



2023/24

ANNUAL REPORT



WITZENBERG
MUNICIPALITY

2023/24

CHAPTER 1: MAYOR'S FORWARD & EXECUTIVE SUMMARY6

COMPONENT A: EXECUTIVE MAYOR'S FORWARD7

COMPONENT B: EXECUTIVE SUMMARY8

MUNICIPAL MANAGER'S OVERVIEW.....8

1.1 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW.....10

1.1.1 Vision & Mission10

1.1.2 Demographic Information10

1.1.3 Socio-Economy Summary12

1.1.4 Population.....15

1.1.5 Households.....16

1.1.6 Key Economic Activities16

1.1.7 Municipal Challenges16

1.2 SERVICE DELIVERY OVERVIEW17

1.2.1 Basic Services Delivery Highlights18

1.2.2 Basic Services Delivery Challenges18

1.2.3 Proportion of urban households with access to basic services.....19

1.3 FINANCIAL HEALTH OVERVIEW.....19

1.3.1 Financial viability highlights19

1.3.2 Financial viability challenges20

1.3.3 National Key Performance Indicators – Financial Viability (ratio's).....20

1.3.4 Financial Overview20

1.3.5 Operating ratios as a percentage of operating expenditure.....21

1.3.6 Total Capital Expenditure21

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW21

1.4.1 Municipal transformation and organisational development highlights.....21

1.4.2 Municipal transformation and organisational development challenges.....22

1.5 AUDITOR-GENERAL REPORT.....22

1.5.1 Audited outcomes.....22

1.6 STATUTORY ANNUAL REPORT PROCESS23

CHAPTER 2: GOVERNANCE24

COMPONENT A: POLITICAL & ADMINISTRATIVE GOVERNANCE.....25

2.1 POLITICAL GOVERNANCE STRUCTURE.....25

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE29

COMPONENT B: INTERGOVERNMENTAL RELATIONS30

2.3 INTERGOVERNMENTAL RELATIONS30

COMPONENT C: PUBLIC ACCOUNTABILITY & PARTICIPATION.....32

2.4 PUBLIC MEETINGS.....32

2.5 IDP PARTICIPATION & ALIGNMENT34

COMPONENT D: CORPORATE GOVERNANCE35

2.6 RISK MANAGEMENT35

2.7 ANTI-CORRUPTION & FRAUD.....36

2.7.1 Developed strategies.....36

2.7.2 Implementation of strategies.....36

2.8	PERFORMANCE, RISK & AUDIT COMMITTEE	36
2.9	INTERNAL AUDITING.....	37
2.10	BY-LAWS	39
2.11	SUPPLY CHAIN MANAGEMENT	39
2.11.4	Logistics management.....	42
2.11.5	Disposal management.....	43
2.11.6	Performance management	43
2.12	WEBSITE.....	43
2.13	COMMUNICATION & PUBLIC SATISFACTION	45

CHAPTER 3: SERVICE DELIVERY PERFORMANCE **49**

3.1	OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION.....	49
3.1.1	Introduction.....	49
3.1.2	Organisational Performance.....	49
3.1.4	The Integrated Development Plan and the Budget.....	50
3.1.5	Strategic Alignment	51
3.1.6	Key Performance Indicators in approved 2023/24 Top Layer SDBIP	52
3.1.7	National Key Performance Indicators	54
3.1.8	Strategic Performance (Top Layer SDBIP) for 2023/24.....	58
	COMPONENT A: BASIC SERVICES	63
3.2	WATER SERVICES	63
3.3	WASTEWATER SERVICES (SANITATION).....	66
3.4	ELECTRICITY	68
3.5	WASTE MANAGEMENT (COLLECTION, DISPOSAL, RECYCLING & CLEANING)	71
3.6	HOUSING	74
3.7	FREE BASIC SERVICES & INDIGENT SUPPORT	77
	COMPONENT B: ROAD TRANSPORT	83
3.8	ROAD SERVICES.....	83
3.9	WASTEWATER (STORM WATER DRAINAGE)	87
	COMPONENT C: PLANNING & DEVELOPMENT	90
3.10	PLANNING	90
3.11	LOCAL ECONOMIC DEVELOPMENT	92
3.12	TOURISM.....	95
	COMPONENT D: COMMUNITY & SOCIAL SERVICES.....	99
3.13	LIBRARIES & COMMUNITY FACILITIES	99
3.14	CEMETERIES	99
3.15	CHILDCARE, AGED CARE & SOCIAL PROGRAMMES	100
3.16	COMMUNITY SERVICES: OTHER	102
	COMPONENT E: ENVIRONMENTAL PROTECTION	103
3.17	POLLUTION CONTROL	103
3.18	PARKS, PUBLIC OPEN SPACES & RIVER MANAGEMENT	103
	COMPONENT F: SECURITY & SAFETY	105
3.19	TRAFFIC & VEHICLE LICENSING	105
3.20	FIRE SERVICES	106
3.21	OTHER (DISASTER MANAGEMENT, ANIMAL CONTROL &, CONTROL OF PUBLIC NUISANCES)	108

