricity losses are due to electricity theft on pre-paid meters. Fines were issued for first time offenders.		
<b>51 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>51.1 SALGA Contributions [MFMA 125 (1)(b)]</b>		
Opening balance	-	-
Expenditure incurred	1 378 291	1 302 991
Payments	(1 378 291)	(1 302 991)
<b>Outstanding balance</b>	<b>-</b>	<b>-</b>
<b>51.2 Audit Fees [MFMA 125 (1)(c)]</b>		
Opening balance	686 012	-
Expenditure incurred	5 531 096	4 948 395
Audit Fees	4 809 649	4 302 952
VAT	721 447	645 443
Payments	(6 217 108)	(4 262 383)
<b>Outstanding Balance</b>	<b>-</b>	<b>686 012</b>
<b>51.3 VAT [MFMA 125 (1)(c)]</b>		
Opening balance	(646 605)	(2 323 611)
Net amount claimed/(declared) during the year	1 443 186	2 429 098
Net amount paid/(received) during the year	(53 787)	(752 092)
<b>Outstanding Balance Receivable/(Payable)</b>	<b>742 795</b>	<b>(646 605)</b>
VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.		
<b>51.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]</b>		
Opening balance	1 532 341	1 506 068
Payroll deductions and Council Contributions during the year	19 585 024	20 714 230
Payments	(19 571 272)	(20 687 957)
<b>Outstanding Balance</b>	<b>1 546 093</b>	<b>1 532 341</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 51 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 51.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	29 469 257	30 065 689
Payments made to pension and medical fund	(27 144 781)	(30 065 689)
<b>Outstanding Balance</b>	<b>2 324 476</b>	<b>-</b>

#### 51.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

No Councillors had arrear accounts outstanding of more than 90 days as on 30 June.

#### 51.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

Section 36(1)(a)(i) - Emergencies	1 601 883	1 503 135
Section 36(1)(a)(ii) - Single provider	278 767	121 180
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	339 653	146 304
<b>Total</b>	<b>2 220 303</b>	<b>1 770 619</b>

Deviations from Supply Chain Management Regulations can be allocated as follow:

Office of the Municipal Manager	5 233	-
Support Services (Finance and Corporate)	-	227 434
Support Services (Corporate and Community)	349 445	-
Finance Services	-	-
Community Services	-	19 780
Technical Services	1 865 626	1 523 405
<b>Total</b>	<b>2 220 303</b>	<b>1 770 619</b>

All the deviations were ratified by the Municipal Manager and reported to Council.

#### 51.8 Other Non-Compliance [MFMA 125(2)(e)]

##### (a) Payments not made within 30 days

Money owed by the Municipality was not always paid within 30 days, as required by section 65(2)(e) of the Municipal Finance Management Act.

### 52 CAPITAL COMMITMENTS

Approved and contracted for

Infrastructure	45 226 046	17 374 422
Community Assets	10 328 734	347 543
<b>Total</b>	<b>55 554 780</b>	<b>17 721 965</b>

This expenditure will be financed from:

Government Grants	53 547 033	17 721 965
Own funding	2 007 748	-
<b>Total</b>	<b>55 554 780</b>	<b>17 721 965</b>

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

**Figures in Rand**

**2023**

**2022**

**53 FINANCIAL RISK MANAGEMENT**

The Municipality is potentially exposed to the following risks:

**53.1 Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	28 771 324	11 808 914
Receivables from exchange transactions	26 166 677	26 729 374
Receivables from non-exchange transactions	504 828	525 306
Long-term Receivables	435 408	-
<b>Total</b>	<b>55 878 237</b>	<b>39 063 595</b>

Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be past due.

Refer to note 3 and 4 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be past due.

Also refer to note 7 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are past due, but not impaired:

Electricity	2 535 811	4 350 429
Water	4 414 259	4 018 292
Refuse	1 578 513	1 148 770
Sewerage	1 919 828	1 675 299
Interest	998 934	788 075
Other	125 005	152 931
Availability Charges	376 276	407 866
<b>Total</b>	<b>11 948 626</b>	<b>12 541 663</b>

Past due receivables are aged as follow:

1 to 3 months overdue	4 538 903	5 547 486
4 months to 1 year overdue	3 651 790	3 387 810
1 year overdue	3 757 932	3 606 366
<b>Total</b>	<b>11 948 626</b>	<b>12 541 663</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 53 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 53.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

#### 53.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	28 771 324	11 808 914
Long-term Liabilities (including current portion)	-	-
<b>Net balance exposed</b>	<b>28 771 324</b>	<b>11 808 914</b>

Potential effect of changes in interest rates on surplus and deficit for the year:

0.5% (2022 - 0.5%) increase in interest rates	143 857	59 045
0.5% (2022 - 0.5%) decrease in interest rates	(143 857)	(59 045)

#### 53.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk can be mitigated by approving cash funded budgets to ensure commitments can be settled once due over the long term. The Municipality has been experiencing cash flow constraints as disclosed in note 63, and therefore has not been in a position to submit a cash funded budget for the current or previous financial year.

The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
<b>30 JUNE 2023</b>				
Annuity Loans	1 985 577	2 496 397	-	4 481 974
Finance Lease Liabilities	375 000	187 500	-	562 500
Payables with Repayment Arrangements	25 386 555	14 085 376	-	39 471 931
Payables from Exchange Transactions	55 335 216	-	-	55 335 216
<b>Total</b>	<b>83 082 348</b>	<b>16 769 273</b>	<b>-</b>	<b>99 851 621</b>
<b>30 JUNE 2022</b>				
Annuity Loans	3 943 090	4 481 974	-	8 425 064
Finance Lease Liabilities	540 287	562 500	-	1 102 787
Payables from Exchange Transactions	109 276 575	-	-	109 276 575
<b>Total</b>	<b>113 759 952</b>	<b>5 044 474</b>	<b>-</b>	<b>118 804 426</b>

#### 53.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Municipality is not exposed to any other price risk.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 54 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

#### Financial Assets

Cash and Cash Equivalents	28 771 324	11 808 914
Bank Accounts	6 316 618	3 252 125
Call Investment Deposits	22 454 705	8 556 790
Receivables from Exchange Transactions	26 166 677	26 729 374
Electricity	12 677 569	14 989 567
Water	7 404 811	6 955 233
Refuse	2 471 056	1 852 964
Sewerage	2 730 989	2 315 402
Interest	696 505	405 691
Other	185 748	210 517
Receivables from Non-Exchange Transactions	504 828	525 306
Availability Charges	504 828	525 306
Long-term Receivables	435 408	-
Receivables with repayment arrangements	435 408	-
<b>Total</b>	<b>55 878 237</b>	<b>39 063 595</b>

#### Financial Liabilities

Payables from Exchange Transactions	55 335 216	109 276 575
Trade Payables	52 346 453	104 232 216
Retentions	1 033 225	2 827 032
Sundry Creditors	698 101	1 105 600
Sundry Deposits	125 334	97 254
Accrued Interest	35 461	93 110
Unknown Receipts	70 320	85 041
Department of Human Settlements	1 026 322	836 322
Long-term Liabilities	43 857 105	8 110 773
Annuity Loans	3 871 874	7 138 925
Finance Lease Liabilities	513 300	971 848
Payables with Repayment Arrangements	39 471 931	-
<b>Total</b>	<b>99 192 321</b>	<b>117 387 348</b>

### 55 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

Receivables from Non-Exchange Transactions	8 815 919	11 805 935
Rates	8 563 619	11 572 635
Fines	252 300	233 300
Taxes - VAT Claimable from SARS	727 662	-
<b>Total</b>	<b>8 815 919</b>	<b>11 805 935</b>

The amounts above are disclosed after any provision for impairment has been taken into account. Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 20 for property rates levied for the year and basis for interest and rate used on outstanding balances.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 55 STATUTORY RECEIVABLES (CONTINUED)

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 24 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

Taxes (Value Added Tax) are raised in terms of the Value Added Tax Act. No interest is paid by the South African Revenue Service on outstanding VAT claims.

Property Rates

- Past due at the reporting date, and which have been impaired	29 165 106	23 403 293
- Past due that have not been impaired	4 640 302	5 641 768

### 56 PRINCIPAL-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principal-agent arrangements exists:

#### 56.1 Department of Transport and Public Works

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.