COMPONENT G: SPORT & RECREATION	112
3.22 SPORT & RECREATION	112
COMPONENT H: CORPORATE POLICY OFFICES & OTHER SERVICES.....	113
3.23 FINANCIAL SERVICES.....	113
3.24 HUMAN RESOURCE SERVICES	114
3.25 INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES	115
3.26 INTERNAL AUDIT & RISK MANAGEMENT	116
3.27 LEGAL SERVICES.....	116
3.28 STRATEGIC SUPPORT: OTHER	117

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE.....118

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE.....	118
4.1.1 Employment Equity.....	118
4.1.2 Vacancy Rate	120
4.1.3 Employee Turnover Rate.....	121
4.2 MANAGING THE MUNICIPAL WORKFORCE	121
4.2.1 Injuries on duty	121
4.2.2 Sick Leave	122
4.2.3 HR Policies and Plans	123
4.3 CAPACITATING THE MUNICIPAL WORKFORCE	123
4.3.1 Skills Matrix	124
4.3.2 Skills Development – Training Provided	124
4.3.3 Skills Development – Budget Allocation	125
4.3.4 Employee Performance Rewards	125
4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE	126
4.4.1 Personnel Expenditure	126
4.5 MFMA COMPETENCIES.....	127

CHAPTER 5 – FINANCIAL PERFORMANCE.....129

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE.....	130
5.1 FINANCIAL SUMMARY.....	130
5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION	133
5.3 GRANTS.....	136
5.3.1 Grant Performance	136
5.3.2 Level of Reliance on Grants & Subsidies	137
5.4 ASSET MANAGEMENT	137
5.4.1 Treatment of the Three Largest Assets	137
5.4.2 Repairs and Maintenance.....	138
5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	139
5.5.1 Liquidity Ratio	139
5.5.2 IDP Regulation Financial Viability Indicators	140
5.5.3 Creditors Management.....	140
5.5.4 Borrowing Management	140
5.5.5 Employee costs	140

5.5.6	Repairs & Maintenance	140
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET		141
5.6	CAPITAL EXPENDITURE	141
5.7	SOURCES OF FINANCE	141
5.8	CAPITAL SPENDING ON FIVE LARGEST PROJECTS	142
5.9	BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW	143
5.9.1	Service Backlogs	143
5.9.2	Municipal Infrastructure Grant (MIG)	144
COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS		145
5.10	CASH FLOW	145
5.11	GROSS OUTSTANDING DEBTORS PER SERVICE	146
5.12	TOTAL DEBTORS AGE ANALYSIS	146
5.13	BORROWINGS AND INVESTMENT	147
5.13.1	Actual Borrowings	147
5.13.2	Municipal Investments	147
COMPONENT D: OTHER FINANCIAL MATTERS		148
5.14	SUPPLY CHAIN MANAGEMENT	148
5.15	GRAP COMPLIANCE	148
 CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS		 149
 COMPONENT A: AUDITOR-GENERAL OPINION 2023/24		 150
6.1	AUDITOR-GENERAL REPORTS 2022/23	150
6.2	AUDITOR-GENERAL REPORTS 2023/24	150
LIST OF ABBREVIATIONS		151
APPENDICES		152
APPENDIX A	COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	
APPENDIX B	COMMITTEES AND COMMITTEE PURPOSES	
APPENDIX C	THIRD TIER ADMINISTRATIVE STRUCTURE	
APPENDIX D	FUNCTIONS OF MUNICIPALITY / ENTITY	
APPENDIX E	WARD REPORTING	
APPENDIX F	WARD INFORMATION	
APPENDIX G	RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22	
APPENDIX H	LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	
APPENDIX I	MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	
APPENDIX J	DISCLOSURES OF FINANCIAL INTERESTS	
APPENDIX K	REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	
APPENDIX L	CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	
APPENDIX M	CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	
APPENDIX N	CAPITAL PROGRAMME BY PROJECT 2021/22	
APPENDIX O	CAPITAL PROGRAMME BY PROJECT BY WARD 2021/22	
APPENDIX P	SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS	
APPENDIX Q	SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	
APPENDIX R	DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	
APPENDIX S	DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71	
VOLUME II: ANNUAL FINANCIAL STATEMENTS		
AUDITOR-GENERAL REPORT		

CHAPTER 1: MAYOR’S FORWARD & EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FORWARD

“Witzenberg Municipality - A municipality that cares for its community, creating growth and opportunity”.



The annual report captures the activities and performance of the Municipality for the 2023/2024 Municipal financial year. It further highlights the challenges that the Municipality are faced with as well as its intention on how to deal with same. I am proud to announce that we have maintained our clean audit status, and it is Witzenberg Municipality's 12th consecutive clean audit. This shows the commitment of the institution towards governance, sound and prudent financial management. I'm forever grateful towards Council, my Executive Mayoral Committee, Section 79 oversight committees, Management and Staff, for its relentless hard work and dedication towards achieving this goal.

The 2023/24 financial year identified various service delivery highlights, inter alia the completion of the R60million Van Breda bridge, the completion of 110 subsidised houses at the Vredebes project, the acquisition of yellow fleet, the completion of a waste drop off facility in Tulbagh, the connection of 400 households on the electricity grid, the construction of a 500kl water reservoir and the retarring of approximately 5km road.

Debt collection on municipal rates and taxes remains of alarming concern. The outstanding debt has increased rapidly over the past few years in certain towns, where Eskom is the electricity provider. There is a developing culture of non-payment and apathy towards financial obligations which will have a negative impact on service delivery in coming years if this is not addressed in a head on manner. I intend to embark on a public participation drive in all of the towns in the new financial year to sensitize our community of strict implementation of our credit control policy. The maintenance and upgrading of municipal roads together with the bituminous pavements require drastic attention. With current funding being insufficient to do proper road maintenance, there is a backlog of almost R80million of which, 30% of these roads are in a poor to a very poor structural condition. MIG funding applications are being submitted to address the maintenance of these roads in the poorer sector of our communities.

The constraint on the Eskom network capacity remains a challenge which is currently limiting economic growth within our area. The Municipality has embarked on an EIA for a photovoltaic solar project, and we hope to enter into a PPP agreement that will relief some of our energy problems. In terms of solid waste, the cost associated with the regional landfill site is a major challenge for the Municipality and will place a severe strain on the finances of the Municipality. Despite the STATS information the illegal occupation of land and the rapid growth within our informal areas is still a major risk for the Municipality and we require the support of various law enforcement agencies as well as the Provincial Department of Human Settlements to help solve this problem. The growing population of illegal immigrants remains problematic and is one of the main contributors to the growing violence within our communities.

Despite the challenges the Municipality remains committed to the provision of quality services to all its citizens on the same standard and conditions.

In conclusion, Witzenberg Municipality faces the future with optimism. I would like to take this opportunity to thank our Deputy Mayor, Councillor Jonathan Nel, and Speaker of Council Alderlady Elizabeth Sidego, Members of the Executive Mayoral Committee, Councillors and Senior Management for their commitment, focus and perseverance to develop our Municipality into a flourishing hub for tourism, business development and agricultural expansion. It gives me great pride to serve Witzenberg as Executive Mayor and I welcome the challenges to come as I know that we will overcome them together.



COUNCILLOR TREVOR ABRAHAMS

EXECUTIVE MAYOR WITZENBERG

COMPONENT B: EXECUTIVE SUMMARY

Municipal Manager's Overview

Report of the Accounting Officer (Municipal Manager) in terms of Section 121 of the Local Government: Municipal Finance Management Act No 56 of 2003 (the MFMA).



The Municipal Finance Management Act (herein referred to as the MFMA) requires the Accounting Officer to do an assessment of any arrears on municipal taxes and service charges as well as the municipality's performance against the measurable performance objects referred to in Section 17 (3)b of the said Act. The latter assessment is dealt with in Chapter 5.1 of the Annual Report.

Arrears Assessment

The Auditor General of South Africa has, in its report on the 2023/2024 financial statements of the Municipal Council, emphasised the material impairment of R 212 million on receivables from exchange transactions as well as R 53 million on receivables from non-exchange transactions. As required by the MFMA my assessment of the arrears on municipal taxes and service charges as of 30 June 2024 is as set out below:

- 🍎 the gross outstanding service debtors in total decreased by 8.9% in relation to the 2023/2024 financial year, this decrease resulted from the writing off of debt to the value of R 159 million in respect of prescribed debt and debt of indigent households.
- 🍎 the leading contributors to the outstanding debt are water at 23% and sanitation and refuse at 38%.
- 🍎 the effective implementation of the Credit Control Policy in areas where Eskom is a supplier of electricity is playing a major role in the escalation of the service debtors.
- 🍎 the majority of households are working in the Agricultural sector where a large portion of job opportunities is of a seasonal nature.
- 🍎 the Municipality will continue to exercise all legal avenues to collect its outstanding debt.
- 🍎 concerted efforts are therefore being made, inter alia through capacitating our own debt collection to recover debts older than 90 days which constitutes 63% of total outstanding debt.

Credit control measures are progressively tightened up, e.g. service provider to perform disconnection on defaulters.

Revenue Collection

The municipality's performance for revenue collection decreased from 93% in 2022/2023 to 90% in the 2023/2024 financial year. We are mindful that the Municipality's financial sustainability is dependent on its ability to optimally collect the budgeted revenue. Public participation is being done on installation of water management devices and the disconnection of illegal electricity meters.

Material losses / Impairments

Electricity

There was no change in the electricity losses including technical and non-technical losses. The total loss for the financial year was 10% compared to the loss of 10% in the previous financial year. The electricity losses are mainly the result of ageing infrastructure and theft of electricity in certain areas within the Municipality. The upgrade of the electrical infrastructure will continue in the new financial year which will hopefully lead to a further decrease in electricity losses. As part of Councils on-going programme to cut down on energy losses the following corrective measures will be undertaken:

- 🍎 conducting an audit of all meters in Municipal area
- 🍎 replacing conventional pre-paid meters with split meters
- 🍎 updating GIS data to monitor electrical distribution
- 🍎 regular special operations to clamp down on electricity theft.
- 🍎 setting of competitive feed in tariffs to encourage bulk consumers to feed electricity into our municipal grid for re-sale

Water

The calculated water loss is 12%. This is unchanged from that was recorded in the 2022/2023 financial year. The technical department is robust and vigorously busy improving the effectiveness of water provision by:

- 🍎 -installing water meters at unmetered communal taps
- 🍎 -replacing and repairing bulk meters
- 🍎 -installing data loggers at strategic sites
- 🍎 -collecting and calculating monthly data

🍒 -replacing badly leaking/eroded pipes on a program within certain areas.