The following transactions were undertaken as part of principal-agent arrangement:

Collections payable to the Department at beginning of year	591 875	97 721
Revenue collected from third parties	19 342 159	18 120 454
Commission earned on collections included in note 29	(2 744 482)	(2 605 045)
VAT on commission earned payable to the South African Revenue Services	(411 672)	(390 757)
Collections paid over to the Department	(15 869 430)	(14 630 499)
Collections payable to the Department at year-end	<b>908 449</b>	<b>591 875</b>

#### 56.2 Department of Human Settlements

The Municipality acts as an agent for the Department of Human Settlements to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principal-agent arrangement:

Balance at beginning of year	367 000	607 311
Payments received from / (payments made to) the Department	240 000	(240 311)
Expenditure incurred on behalf of the Department	(50 000)	-
Balance at year-end	<b>557 000</b>	<b>367 000</b>

#### 56.3 Prepaid Electricity Vendor

The Municipality is the principal in an arrangement with a service providers who sells prepaid electricity on its behalf. The prepaid electricity vendor (the agent) earns commission on the value of each transaction.

Reconciliation of transactions undertaken as part of principal-agent arrangement:

Collections receivable from prepaid electricity vendor at the beginning of the year	467 070	795 344
Transactions undertaken by the prepaid electricity vendor for the year	49 238 409	53 074 338
Prepaid electricity sales	40 110 470	42 049 223
VAT on prepaid electricity sales	6 016 541	5 921 590
Collections of arrear accounts	3 111 398	5 103 525
Collections received from prepaid electricity vendor	(49 479 761)	(53 402 612)
Collections receivable from prepaid electricity vendor at year-end	<b>225 718</b>	<b>467 070</b>

Compensation paid for agency activities

Commission - Prepaid Electricity - note 41	854 326	1 996 051
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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

<i>Figures in Rand</i>	2023	2022
<b>57 EVENTS AFTER REPORTING DATE</b>		
The following events after reporting date are noted:		
<ul style="list-style-type: none"> <li>- The Government Gazette for the determination of upper limits of the salaries, allowances and benefits of different members of municipal councils was issued on 18 August 2023, which stipulate that the notice takes effect from 1 July 2022. As on reporting date, this notice has not yet been adopted by the Council nor approved by the MEC. The financial impact is estimated at R205 095.</li> </ul>		
<b>58 IN-KIND DONATIONS AND ASSISTANCE</b>		
Property, Plant and Equipment as per note 22 were donated to the Municipality.		
<b>59 PRIVATE PUBLIC PARTNERSHIPS (PPP's)</b>		
The Municipality did not enter into any PPP's in the current and prior year.		
<b>60 CONTINGENT LIABILITIES</b>		
The Municipality were exposed to the following contingent liabilities at year end:		
<b>60.01 Matter against the Municipality by Jimmy Barnard</b>	50 000	50 000
This matter has been finalised but legal costs still have to be taxed or agreed. The legal costs for which the Municipality may be liable are estimated at R50 000.		
<b>60.02 Matter against the Municipality by Mathilda Smith</b>	-	15 000
This applicant is claiming for damages amounting to R15 000. Since 2010, the applicant's attorneys has not taken any action on this matter. In 2015 she instructed her attorneys to continue with the matter. During the current year Management has assessed that the outflow of resources embodying economic benefits is considered remote, and therefore the contingent liability does not warrant any further or future disclosure.		
<b>60.03 Matter against the Municipality by MJ Coetzee</b>	250 000	250 000
This matter involves an application by the owners of Erf 234 Graafwater against the Municipality for declaratory relief, alternatively a review regarding the decision taken in respect of an application for consent use. The matter in ongoing , pleadings have closed and the Applicants have to set it down for hearing. The legal costs and disbursements that the Municipality may be liable for in the event that the application is successful, is estimated at R 250 000.		
<b>60.04 Matter against the Municipality – ISW van Zyl Cancellation of Water Agreement</b>	901 855	337 094
The Municipality has received a court ruling by settlement to have its infrastructure removed from ISW van Zyl Trust by 31 May 2022. This was extended to until 30 June 2022. The property owner may enforce the court ruling at any time at which point the Municipality will have no legitimate water source for Lamberts Bay. Legal costs still to be taxed are estimated at approximately R 341 886. In addition a contempt of Court Order ruling has been received in relation to this matter of which the claim is R 500 000 and the legal cost is estimated at R 59 969.		
<b>60.05 Matter against the Municipality by Alister Ruiters (on behalf of his minor son, Alito Ruiters)</b>	2 412 089	1 000 000
The applicant is claiming for damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 2 412 089.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

<i>Figures in Rand</i>	2023	2022
<b>60 CONTINGENT LIABILITIES (CONTINUED)</b>		
<b>60.06 Matter against the Municipality by Michael Damon (on behalf of his minor son, Marshall Damon)</b>	1 557 590	1 200 000
The applicant is claiming for damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 1 557 590.		
<b>60.07 Matter against the Municipality by Clackson Power Company (Pty) Ltd</b>	3 793 785	3 779 268
The applicant is claiming for outstanding payments amounting to R 3 508 017 in total. The claim relates to electricity supplied to the Municipality. The Municipality is opposing the matter. Legal cost are estimated at approximately R 285 768.		
<b>60.08 Matter against the Municipality by Francina Johanna de Klerk</b>	1 000 000	1 000 000
The applicant is claiming for damages amounting to R 1 000 000. The damages relates to injuries obtained by the plaintiff where there was a hole underneath the protective cushions surrounding the trampoline. The incident took place at Lamberts Bay caravan park. The matter has been referred to the Municipality's insurer.		
<b>60.09 Remuneration payable to Council</b>	-	154 924
The Government Gazette for the determination of upper limits of the salaries, allowances and benefits of different members of municipal councils was issued on 2 June 2022, which stipulate that the notice takes effect from 1 July 2021. As on 30 June 2022, this notice has not yet been adopted by the Council nor approved by the MEC.		
<b>60.10 Matter against the Municipality by Nicolaas Jacobus Klaassen</b>	620 000	-
This matter involves a labour court review application against the Municipality. The legal costs are estimated at R 120 000 and the cost of reinstatement of the applicant (with backpay) is estimated at R 500 000.		
<b>60.11 Matter against the Municipality by CH Bester</b>	120 000	-
This matter involves an application by CH Bester against the Municipality for declaratory relief. The legal costs are estimated at R 120 000.		
<b>60.12 Total</b>	<u>10 705 319</u>	<u>7 786 286</u>
<b>61 RELATED PARTIES</b>		
All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.		
Other related parties transactions relates to the acquisition of goods under terms and conditions applicable to open market trading on a willing buyer and seller principles. The payment terms are not favourable to other transactions (other related parties) and are not secured or encumbered. Settlement terms are in accordance with the general terms of trade with no guarantees received or given.		
<b>61.1 Related Party Loans</b>		
There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.		
<b>61.2 Compensation of management personnel</b>		
Remuneration of management personnel are disclosed in notes 32 and 33.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 61 RELATED PARTIES (CONTINUED)

#### 61.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

GF Matthyse	- Municipal Manager	10 511	-
DJ Adonis	- Municipal Manager	-	35 737
HG Slimmert	- Director: Community Services	-	97 247
AB Allison	- Director: Technical Services	-	60 233
<b>Total</b>		<b>10 511</b>	<b>193 217</b>

#### 61.4 Other related party transactions

The Municipality did not enter into any transactions where Councillors or Management had an interest.

### 62 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company Name	Service of the state related party relationship	Amount	Amount
P J Sobekwa	Brother of J Sobekwa (Cederberg Municipality)	36 245	8 300
HM Henderson	Sister of C Ockhuis (Cederberg Municipality)	1 800	8 500
Nelodia Transport	Spouse of WK Nel (SAPS)	2 800	2 000
NSRI		469 047	663 504
- C Robertson	Spouse of S Robertson (Department of Health)		
Akhile Management & Consulting		762 785	987 977
- B Hadebe	Spouse of M Hadebe (Ekurhuleni Municipality)		
Ekuseni Enterprises		617 680	1 180 105
- S Jacobs	Son of W Jacobs (Department of Health)		
- A Daniels	Daughter of M Human (Department of Water & Sanitation)		
- A van Wyk	Spouse of L van Wyk (Department of Health)		
- A van Wyk	Son of R van Wyk (Department of Health)		
JPCE		-	153 870
- J Minnie	Spouse of J Minnie (City of Cape Town)		
<b>Total</b>		<b>1 890 356</b>	<b>3 004 256</b>

### 63 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

#### Financial Indicators

The following financial indicators were assessed:

Cash available for working capital requirements (positive balance)	16 928 106	3 946 252
Current Ratio (norm - at least 2:1)	0.67 : 1	0.45 : 1
Cash coverage ratio (norm - 3 months or more)	1 months	0.14 months
Creditors days (norm - 30 days or less)	150 days	153 days
Debtors collection rate (95% or more)	90.9%	90.0%
Operating surplus / (deficit)	4 874 048	(42 621 642)

When analysing the results of the ratio's it can be concluded that the Municipality managed to improve its financial position from the prior year on all ratio aspects. The Municipality still finds itself in a strained cash flow position. Council has approved a Financial and Revenue Improvement Plan to specific focus on the revenue collection and curbing expenditure. This may affect service delivery in the short term, but will be mitigated through these interventions.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 63 FINANCIAL SUSTAINABILITY (CONTINUED)

Taking the above in mind the Municipality will therefore balance service delivery and operations based on revenue collections and ensure that grant funding is spent within the prescribed timeframes as agreed with National Treasury.