Incidents of Theft / Fraud / Gross Negligence

No incidents of fraud or gross negligence were reported.

A handwritten signature in black ink, appearing to read 'D. NASSON', with a stylized flourish at the end.

D NASSON

MUNICIPAL MANAGER

1.1 Municipal Functions, Population & Environmental Overview

This report addresses the performance of Witzenberg Municipality, Western Cape, with respect to their core legislative obligations. Local Government has an obligation to create the participatory framework that defines and enhances the relationships between elected leaders and communities. This requires that the Council of the municipality provides regular and predictable reporting concerning performance programmes and the general state of affairs in their locality.

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

1.1.1 Vision & Mission

Our Vision

**A municipality that cares for its community,
creating growth and opportunities.**

Our Mission:

Witzenberg Municipality is committed to improve the quality of life for the community by:

-  Providing and maintaining affordable services.
-  Promoting social and economic development
-  The effective and efficient use of available resources
-  Effective stakeholder and community participation

Value System:

-  Driven by the aspirations of our community, we will respect and uphold the Constitution of the Republic of South Africa.
-  We commit ourselves to the Code of Conduct for Councillors and Officials in terms of the Municipal Systems Act.
-  We commit ourselves to the principles of sound financial management.

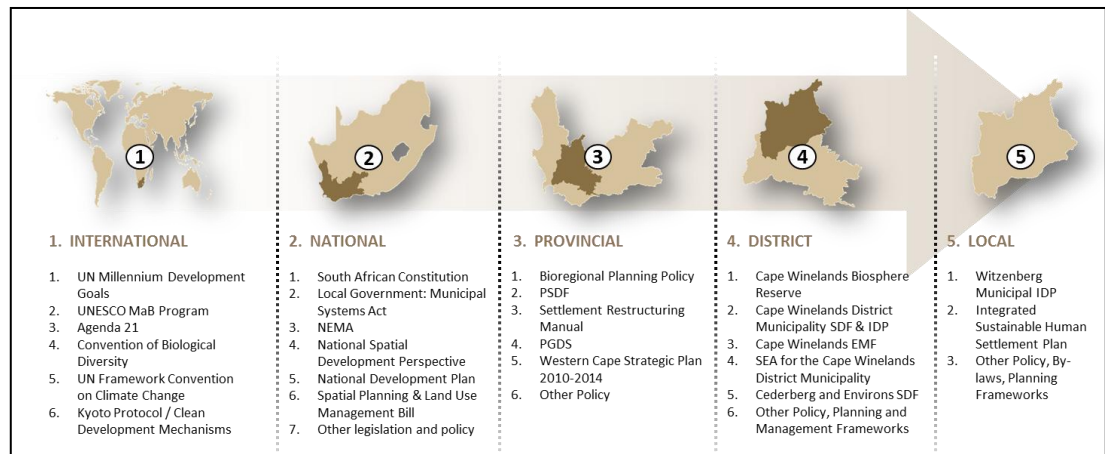
1.1.2 Demographic Information

Witzenberg Local Municipality (LM) was founded in 2000 and is classified as a Category B municipality and is responsible for basic service provision in the demarcated municipal area that includes the towns of Ceres, Tulbagh, Prince Alfred's Hamlet, Wolseley, and Op-die-Berg. The rural areas within the municipal boundary are Ceres Valley, Koue Bokkeveld, Agter-Witzenberg, Ceres/Tankwa Karoo and the northern portion of Breede River Valley (Land van Waveren).

Municipal geographical information:

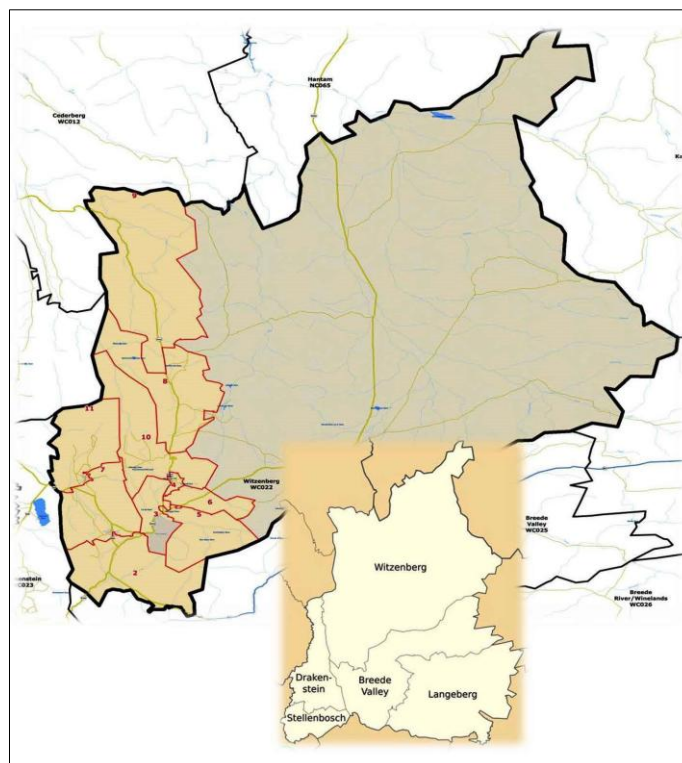
The climate in Witzenberg is known for hot and dry weather during summer. Winds are seasonal and generally North-westerly or South-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature ranges from 2.4°C to 29.9°C.