#### Other Indicators

Contingent Liabilities are disclosed in note 60. The total exposure amounts to R10 705 319, and therefore contingent liabilities in its totality does not pose any threat to the going concern assumption.

The Municipality is not aware of any events after reporting date which may pose a threat to the going concern assumption.

#### Future Budget

When analysing the 2023/24 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2022/23, the projected financial indicators are as follow:

	2023/24	2024/25	2025/26
Cash available for working capital requirements (positive balance)	1 232 820	14 751 570	28 680 481
Current Ratio (norm - at least 2:1)	0.35:1	0.47:1	0.58:1
Cash coverage ratio (norm - 3 months or more)	0.04 months	0.49 months	0.88 months
Creditors days (norm - 30 days or less)	140 days	149 days	123 days
Debtors collection rate (95% or more)	92.0%	92.0%	92.0%
Operating surplus / (deficit)	(23 098 150)	(30 169 749)	(34 254 387)

Although the above-mentioned ratio's are still below the required norms, there is a projected improvement.

#### Going concern assessment

The definition of a going concern is that there is no reason to believe that an institution will have to close down or be liquidated within 12 months after the reporting date.

Except for the current financial indicator which could potentially be seen as a threat to the going concern assumption, the other assessments does not pose any threat to the going concern assumption. Given the afore-mentioned, Management is of the opinion that the Municipality can continue in operational existence for the foreseeable future.

### 64 B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 65 COVID-19

The summary below indicates the total Covid-19 response expenditure:

Personal Protective Equipment and Sanitizers	-	130 772
Total	-	<b>130 772</b>

The Covid-19 response expenditure was funded from the following sources:

Own Revenue	-	130 772
Total	-	<b>130 772</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

Figures in Rand

2023

2022

### 66 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Cederberg municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Algeria
- Clanwilliam
- Graafwater
- Leipoldtville
- Wuppertal

### 67 SEGMENT REPORTING

#### 67.1 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has 40 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance and administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Sportfields, halls, parks, housing, informal settlements and library services
3	Holiday Resorts	Holiday Resorts
4	Public Safety	Traffic control and fire fighting
5	Planning and development	Town planning and building control
6	Roads and Stormwater	Construction and maintenance of roads and storm water
7	Electricity Services	Supply of electricity services
8	Water Services	Supply of water services
9	Sewerage Services	Supply of sewerage services
10	Refuse Services	Refuse removal

#### 67.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

#### 67.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

#### 67.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

67 SEGMENT REPORTING (CONTINUED)

67.5 Specific Segment Reporting	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
<b>2023</b>											
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	<b>133 739 661</b>	<b>20 302 451</b>	<b>-</b>	<b>10 006 065</b>	<b>865 450</b>	<b>10 674 560</b>	<b>22 846 709</b>	<b>5 863 451</b>	<b>6 019 904</b>	<b>908 451</b>	<b>211 226 704</b>
Property Rates	70 382 140	-	-	-	-	-	-	-	-	-	70 382 140
Government Grants and Subsidies - Operating	55 977 593	5 764 354	-	-	849 237	1 318 881	2 960 976	3 605 623	5 127 554	908 451	76 512 670
Government Grants and Subsidies - Capital	-	14 535 663	-	-	16 213	9 355 679	17 795 840	1 435 155	-	-	43 138 549
Availability Charges	-	-	-	-	-	-	1 976 530	813 017	466 885	-	3 256 432
Insurance Refund	20 948	-	-	-	-	-	-	-	-	-	20 948
Fines, penalties and forfeits	12 876	2 435	-	10 006 065	-	-	113 363	9 657	425 465	-	10 569 862
Actuarial Gains	7 346 104	-	-	-	-	-	-	-	-	-	7 346 104
<b>External Revenue from Exchange Transactions</b>	<b>13 297 173</b>	<b>170 471</b>	<b>2 892 663</b>	<b>3 798 361</b>	<b>1 608 295</b>	<b>-</b>	<b>108 703 901</b>	<b>29 819 962</b>	<b>13 950 410</b>	<b>15 136 747</b>	<b>189 377 982</b>
Service Charges	-	-	-	-	-	-	108 703 901	29 819 962	13 950 410	14 391 160	166 865 433
Rental of Facilities and Equipment	578 524	168 582	2 892 584	-	-	-	-	-	-	-	3 639 691
Interest Earned - external investments	2 020 003	-	-	-	-	-	-	-	-	-	2 020 003
Interest Earned - outstanding debtors	9 836 840	-	-	-	-	-	-	-	-	-	9 836 840
Agency Services	-	-	-	3 782 284	-	-	-	-	-	-	3 782 284
Other Income	861 806	1 888	78	16 077	1 608 295	-	-	-	-	745 586	3 233 731
<b>Construction Contracts</b>	<b>-</b>	<b>14 076 138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 076 138</b>
<b>TOTAL REVENUE</b>	<b>147 036 834</b>	<b>34 549 061</b>	<b>2 892 663</b>	<b>13 804 426</b>	<b>2 473 745</b>	<b>10 674 560</b>	<b>131 550 610</b>	<b>35 683 414</b>	<b>19 970 314</b>	<b>16 045 198</b>	<b>414 680 824</b>
<b>EXPENDITURE</b>											
Employee Related Costs	46 836 793	15 090 937	4 001 794	11 516 659	8 291 764	6 239 511	7 458 668	11 682 672	4 981 603	9 363 422	125 463 823
Remuneration of Councillors	5 697 499	-	-	-	-	-	-	-	-	-	5 697 499
Debt Impairment	16 429 611	-	-	9 104 472	-	-	379 169	3 912 758	2 985 880	1 636 900	34 448 789
Depreciation and Amortisation	1 829 956	800 657	161 902	141 012	28 500	5 711 701	4 066 539	5 026 114	6 154 168	1 516 369	25 436 917
Finance Charges	13 041 609	-	-	-	-	-	-	-	-	-	13 041 609
Bulk Purchases	-	-	-	-	-	-	92 503 879	758 118	-	-	93 261 997
Contracted Services	14 622 039	14 433 277	10 801	823 063	182 452	606 608	1 319 461	1 040 086	1 338 918	1 146 842	35 523 546
Transfers and Grants	358 199	-	-	-	-	-	-	-	-	-	358 199
Other Expenditure	16 612 403	843 233	285 550	1 019 056	185 854	997 795	2 588 303	5 233 435	3 195 305	2 339 558	33 300 492
Loss on disposal of Non-Monetary Assets	135 355	-	-	-	-	-	-	-	-	-	135 355
<b>Total Expenditure</b>	<b>115 563 463</b>	<b>31 168 104</b>	<b>4 460 047</b>	<b>22 604 262</b>	<b>8 688 570</b>	<b>13 555 615</b>	<b>108 316 019</b>	<b>27 653 183</b>	<b>18 655 874</b>	<b>16 003 091</b>	<b>366 668 227</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>31 473 371</b>	<b>3 380 957</b>	<b>(1 567 384)</b>	<b>(8 799 836)</b>	<b>(6 214 825)</b>	<b>(2 881 055)</b>	<b>23 234 591</b>	<b>8 030 231</b>	<b>1 314 441</b>	<b>42 107</b>	<b>48 012 597</b>
Less: Government Grants and Subsidies - Capital	-	(14 535 663)	-	-	(16 213)	(9 355 679)	(17 795 840)	(1 435 155)	-	-	(43 138 549)
<b>NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>31 473 371</b>	<b>(11 154 706)</b>	<b>(1 567 384)</b>	<b>(8 799 836)</b>	<b>(6 231 038)</b>	<b>(12 236 734)</b>	<b>5 438 751</b>	<b>6 595 076</b>	<b>1 314 441</b>	<b>42 107</b>	<b>4 874 048</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>464 751</b>	<b>14 535 663</b>	<b>-</b>	<b>-</b>	<b>9 371 892</b>	<b>43 130</b>	<b>21 396 019</b>	<b>1 972 108</b>	<b>261 830</b>	<b>3 198</b>	<b>48 048 591</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

67 SEGMENT REPORTING (CONTINUED)

67.5 Specific Segment Reporting	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
<b>2022</b>											
<b>REVENUE</b>											
External Revenue from Non-Exchange Transactions	108 285 831	8 134 914	-	8 790 567	816 000	3 075 820	19 024 969	25 728 660	9 386 178	4 398 773	187 641 711
Property Rates	52 403 952	-	-	-	-	-	-	-	-	-	52 403 952
Government Grants and Subsidies - Operating	55 203 040	5 754 875	-	-	816 000	376 807	2 101 275	4 199 202	4 304 096	1 549 723	74 305 017
Government Grants and Subsidies - Capital	-	2 158 479	-	-	-	2 699 013	14 963 040	21 016 048	4 795 245	-	45 631 826
Contributed Assets	-	-	-	474 667	-	-	-	-	-	2 849 049	3 323 716
Availability Charges	-	-	-	-	-	-	1 935 632	506 682	286 837	-	2 729 152
Insurance Refund	33 754	-	-	-	-	-	-	-	-	-	33 754
Fines, penalties and forfeits	612 135	221 560	-	8 315 900	-	-	25 022	6 727	-	-	9 181 345
Actuarial Gains	32 949	-	-	-	-	-	-	-	-	-	32 949
External Revenue from Exchange Transactions	7 345 378	202 067	2 525 749	3 676 474	1 868 435	-	114 365 973	30 721 602	11 717 195	12 780 183	185 203 056
Service Charges	-	-	-	-	-	-	114 365 973	30 721 602	11 717 195	12 779 368	169 584 139
Rental of Facilities and Equipment	628 392	200 922	2 524 056	-	-	-	-	-	-	-	3 353 370
Interest Earned - external investments	749 712	-	-	-	-	-	-	-	-	-	749 712
Interest Earned - outstanding debtors	4 288 314	-	-	-	-	-	-	-	-	-	4 288 314
Agency Services	-	-	-	3 671 714	-	-	-	-	-	-	3 671 714
Other Income	1 032 827	1 144	1 693	4 760	1 868 435	-	-	-	-	815	2 909 674
Gain on disposal of Non-Monetary Assets	646 134	-	-	-	-	-	-	-	-	-	646 134
Construction Contracts	-	21 728 358	-	-	-	-	-	-	-	-	21 728 358
<b>TOTAL REVENUE</b>	<b>115 631 208</b>	<b>30 065 339</b>	<b>2 525 749</b>	<b>12 467 041</b>	<b>2 684 435</b>	<b>3 075 820</b>	<b>133 390 942</b>	<b>56 450 262</b>	<b>21 103 373</b>	<b>17 178 955</b>	<b>394 573 125</b>
<b>EXPENDITURE</b>											
Employee Related Costs	51 784 985	15 549 882	4 517 921	11 971 162	6 575 722	6 397 478	7 293 748	12 821 161	4 824 558	11 290 954	133 027 571
Remuneration of Councillors	5 000 104	-	-	-	-	-	-	-	-	-	5 000 104
Debt Impairment	2 719 634	-	-	7 976 024	-	-	3 359 444	7 580 862	2 785 113	2 356 045	26 777 123
Depreciation and Amortisation	1 824 932	812 723	159 324	113 871	36 946	5 804 239	4 108 451	5 074 932	5 826 276	1 841 669	25 603 363
Impairment	-	-	-	-	-	-	-	1 384 931	-	118 214	1 503 145
Finance Charges	13 016 749	-	-	-	-	-	-	-	-	-	13 016 749
Bulk Purchases	-	-	-	-	-	-	93 891 074	802 586	-	-	94 693 660
Contracted Services	22 914 529	22 155 695	25 875	3 720 331	116 294	325 026	2 880 171	1 065 408	1 813 225	1 989 683	57 006 237
Transfers and Grants	193 742	-	-	-	50 000	-	-	-	-	-	243 742
Other Expenditure	16 536 395	1 000 226	282 170	879 812	152 033	1 325 542	1 688 853	3 865 687	3 124 105	1 647 697	30 502 519
Actuarial Losses	865 012	-	-	-	-	-	-	-	-	-	865 012
<b>Total Expenditure</b>	<b>114 856 082</b>	<b>39 518 527</b>	<b>4 985 290</b>	<b>24 661 200</b>	<b>6 930 995</b>	<b>13 852 283</b>	<b>113 221 740</b>	<b>32 595 567</b>	<b>18 373 277</b>	<b>19 244 263</b>	<b>388 239 225</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>775 126</b>	<b>(9 453 188)</b>	<b>(2 459 541)</b>	<b>(12 194 159)</b>	<b>(4 246 560)</b>	<b>(10 776 463)</b>	<b>20 169 203</b>	<b>23 854 695</b>	<b>2 730 096</b>	<b>(2 065 308)</b>	<b>6 333 900</b>
Less: Government Grants and Subsidies - Capital	-	(2 158 479)	-	-	-	(2 699 013)	(14 963 040)	(21 016 048)	(4 795 245)	-	(45 631 826)
Less: Contributed Assets	-	-	-	(474 667)	-	-	-	-	-	(2 849 049)	(3 323 716)
<b>NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>775 126</b>	<b>(11 611 667)</b>	<b>(2 459 541)</b>	<b>(12 668 826)</b>	<b>(4 246 560)</b>	<b>(13 475 477)</b>	<b>5 206 163</b>	<b>2 838 646</b>	<b>(2 065 149)</b>	<b>(4 914 357)</b>	<b>(42 621 641)</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>396 861</b>	<b>3 690 583</b>	<b>354 496</b>	<b>475 206</b>	<b>2 699 013</b>	<b>-</b>	<b>15 402 040</b>	<b>22 410 866</b>	<b>4 968 491</b>	<b>2 849 049</b>	<b>53 246 604</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2023

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2022	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2023
<b><u>ANNUITY LOANS</u></b>							
ABSA	038-723-0992	9.84%	1 April 2025	1 221 812	-	(368 020)	853 792
ABSA	038-723-0993	10.43%	17 June 2025	2 072 429	-	(620 735)	1 451 695
ABSA	038-723-0994	10.45%	17 Nov 2025	952 355	-	(237 511)	714 845
ABSA	038-723-0995	11.33%	30 Jun 2026	1 077 177	-	(225 634)	851 543
Standard Bank	03-263-793-4	10.36%	31 Mar 2023	1 815 152	-	(1 815 152)	-
<b>Total Annuity Loans</b>				<b>7 138 925</b>	<b>-</b>	<b>(3 267 051)</b>	<b>3 871 874</b>
<b><u>FINANCE LEASE LIABILITIES - PRINTERS</u></b>							
Printers and Copiers			31 Dec 2024	808 641	-	(295 341)	513 300
<b>Total Finance Lease Liabilities - Printers</b>				<b>808 641</b>	<b>-</b>	<b>(295 341)</b>	<b>513 300</b>
<b><u>FINANCE LEASE LIABILITIES - VEHICLES</u></b>							
Isuzu Kb 250C Fleetside Regular Cab	00089668811		1 Jul 2022	4 874	-	(4 874)	-
Isuzu Kb 250C Fleetside Regular Cab	00089668986		1 Jul 2022	4 874	-	(4 874)	-
Isuzu Kb 250C Fleetside Regular Cab	00089669184		1 Jul 2022	4 874	-	(4 874)	-
Chevrolet Utility 1.4 + A/C (M18)	00089669583		1 Jul 2022	3 649	-	(3 649)	-
Chevrolet Utility 1.4 + A/C (M18)	00089670107		1 Jul 2022	3 649	-	(3 649)	-
Isuzu Kb 250C Fleetside Regular Cab	00089670301		1 Jul 2022	4 938	-	(4 938)	-
Isuzu Kb 250C Fleetside Regular Cab	00089733109		1 Aug 2022	9 755	-	(9 755)	-
Isuzu Kb 250C Fleetside Regular Cab	00089733338		1 Aug 2022	17 215	-	(17 215)	-
Isuzu N Series NLR 150	00089733443		1 Aug 2022	18 620	-	(18 620)	-
Isuzu Kb 250C Fleetside Regular Cab	00089733478		1 Aug 2022	9 755	-	(9 755)	-
Isuzu N Series NLR 150	00089733656		1 Aug 2022	18 620	-	(18 620)	-
Isuzu N Series NLR 150	00089733664		1 Aug 2022	18 620	-	(18 620)	-
Isuzu N Series NLR 150	00089733915		1 Aug 2022	18 620	-	(18 620)	-
Isuzu Kb 250C Fleetside Regular Cab	00089734008		1 Aug 2022	9 755	-	(9 755)	-
Toyota Etios Sedan 1.5SD Sprint	00089760637		1 Aug 2022	7 694	-	(7 694)	-
Toyota Etios Sedan 1.5SD Sprint	00089760769		1 Aug 2022	7 694	-	(7 694)	-
<b>Total Finance Lease Liabilities - Vehicles</b>				<b>163 207</b>	<b>-</b>	<b>(163 207)</b>	<b>-</b>
<b>Total Long-Term Liabilities</b>				<b>8 110 773</b>	<b>-</b>	<b>(3 725 599)</b>	<b>4 385 174</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2023