Located in the picturesque and fertile Breede Valley, Witzenberg is renowned for export quality fruit and wine products. The region is also well-known for producing other agronomical products such as olives and grain, and meat products such as beef and pork. Horse and cattle stud farms are also found within the municipal area.



Witzenberg Municipality in geographical context.

Witzenberg LM comprises an area of 10 753 km² and is situated about 150 kilometres North-East of Cape Town. The region is surrounded by three mountain ranges: the Obiqua Mountains to the west, the Winterhoek Mountains to the north and the Witzenberg range to the east. These mountain ranges often receive significant winter snowfall. Witzenberg's natural surroundings are characterized by endemic fauna and flora, forest wilderness and include the catchment areas of three river systems.



Location of Witzenberg Municipality in the Cape Winelands District.

From a spatial perspective, some of the challenges facing the various areas of the municipality are:

- Op-die-Berg and the Koue Bokkeveld: Limited space for human settlement expansion due to bio-physical conditions and the competition for land for various social and agricultural needs.

- 🍷 Prince Alfred Hamlet: A low overall density of development, with definite bio-physical constraints to expansion such as the need to protect biodiversity resources.
- 🍷 Ceres: Main administrative centre with largest industrial developments. Low density development with limited opportunities for diversification.
- 🍷 N'Duli: The scarcity of land to address social needs, and conflict with surrounding agricultural uses.
- 🍷 Wolseley: Situated alongside major road- and rail transport corridors with the focus on industrial development. Located on a watershed complicates the provision of services, and the wetland area is unsuitable for development.
- 🍷 Tulbagh: Historical town with focus on tourism development and heritage conservation.
- 🍷 Bella Vista: High density development with under-provision of formal business opportunities.
- 🍷 Vredebees: Further development hampered due to the insufficient electricity capacity from Eskom's.

1.1.3 Socio-Economy Summary

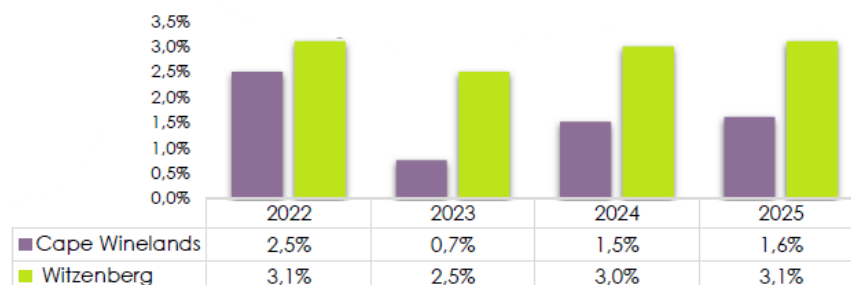
GDPR Performance

With a monetary contribution amounting to R11.3 billion in 2021, the economic stature of Witzenberg rank as the second smallest within the Cape Winelands District (CWD), surpassed only by Langeberg. Notably resilient, the municipal economy experienced a minimal contraction of 0.8 percent in 2020, a figure markedly lower than the broader CWD contraction rate of 3.3 percent. This resilience can be attributed to the robust local agriculture sector, which, due to its essential status, continued operations during stringent level 5 lockdown conditions. Additionally, producers within the region benefited from elevated commodity prices during this period.

Despite the modest contraction in the municipal economy, the impact on employment was substantial. Key pillars supporting the Witzenberg economy include the finance, trade, agriculture, and manufacturing sectors, collectively constituting 64.5 percent of the Gross Domestic Regional Product (GDPR) in 2021. The finance sector's dynamism predominantly stems from business services, while the trade sector relies heavily on wholesale activities and tourism. Manufacturing activities in Witzenberg revolve around the processing and preservation of fruits and vegetables, as well as the production of wines. The socio-economic implications encompass the reliance on these sectors for economic sustenance and the need for strategic measures to address challenges, such as job losses, within this economic landscape.

GDPR Forecast

The Witzenberg economy is anticipated to witness a growth trajectory, projected to expand by 2.5 percent in 2023, followed by an additional 3.0 percent in 2024. This growth closely aligns with the average Gross Domestic Regional Product (GDPR) performance observed between 2015 and 2019, characterized by an average annual expansion rate of 3.1 percent. Forecasts indicate a potential contraction in the agriculture sector during this period as international prices normalize. Conversely, robust growth is anticipated in the finance and trade sectors, holding promise for overall economic development.