	OPENING BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R	R
<b>NATIONAL GOVERNMENT</b>						
Equitable Share	-	60 377 000	-	(60 377 000)	-	-
Municipal Infrastructure Grant (MIG)	3 685 824	12 109 000	-	(2 367 147)	(10 688 393)	2 739 284
Financial Management Grant (FMG)	-	2 132 000	-	(2 082 589)	-	49 411
Integrated National Electrification Programme (INEP)	-	22 000 000	-	(2 869 565)	(17 795 840)	1 334 594
Expanded Public Works Program (EPWP)	-	1 359 000	-	(1 359 000)	-	-
Water Service Infrastructure Grant (WSIG)	1 507 344	-	-	(116 003)	(704 447)	686 894
Regional Bulk Infrastructure Grant (RBIG)	509 637	840 313	-	(109 606)	(730 707)	509 637
<b>Total</b>	<b>5 702 805</b>	<b>98 817 313</b>	<b>-</b>	<b>(69 280 910)</b>	<b>(29 919 388)</b>	<b>5 319 820</b>
<b>PROVINCIAL GOVERNMENT</b>						
Library Services MRF	-	5 408 000	-	(5 408 000)	-	-
CDW Support	79 117	152 000	-	(115 205)	-	115 912
Municipal Capacity Building Grant	299 178	-	(49 177)	(250 000)	-	-
Thusong Service Centre Grant	11 856	150 000	(11 856)	(148 932)	-	1 068
Public Employment Support Grant	89 939	-	-	(89 939)	-	-
Municipal Library Support Grant	203 066	-	-	(8 394)	(5 388)	189 284
Financial Management Capability Grant	-	1 058 327	-	(1 053 257)	-	5 070
Municipal Interventions Grant	-	750 000	-	(158 033)	-	591 967
Municipal Water Resilience Grant	-	3 000 000	-	-	-	3 000 000
Loadshedding Relief Grant	-	1 600 000	-	-	-	1 600 000
Informal Settlements Upgrading Partnership Grant	-	13 213 773	-	-	(13 213 773)	-
<b>Total</b>	<b>683 156</b>	<b>25 332 100</b>	<b>(61 034)</b>	<b>(7 231 760)</b>	<b>(13 219 161)</b>	<b>5 503 301</b>
<b>ALL SPHERES OF GOVERNMENT</b>	<b>6 385 961</b>	<b>124 149 413</b>	<b>(61 034)</b>	<b>(76 512 670)</b>	<b>(43 138 549)</b>	<b>10 823 121</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

	ORIGINAL BUDGET 2023 R	BUDGET ADJUSTMENTS 2023 R	FINAL BUDGET 2023 R	ACTUAL OUTCOME 2023 R	BUDGET VARIANCE 2023 R	RESTATEMENT OUTCOME 2022 R
<b>FINANCIAL PERFORMANCE</b>						
Property rates	67 172 781	2 929 787	70 102 568	70 382 140	279 572	52 403 952
Service charges	183 897 567	(16 380 278)	167 517 289	170 121 865	2 604 576	172 313 291
Investment revenue	634 212	1 042 891	1 677 103	2 020 003	342 900	749 712
Transfers and subsidies - operational	94 192 865	8 223 528	102 416 393	90 588 808	(11 827 585)	96 033 376
Other own revenue	39 099 143	(7 936 621)	31 162 522	38 429 459	7 266 937	24 117 253
<b>Total Operating Revenue (excluding capital transfers)</b>	<b>384 996 568</b>	<b>(12 120 693)</b>	<b>372 875 875</b>	<b>371 542 275</b>	<b>(1 333 600)</b>	<b>345 617 584</b>
Employee costs	120 561 530	9 930 689	130 492 219	124 857 232	(5 634 987)	132 380 151
Remuneration of councillors	5 173 210	883 721	6 056 931	5 697 499	(359 432)	5 000 104
Debt impairment	38 846 000	180 000	39 026 000	34 448 789	(4 577 211)	26 777 123
Depreciation and asset impairment	28 151 000	(915 000)	27 236 000	25 436 917	(1 799 083)	27 106 508
Finance charges	11 778 000	4 463 579	16 241 579	13 041 609	(3 199 970)	13 016 749
Bulk purchases	103 638 000	(8 801 000)	94 837 000	92 503 879	(2 333 121)	93 891 074
Inventory Consumed	8 115 358	3 829 688	11 945 046	10 541 717	(1 403 329)	8 332 131
Contracted Services	50 253 510	1 294 513	51 548 023	35 523 546	(16 024 477)	57 006 237
Transfers and grants	1 030 000	(650 000)	380 000	358 199	(21 801)	243 742
Other expenditure	25 881 241	381 858	26 263 099	24 123 484	(2 139 615)	23 620 394
Losses	2 000 000	(1 090 000)	910 000	135 355	(774 645)	865 012
<b>Total Expenditure</b>	<b>395 427 849</b>	<b>9 508 048</b>	<b>404 935 897</b>	<b>366 668 227</b>	<b>(38 267 670)</b>	<b>388 239 225</b>
<b>Surplus/(Deficit)</b>	<b>(10 431 281)</b>	<b>(21 628 741)</b>	<b>(32 060 022)</b>	<b>4 874 048</b>	<b>36 934 070</b>	<b>(42 621 641)</b>
Transfers and subsidies - capital (monetary) - Government	58 400 477	(6 987 460)	51 413 017	43 138 549	(8 274 468)	45 631 826
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	3 323 716
<b>Surplus/(Deficit) for the year</b>	<b>47 969 196</b>	<b>(28 616 201)</b>	<b>19 352 995</b>	<b>48 012 597</b>	<b>28 659 602</b>	<b>6 333 900</b>
<b>CAPITAL EXPENDITURE &amp; FUNDS SOURCES</b>						
<b>Capital expenditure</b>	<b>70 530 477</b>	<b>(7 578 460)</b>	<b>62 952 017</b>	<b>48 048 591</b>	<b>(14 903 426)</b>	<b>53 246 604</b>
Transfers recognised - capital	58 400 477	(6 987 460)	51 413 017	43 138 549	(8 274 468)	45 631 826
Borrowing	8 600 000	(8 600 000)	-	-	-	150 382
Internally generated funds	3 530 000	8 009 000	11 539 000	4 910 042	(6 628 958)	7 464 396
<b>Total sources of capital funds</b>	<b>70 530 477</b>	<b>(7 578 460)</b>	<b>62 952 017</b>	<b>48 048 591</b>	<b>(14 903 426)</b>	<b>53 246 604</b>
<b>CASH FLOWS</b>						
Net cash from (used) operating	69 829 547	(15 206 763)	54 622 783	69 550 194	14 927 411	47 548 738
Net cash from (used) investing	(70 530 477)	7 636 567	(62 893 910)	(49 117 822)	13 776 088	(40 390 736)
Net cash from (used) financing	4 162 144	(7 677 970)	(3 515 826)	(3 469 963)	45 863	(5 092 750)
Net Cash Movement for the year	3 461 214	(15 248 166)	(11 786 952)	16 962 409	28 749 362	2 065 253
Cash/cash equivalents at beginning of year	285 011	11 530 129	11 815 140	11 815 140	(0)	9 749 887
<b>Cash/cash equivalents at the year end</b>	<b>3 746 225</b>	<b>(3 718 037)</b>	<b>28 188</b>	<b>28 777 549</b>	<b>28 749 362</b>	<b>11 815 140</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