The projected momentum, particularly in the finance and trade sectors, has the potential to positively impact the well-being of local communities, if job creation aligns with this economic upswing. It is crucial to acknowledge the socio-economic implications, emphasizing the necessity for sustained public sector infrastructure and efficient service

delivery. The continuation of such support is vital to foster an enabling environment for businesses, ensuring their growth and, subsequently, contributing to the overall prosperity of the Witzenberg community.

International Trade

District and local economies are influenced not only by the spending of local households but also by regional economic activities such as the trade of goods and services, and domestic and international tourism. More specifically, exports and tourism can be considered injections into the economy, while imports are considered leakages.

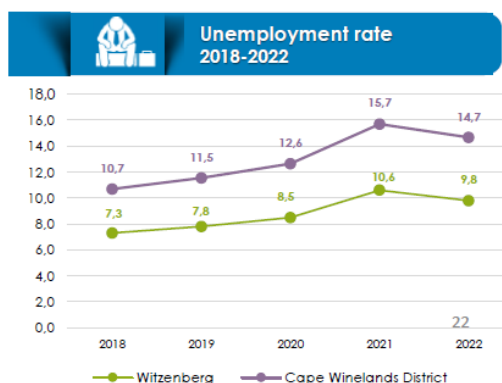
One of the indicators for international trade in an area is the trade balance, which is obtained by subtracting imports from exports. A positive trade balance for Witzenberg therefore indicates that the area exports more than it imports. A positive trade balance indicates a net inflow of foreign currency, which is beneficial for the economy. The trade surplus recorded for Witzenberg area increased from R 611.8 million in 2011 to R 2,2 billion in 2022. Both the agriculture and manufacturing sectors recorded a trade surplus.



Formal and Informal Employment

Despite a marginal contraction in the municipal economy, the repercussions were profound, resulting in substantial job losses that persisted into 2021. Over the two-year period, a total of 4,276 formal and informal jobs were lost, contributing to a notable surge in the unemployment rate. Despite a slowdown in the Gross Domestic Regional Product (GDP) to an estimated 3.1 percent in 2022, there was a general upswing in the workforce and employment opportunities, particularly evident in a rise of 2,443 formal jobs.

In 2022, the Witzenberg municipal area demonstrated resilience, recording the highest labour force participation rate at 68.1 percent, surpassing the provincial average of 64.8 percent. Moreover, the labour force participation rate experienced a notable increase of 2.5 percentage points in 2022, outpacing the 1.8 percentage point increase reported for the Western Cape. The return of workers to the labour market was reflected in a 2.8 percentage point rise in the labour absorption rate, reaching 61.4 percent in 2022. These favourable labour market conditions contributed to a reduction in the unemployment rate.

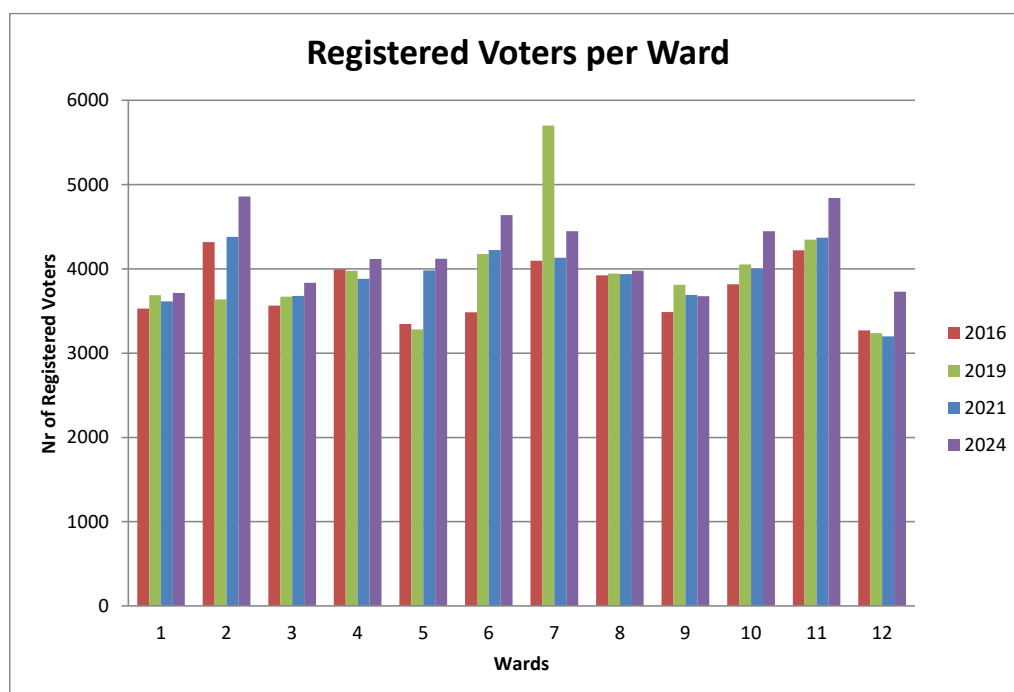


The Witzenberg municipal area boasts the lowest unemployment rate in the district and ranks among the lowest in the Province. The agriculture sector, particularly perennial crop production, serves as the primary source of employment, providing 18,319 jobs. Mixed farming constitutes the second-largest share, offering formal employment to 9,245 individuals in 2022. This employment distribution significantly influences the income levels of local communities, with the median monthly income averaging approximately R4,736 for these subsectors. Additionally, the prevalence of agricultural sector jobs has implications for skill levels, with 42.2 percent of workers classified as low-skilled and 28.8 percent as semi-skilled. Fortunately, the past decade has seen job creation that disproportionately favours low-skilled and semi-skilled workers.