	ORIGINAL BUDGET 2023 R	BUDGET ADJUSTMENTS 2023 R	FINAL BUDGET 2023 R	ACTUAL OUTCOME 2023 R	BUDGET VARIANCE 2023 R	RESTATED OUTCOME 2022 R
<b>REVENUE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	10 129 235	-	10 129 235	50 959 509	40 830 274	49 958 813
Finance and administration	80 388 691	9 097 783	89 486 474	96 077 325	6 590 851	65 672 395
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	7 606 388	3 515 886	11 122 274	7 067 337	(4 054 937)	5 537 174
Sport and recreation	3 250 435	(420 299)	2 830 136	2 960 102	129 966	3 856 389
Public safety	20 792 829	(10 007 942)	10 784 887	10 009 952	(774 935)	8 793 217
Housing	25 340 000	12 717 437	38 057 437	27 426 475	(10 630 962)	23 199 635
<b>Economic and environmental services</b>						
Planning and development	2 979 454	(668 146)	2 311 308	2 473 745	162 437	2 684 435
Road transport	6 883 612	5 305 974	12 189 586	14 456 845	2 267 259	6 747 534
<b>Trading services</b>						
Energy sources	161 556 095	(15 364 215)	146 191 880	131 550 610	(14 641 270)	133 390 942
Water management	65 427 838	(13 762 691)	51 665 147	35 683 414	(15 981 733)	56 450 262
Waste water management	35 009 453	(9 974 259)	25 035 194	19 970 314	(5 064 880)	21 103 373
Waste management	24 033 015	452 319	24 485 334	16 045 198	(8 440 136)	17 178 955
<b>Total Revenue - Standard</b>	<b>443 397 045</b>	<b>(19 108 153)</b>	<b>424 288 892</b>	<b>414 680 824</b>	<b>(9 608 068)</b>	<b>394 573 125</b>
<b>EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	11 894 590	930 766	12 825 356	11 790 473	(1 034 883)	12 693 622
Finance and administration	92 911 331	17 825 126	110 736 457	101 258 269	(9 478 188)	99 506 964
Internal audit	1 081 820	(18 169)	1 063 651	1 043 531	(20 120)	1 025 193
<b>Community and public safety</b>						
Community and social services	9 070 690	2 308 977	11 379 667	8 850 086	(2 529 581)	10 802 375
Sport and recreation	12 497 058	268 995	12 766 053	12 033 702	(732 351)	13 282 703
Public safety	28 421 190	(8 460 470)	19 960 720	18 845 455	(1 115 265)	18 742 966
Housing	26 877 250	(936 095)	25 941 155	16 617 092	(9 324 063)	24 570 422
<b>Economic and environmental services</b>						
Planning and development	11 003 960	(956 866)	10 047 094	10 159 760	112 666	8 561 298
Road transport	15 049 060	(428 636)	14 620 424	13 997 444	(622 980)	14 341 510
<b>Trading services</b>						
Energy sources	122 669 930	(6 890 540)	115 779 390	108 316 019	(7 463 371)	113 221 740
Water management	29 885 800	2 638 191	32 523 991	27 653 183	(4 870 808)	32 595 567
Waste water management	18 650 970	1 538 927	20 189 897	20 100 122	(89 775)	19 650 602
Waste management	15 414 200	1 687 842	17 102 042	16 003 091	(1 098 951)	19 244 263
<b>Total Expenditure - Standard</b>	<b>395 427 849</b>	<b>9 508 048</b>	<b>404 935 897</b>	<b>366 668 227</b>	<b>(38 267 670)</b>	<b>388 239 225</b>
<b>Surplus/(Deficit) for the year</b>	<b>47 969 196</b>	<b>(28 616 201)</b>	<b>19 352 995</b>	<b>48 012 597</b>	<b>28 659 602</b>	<b>6 333 900</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

	ORIGINAL BUDGET 2023 R	BUDGET ADJUSTMENTS 2023 R	FINAL BUDGET 2023 R	ACTUAL OUTCOME 2023 R	BUDGET VARIANCE 2023 R	RESTATED OUTCOME 2022 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Executive and Council	10 129 235	-	10 129 235	50 959 509	40 830 274	49 958 813
Vote 2 - Office of Municipal Manager	-	-	-	-	-	39 170
Vote 3 - Financial Administrative Services	76 256 194	10 112 162	86 368 356	93 165 899	6 797 543	62 638 275
Vote 4 - Community Development Services	9 300 513	3 725 369	13 025 882	9 004 341	(4 021 541)	7 982 662
Vote 5 - Corporate and Strategic Services	2 436 709	(1 534 388)	902 321	804 199	(98 122)	547 351
Vote 6 - Planning and Development Services	2 979 454	(368 146)	2 611 308	2 631 778	20 470	2 684 435
Vote 7 - Public Safety	24 836 028	(10 386 412)	14 449 616	13 804 426	(645 190)	12 467 041
Vote 8 - Electricity	161 556 095	(15 364 215)	146 191 880	131 550 610	(14 641 270)	133 390 942
Vote 9 - Waste Management	24 033 015	452 319	24 485 334	16 045 198	(8 440 136)	17 178 955
Vote 10 - Waste Water Management	35 009 453	(9 974 259)	25 035 194	19 970 314	(5 064 880)	21 103 373
Vote 11 - Water	65 427 838	(13 762 691)	51 665 147	35 683 414	(15 981 733)	56 450 262
Vote 12 - Housing	25 340 000	12 717 437	38 057 437	27 426 475	(10 630 962)	23 199 635
Vote 13 - Road Transport	2 842 076	5 694 970	8 537 046	10 674 560	2 137 514	3 075 820
Vote 14 - Sports and Recreation	3 250 435	(420 299)	2 830 136	2 960 102	129 966	3 856 389
<b>Total Revenue by Vote</b>	<b>443 397 045</b>	<b>(19 108 153)</b>	<b>424 288 892</b>	<b>414 680 824</b>	<b>(9 608 068)</b>	<b>394 573 125</b>
<b>EXPENDITURE</b>						
Vote 1 - Executive and Council	7 619 620	1 077 929	8 697 549	8 170 919	(526 630)	7 667 082
Vote 2 - Office of Municipal Manager	15 304 460	(1 159 467)	14 144 993	13 730 062	(414 931)	13 736 681
Vote 3 - Financial Administrative Services	62 492 468	9 785 780	72 278 248	66 992 945	(5 285 303)	60 380 270
Vote 4 - Community Development Services	11 569 993	1 701 168	13 271 161	10 431 276	(2 839 885)	13 385 331
Vote 5 - Corporate and Strategic Services	19 072 515	5 570 187	24 642 702	23 332 291	(1 310 412)	23 647 316
Vote 6 - Planning and Development Services	6 958 698	1 804 575	8 763 273	8 571 898	(191 375)	9 621 089
Vote 7 - Public Safety	33 159 997	(7 083 641)	26 076 356	22 604 262	(3 472 094)	24 661 200
Vote 8 - Electricity	122 669 930	(6 890 540)	115 779 390	108 316 019	(7 463 371)	113 221 740
Vote 9 - Waste Management	15 414 200	1 687 842	17 102 042	16 003 091	(1 098 951)	19 244 263
Vote 10 - Waste Water Management	17 088 460	1 518 756	18 607 216	18 655 874	48 658	18 373 277
Vote 11 - Water	29 885 800	2 638 191	32 523 991	27 653 183	(4 870 808)	32 595 567
Vote 12 - Housing	26 877 250	(936 095)	25 941 155	16 617 092	(9 324 063)	24 570 422
Vote 13 - Road Transport	14 817 400	(475 632)	14 341 768	13 555 615	(786 153)	13 852 283
Vote 14 - Sports and Recreation	12 497 058	268 995	12 766 053	12 033 702	(732 351)	13 282 703
<b>Total Expenditure by Vote</b>	<b>395 427 849</b>	<b>9 508 048</b>	<b>404 935 897</b>	<b>366 668 227</b>	<b>(38 267 670)</b>	<b>388 239 225</b>
<b>Surplus/(Deficit) for the year</b>	<b>47 969 196</b>	<b>(28 616 201)</b>	<b>19 352 995</b>	<b>48 012 597</b>	<b>28 659 602</b>	<b>6 333 900</b>



# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

	ORIGINAL BUDGET 2023 R	BUDGET ADJUSTMENTS 2023 R	FINAL BUDGET 2023 R	ACTUAL OUTCOME 2023 R	BUDGET VARIANCE 2023 R	RESTATED OUTCOME 2022 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
Property rates	67 172 781	2 929 787	70 102 568	70 382 140	279 572	52 403 952
Service charges - electricity revenue	126 308 417	(15 028 417)	111 280 000	110 680 430	(599 570)	116 301 605
Service charges - water revenue	29 455 510	(232 221)	29 223 289	30 632 980	1 409 691	31 228 285
Service charges - sanitation revenue	14 315 710	(1 464 710)	12 851 000	14 417 295	1 566 295	12 004 032
Service charges - refuse revenue	13 817 930	345 070	14 163 000	14 391 160	228 160	12 779 368
Rental of facilities and equipment	436 889	287 402	724 291	747 106	22 815	829 314
Interest earned - external investments	634 212	1 042 891	1 677 103	2 020 003	342 900	749 712
Interest earned - outstanding debtors	4 006 026	6 146 974	10 153 000	9 836 840	(316 160)	4 288 314
Fines, penalties and forfeits	20 800 290	(9 944 772)	10 855 518	10 569 862	(285 656)	9 181 345
Licences and permits	2 796	(324)	2 472	2 472	(0)	2 650
Agency services	4 041 536	(388 996)	3 652 540	3 782 284	129 744	3 671 714
Transfers and subsidies - Operating	94 192 865	8 223 528	102 416 393	90 588 808	(11 827 585)	96 033 376
Other revenue	7 811 606	(3 005 012)	4 806 594	6 144 791	1 338 197	5 464 834
Gains	2 000 000	(1 031 893)	968 107	7 346 104	6 377 997	679 083
<b>Total Revenue (excl capital transfers)</b>	<b>384 996 568</b>	<b>(12 120 693)</b>	<b>372 875 875</b>	<b>371 542 275</b>	<b>(1 333 600)</b>	<b>345 617 584</b>
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	120 561 530	9 930 689	130 492 219	124 857 232	(5 634 987)	132 380 151
Remuneration of councillors	5 173 210	883 721	6 056 931	5 697 499	(359 432)	5 000 104
Debt impairment	38 846 000	180 000	39 026 000	34 448 789	(4 577 211)	26 777 123
Depreciation and asset impairment	28 151 000	(915 000)	27 236 000	25 436 917	(1 799 083)	27 106 508
Finance charges	11 778 000	4 463 579	16 241 579	13 041 609	(3 199 970)	13 016 749
Bulk purchases	103 638 000	(8 801 000)	94 837 000	92 503 879	(2 333 121)	93 891 074
Inventory Consumed	8 115 358	3 829 688	11 945 046	10 541 717	(1 403 329)	8 332 131
Contracted Services	50 253 510	1 294 513	51 548 023	35 523 546	(16 024 477)	57 006 237
Transfers and grants	1 030 000	(650 000)	380 000	358 199	(21 801)	243 742
Other expenditure	25 881 241	381 858	26 263 099	24 123 484	(2 139 615)	23 620 394
Losses	2 000 000	(1 090 000)	910 000	135 355	(774 645)	865 012
<b>Total Expenditure</b>	<b>395 427 849</b>	<b>9 508 048</b>	<b>404 935 897</b>	<b>366 668 227</b>	<b>(38 267 670)</b>	<b>388 239 225</b>
<b>Surplus/(Deficit)</b>	<b>(10 431 281)</b>	<b>(21 628 741)</b>	<b>(32 060 022)</b>	<b>4 874 048</b>	<b>36 934 070</b>	<b>(42 621 641)</b>
Transfers and subsidies - capital (monetary) - Government	58 400 477	(6 987 460)	51 413 017	43 138 549	(8 274 468)	45 631 826
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	3 323 716
<b>Surplus/(Deficit) for the year</b>	<b>47 969 196</b>	<b>(28 616 201)</b>	<b>19 352 995</b>	<b>48 012 597</b>	<b>28 659 602</b>	<b>6 333 900</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

	ORIGINAL BUDGET 2023 R	BUDGET ADJUSTMENTS 2023 R	FINAL BUDGET 2023 R	ACTUAL OUTCOME 2023 R	BUDGET VARIANCE 2023 R	RESTATED OUTCOME 2022 R
<b>CAPITAL EXPENDITURE</b>						
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 1 - Executive and Council	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	-	-	-	-	-	-
Vote 4 - Community Development Services	-	-	-	-	-	-
Vote 5 - Corporate and Strategic Services	-	-	-	-	-	-
Vote 6 - Planning and Development Services	2 471 370	4 560 844	7 032 214	9 355 679	2 323 465	2 699 013
Vote 7 - Public Safety	-	-	-	-	-	-
Vote 8 - Electricity	-	-	-	-	-	47 311
Vote 9 - Waste Management	-	-	-	-	-	-
Vote 10 - Waste Water Management	-	-	-	-	-	4 795 245
Vote 11 - Water	13 214 783	(13 083 479)	131 304	730 707	599 403	17 799 692
Vote 12 - Housing	10 000 000	4 255 000	14 255 000	13 213 773	(1 041 227)	-
Vote 13 - Road Transport	-	-	-	-	-	-
Vote 14 - Sports and Recreation	-	40 364	40 364	-	(40 364)	869 565
<b>Total Multi-year expenditure</b>	<b>25 686 153</b>	<b>(4 227 271)</b>	<b>21 458 882</b>	<b>23 300 159</b>	<b>1 841 277</b>	<b>26 210 826</b>
<b>Single-year expenditure</b>						
Vote 1 - Executive and Council	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	350 000	10 000	360 000	225 466	(134 534)	1 301
Vote 4 - Community Development Services	2 139 130	2 541 187	4 680 317	1 204 489	(3 475 828)	150 382
Vote 5 - Corporate and Strategic Services	480 000	40 000	520 000	239 285	(280 715)	395 559
Vote 6 - Planning and Development Services	17 391	1 739	19 130	16 213	(2 917)	-
Vote 7 - Public Safety	-	700 000	700 000	-	(700 000)	475 206
Vote 8 - Electricity	26 879 565	(2 437 827)	24 441 738	21 396 019	(3 045 719)	15 354 729
Vote 9 - Waste Management	1 105 000	1 499 000	2 604 000	3 198	(2 600 802)	2 849 049
Vote 10 - Waste Water Management	10 224 608	(9 609 608)	615 000	261 830	(353 170)	173 246
Vote 11 - Water	2 688 630	4 077 853	6 766 483	1 241 401	(5 525 082)	4 611 174
Vote 12 - Housing	-	335 163	335 163	117 400	(217 763)	1 288 914
Vote 13 - Road Transport	960 000	(508 696)	451 304	43 130	(408 174)	-
Vote 14 - Sports and Recreation	-	-	-	-	-	1 736 217
<b>Total Single-year expenditure</b>	<b>44 844 324</b>	<b>(3 351 189)</b>	<b>41 493 135</b>	<b>24 748 432</b>	<b>(16 744 703)</b>	<b>27 035 778</b>
<b>Total Capital Expenditure by Vote</b>	<b>70 530 477</b>	<b>(7 578 460)</b>	<b>62 952 017</b>	<b>48 048 591</b>	<b>(14 903 426)</b>	<b>53 246 604</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