Wards:

The municipality is currently structured into the following 12 wards:

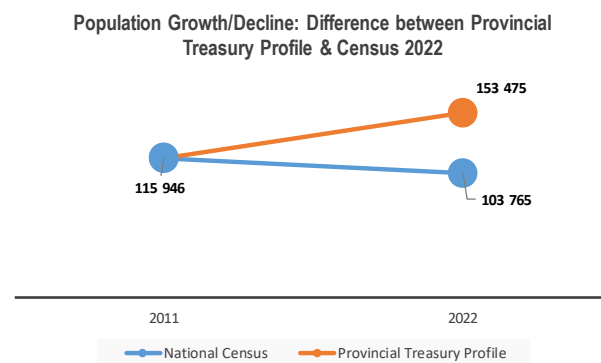
Ward	Areas	Registered Voters 2016	Registered Voters 2019	Registered Voters 2021	Registered Voters 2024
1	N'Duli - Polo Cross & Primary School	3529	3688	3614	3715
2	Wolseley - WF Loots, Petra, Bothashalt, La Plaisante	4318	3637	4381	4860
3	Ceres - Primary School, Stadsaal, Fairfield School	3564	3671	3679	3836
4	Prince Alfred's Hamlet - Town Hall, Bella Vista High School, Ceres Aartappels	3994	3976	3882	4118
5	Ceres Vallei Church Hall, Achtertuin Primary school	3347	3282	3981	4121
6	Bella Vista - URC Hall & Community Hall	3484	4177	4225	4640
7	Tulbagh - Community Hall. Wolseley - Primary & Secondary School	4098	5700	4133	4448
8	Op-die-Berg, Koue Bokkeveld - Môrester, Bronaar, Rocklands.	3925	3943	3939	3980
9	Tandfontein, Wydekloof, Voorsorg, Kromfontein	3488	3812	3692	3676
10	Phase 4 Hamlet, Agter Witzenberg, Koelfontein.	3818	4053	4000	4447
11	Tulbagh - Town Hall & werkestoer, De Agen, Twee Jonge Gezellen.	4222	4346	4371	4843
12	N'Duli - Polo Cross & Primary School	3270	3237	3201	3730
TOTAL Registered Voters		45 057	47 522	47 098	50 414



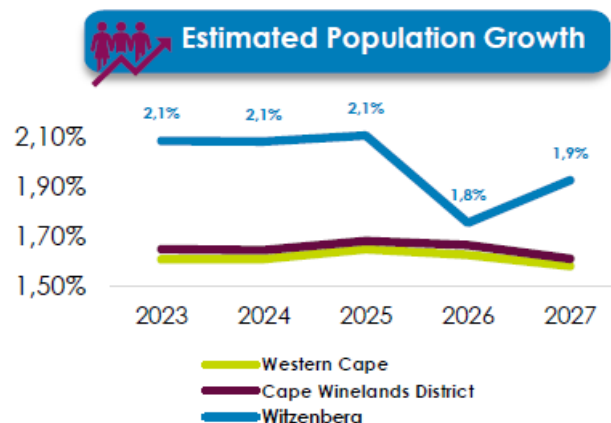
1.1.4 Population

Over the past decade, Witzenberg Municipality has utilised the population profiles as published by the Western Cape Provincial Treasury on an annual basis. These annual profiles are published in the “Socio-Economic Profile” for Witzenberg and the “Municipal Economic Review and Outlook”. This profile uses data primarily sourced from Statistics South Africa, administrative data from sector departments, the Municipal Review and Outlook (MERO), *Global Insight Regional Explorer* and Quantec. The data sourced from sector departments are the most recent that is available. The Statistics South Africa 2011 Census and 2016 Community Survey contains the latest survey data available at municipal level.

The 2022 Census population figures published in October 2023, has presented a remarkably different picture for the Witzenberg population compared to the profiles utilised in the past. The Census 2022 figures indicates that the population for Witzenberg has contracted since 2011, compared to a relative high growth rate presented by the Provincial Treasury Profiles.



Witzenberg has seen tremendous growth, particularly in informal settlements, because of in-migration of job seekers, and the implementation of the subsidized housing program has benefited almost 2000 households over the past decade. As a result, the municipality cannot concur with the Census 2022 results and believes that the decrease in population figures is due to a severe under-count. The municipality will formally raise the matter with the appropriate provincial and national governments.



The population growth estimates as indicated below was sourced from the Socio-economic Profile as published by the Western Cape Provincial Treasury in 2022.