	ORIGINAL BUDGET 2023 R	BUDGET ADJUSTMENTS 2023 R	FINAL BUDGET 2023 R	ACTUAL OUTCOME 2023 R	BUDGET VARIANCE 2023 R	RESTATED OUTCOME 2022 R
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	-	-	-	-	-	-
Finance and administration	830 000	50 000	880 000	464 751	(415 249)	396 861
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	2 139 130	2 541 187	4 680 317	1 204 489	(3 475 828)	150 382
Sport and recreation	-	40 364	40 364	-	(40 364)	2 605 782
Public safety	-	700 000	700 000	-	(700 000)	475 206
Housing	10 000 000	4 590 163	14 590 163	13 331 173	(1 258 990)	1 288 914
<b>Economic and environmental services</b>						
Planning and development	2 488 761	4 562 583	7 051 344	9 371 892	2 320 548	2 699 013
Road transport	960 000	(508 696)	451 304	43 130	(408 174)	-
<b>Trading services</b>						
Energy sources	26 879 565	(2 437 827)	24 441 738	21 396 019	(3 045 719)	15 402 040
Water management	15 903 413	(9 005 626)	6 897 787	1 972 108	(4 925 679)	22 410 866
Waste water management	10 224 608	(9 609 608)	615 000	261 830	(353 170)	4 968 491
Waste management	1 105 000	1 499 000	2 604 000	3 198	(2 600 802)	2 849 049
<b>Total Capital Expenditure - Standard</b>	<b>70 530 477</b>	<b>(7 578 460)</b>	<b>62 952 017</b>	<b>48 048 591</b>	<b>(14 903 426)</b>	<b>53 246 604</b>
<b>FUNDING SOURCES</b>						
National Government	48 400 477	(15 760 330)	32 640 147	29 919 388	(2 720 759)	45 631 826
Provincial Government	10 000 000	8 772 870	18 772 870	13 219 161	(5 553 709)	-
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>58 400 477</b>	<b>(6 987 460)</b>	<b>51 413 017</b>	<b>43 138 549</b>	<b>(8 274 468)</b>	<b>45 631 826</b>
Borrowing	8 600 000	(8 600 000)	-	-	-	150 382
Internally generated funds	3 530 000	8 009 000	11 539 000	4 910 042	(6 628 958)	7 464 396
<b>Total Capital Funding</b>	<b>70 530 477</b>	<b>(7 578 460)</b>	<b>62 952 017</b>	<b>48 048 591</b>	<b>(14 903 426)</b>	<b>53 246 604</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023

	ORIGINAL BUDGET 2023 R	BUDGET ADJUSTMENTS 2023 R	FINAL BUDGET 2023 R	ACTUAL OUTCOME 2023 R	BUDGET VARIANCE 2023 R	RESTATED OUTCOME 2022 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges	62 134 822	5 747 766	67 882 589	63 297 610	(4 584 979)	47 817 985
Service charges	170 975 302	(10 935 817)	160 039 485	161 933 321	1 893 836	154 244 424
Other revenue	15 555 117	(5 329 702)	10 225 415	12 386 272	2 160 857	9 715 241
Government - operating	94 192 865	7 132 249	101 325 114	94 975 967	(6 349 147)	101 337 368
Government - capital	58 400 477	(11 772 502)	46 627 975	43 138 549	(3 489 425)	45 631 826
Interest	634 212	1 042 891	1 677 103	5 291 169	3 614 066	3 629 365
<b>Payments</b>						
Suppliers and employees	(327 608 249)	1 054 194	(326 554 055)	(307 207 564)	19 346 491	(309 825 431)
Finance charges	(3 425 000)	(2 795 842)	(6 220 842)	(3 906 932)	2 313 910	(4 758 298)
Transfers and grants	(1 030 000)	650 000	(380 000)	(358 199)	21 801	(243 742)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>69 829 547</b>	<b>(15 206 763)</b>	<b>54 622 783</b>	<b>69 550 194</b>	<b>14 927 411</b>	<b>47 548 738</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	58 107	58 107	69 989	11 882	4 487 200
Decrease (increase) in non-current receivables	-	-	-	(563 189)	(563 189)	31 969
<b>Payments</b>						
Capital assets	(70 530 477)	7 578 460	(62 952 017)	(48 624 622)	14 327 395	(44 909 904)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(70 530 477)</b>	<b>7 636 567</b>	<b>(62 893 910)</b>	<b>(49 117 822)</b>	<b>13 776 088</b>	<b>(40 390 736)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing	8 600 000	(8 600 000)	-	-	-	-
Increase (decrease) in consumer deposits	209 775	-	209 775	255 636	45 861	221 372
<b>Payments</b>						
Repayment of borrowing	(4 647 630)	922 030	(3 725 600)	(3 725 599)	1	(5 314 122)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>4 162 144</b>	<b>(7 677 970)</b>	<b>(3 515 826)</b>	<b>(3 469 963)</b>	<b>45 863</b>	<b>(5 092 750)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>3 461 214</b>	<b>(15 248 166)</b>	<b>(11 786 952)</b>	<b>16 962 409</b>	<b>28 749 362</b>	<b>2 065 253</b>
Cash/cash equivalents at the year begin:	285 011	11 530 129	11 815 140	11 815 140	(0)	9 749 887
Cash/cash equivalents at the year end:	3 746 225	(3 718 037)	28 188	28 777 549	28 749 361	11 815 140

# Annexure B

## Report of the Auditor General

# Report of the auditor-general to Western Cape Provincial Legislature and the council on Cederberg Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Cederberg Municipality set out on pages 4 to 92, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cederberg Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act, 56 of 2003 (MFMA) and the Division of Revenue Act, 5 of 2022 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.

### **Material impairments**

8. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R70 373 186 (2021-22: R57 665 699).
9. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R54 567 760 (2021-22: R40 921 114).
10. As disclosed in note 11 to the financial statements, the municipality provided for the accumulated impairment of the Lamberts Bay Desalination Plant of R10 924 655 (2021-22: R10 924 655).

### **Underspending of conditional grants**

11. As disclosed in note 21, the municipality materially underspent on the Municipal Infrastructure Grant (MIG), by R 2 739 284.

### **Other matters**

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

### **Unaudited supplementary schedules**

13. The supplementary information set out on pages 93 to 101 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### **Unaudited disclosure notes**

14. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

### **Responsibilities of the accounting officer for the financial statements**

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the financial statements

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

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

19. In accordance with the Public Audit Act, 25 of 2004 (PAA), and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
20. I selected the following strategic objective presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a strategic objective that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Strategic objective	Page numbers
Strategic objective 1: improve and sustain basic service delivery and infrastructure development	11-16

21. I evaluated the reported performance information for the selected strategic objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
22. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be



delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

23. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

24. The material findings on the reported performance information for the selected strategic objective are as follows:

### Strategic objective 1: improve and sustain basic service delivery and infrastructure development

25. Based on evidence, the actual achievements for three (3) indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently the targets were not achieved, the under achievement on the targets were more than reported and the achievements against the targets were lower than reported

Indicator	Target	Reported achievement
TL 19 - Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2023	2 302	1 675
TL 20 - Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2023	2 264	1 546
TL 21 - Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2023	2 226	1 640

### Other matters

26. I draw attention to the matters below:

### Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for the under-/over- achievement's and/or measures taken to

improve performance. This information should be considered in the context of the material findings on the reported performance information.

### **Material misstatements**

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Strategic objective 1 – Improve and sustain basic service delivery and infrastructure development. Management did not correct all the misstatements and I reported material findings in this report.

### **Report on compliance with legislation**

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
32. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Expenditure management**

33. Reasonable steps were not taken to prevent irregular expenditure amounting to R29 890 589 as disclosed in note 49.2 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the municipality not following a competitive bidding process to appoint a service provider for the implementation of housing projects. Irregular expenditure amounting to R16 054 072 were incurred on two housing projects.

### **Procurement and contract management**

34. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Similar non-compliance was also reported in the prior year.

## Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report, which includes the mayor's foreword and executive summary, municipal manager's overview, service delivery overview and the report on good governance and public participation. The other information referred to does not include the financial statements, the auditor's report and the selected strategic objective presented in the annual performance report that have been specifically reported on in this auditor's report.
36. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
37. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected strategic objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
41. Leadership did not implement monitoring controls to ensure that an action plan is adequately implemented to prevent prior year findings on prevention of irregular expenditure and validity of indigent debtors to reoccur.
42. Leadership approved and adopted for implementation a supply chain management policy that does not support the constitutional objectives of having a supply chain management framework that is fair, equitable, transparent, competitive and cost-effective as there were transactions specifically excluded from following the supply chain management policy of the municipality.
43. Management does not have adequate review and monitoring controls over the indigent applications to ensure that the indigent support policy is adhered to and that all applicants

approved, qualify in accordance with the indigent support policy. Furthermore, there are instances of poor record keeping and weaknesses in the management of the indigent debtors register which resulted in some information not being provided when requested and incorrect information being captured on the register.

44. Management's oversight and compliance monitoring controls were not always effective in ensuring compliance with SCM legislation and consequently preventing the occurrence of irregular expenditure.

Auditor-General

Cape Town

08 March 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected strategic objective and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

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

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

## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)

Legislation	Sections or regulations
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2).
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)