The population totals 153 475 persons in 2022 and is estimated to be 167 536 persons by 2026. This equates to an estimated average annual growth rate of 2.2 per cent for the period. The estimated population growth rate of Witzenberg is therefore 0.5 percentage points higher than the estimated average annual population growth rate of the

Cape Winelands District which is 1.7 per cent. The growing number of households will further increase the demand for housing, municipal services, and job creation.

1.1.5 Households

The average household size will remain at 4.0 individuals per household from 2022 to 2023, dropping slightly to 2.9 by 2027. This stability is due to factors like lower fertility rates, an aging population, divorce rates, cultural norms of intergenerational living, and socioeconomic influences on employment, education, and housing.

1.1.6 Key Economic Activities

Witzenberg have a larger primary sector relative to their economy due to the agricultural dominance and therefore have a smaller tertiary sector. Municipal areas with a higher degree of urbanisation and therefore larger towns that serve as service centres for the broader areas, such as Drakenstein and Stellenbosch, have larger tertiary sectors, and larger economies.

The secondary sector forms an important component of any local economy, as it utilises inputs from the primary industry to generate new products and add additional value to raw material – thus creating an opportunity to attract new investment and create jobs. This sector is mainly driven by the manufacturing sector. Witzenberg with the support of the Department of Rural Development has invested significantly especially with regards to the upgrading of roads in the Skoonvlei Industrial Area. The Skoonvlei area has been identified as an Agri-Hub as part of the National AgriParks Concept and has since attract numerous secondary sector initiatives such as packaging facilities and cold storage.

Ceres has the highest number of pear trees planted in the country (6,6million), as well as the highest hectareage (4 734 ha). The area also has the highest apple production area in the country (7 625ha), with 11,8 million trees. Apple production in the area set a record in 2020, and the record was exceeded in 2021. The area also accounts for 56% of South Africa's cherry trees and plantings have been consistent since 2005. Nectarine trees (1,6 million) and dessert peaches are also the highest in the country. The Wolseley/Tulbagh region has the second-highest plum and prune production in the country.

1.1.7 Municipal Challenges

The following general challenges are experienced by the municipality:

Challenges	Actions to address
Bulk electricity supply from Eskom. The recent growth in the local agro-economy has resulted in the expansion of agro-processing industries in the rural and built environment. Our notified maximum demand limits by Eskom is under pressure and cannot be increased due to the under-capacity of the bulk supply infrastructure managed by them. This has restricted further economic expansion which can only be addressed with the bulk supply infrastructure.	Various deliberations have taken place between the municipality, Eskom, local business, and the agricultural sector to address the issue. Intergovernmental engagements needed to compel Eskom to comply with NERSA distribution license. Municipality also investigating options of alternative energy. The Municipality allows new developments, under certain conditions, if it complies to our SSEG policy, to stimulate development, although no additional bulk supply is available from Eskom.
Waste Management. The operating of the municipal landfill sites and overall management of waste has become a major challenge due to drastically increased maintenance cost of the sites, vandalism, theft, and public ignorance on the by-laws. The delay in the establishment of a regional waste site at Worcester also contributes to the uncertainty of strategy to be followed in terms of investment into the current sites or towards a material recovery facility aligned with the regional site. Legal challenges and public ignorance with regards to existing landfill sites contributes to this challenge.	The municipality has started with the implementation of a long-term strategy for waste management in the municipal area. The construction of a Material Recovery Facility with a budget of R 31m was completed by May 2022. The facility is located at Ceres and will receive all solid waste collected. A waste transfer station has been constructed at Wolseley & Tulbagh, to assist with the recycling targets set by DEADP.

Challenges	Actions to address
Maintenance and upgrading of municipal roads. The condition of bituminous pavements (roads) has drastically decreased over the past couple of years in certain areas, due to historically poor construction practices and insufficient funding for road maintenance. The existing backlog amounts to R 80 million, with 36% of these roads located in Tulbagh in a poor to very poor structural condition. Many of these roads have deteriorated to the point that they need to be rebuilt	Continued funding through municipal budget. MIG funding applications are to be submitted for the maintenance of roads in the poor communities.
Debt collection on municipal rates and taxes. The outstanding debt has increased rapidly over the past few years in certain towns due to the inability to implement the debt collection policy. This is especially evident in towns where Eskom supply electricity and the policy cannot be implemented. In certain areas, public hostility has reached fever-pitch and officials are at risk when investigating illegal connections and meter tampering. This is causing a culture of non-payment and apathy towards financial obligations.	The municipality has budgeted for the implementation of water management devices that will limit water flow to supplement the Debt Collection Policy. Water use for humanitarian purposes will still be available, but excessive water usage and non-payment will be addressed. Public participation is being done on installation of water management devices and the disconnection of illegal electricity meters.
Maintenance and upgrading of electrical network. The condition of electrical network has drastically decreased over the past couple of years in certain areas, mainly in the older towns. The existing backlog amounts to R 221 million. The old network has the effect that unplanned interruptions occur, which leaves customers without electrical supply for some unannounced periods.	Continued funding through municipal budget is essential. INEP funding applications will be submitted to assist with this backlog.
Arrears Assessment. The Auditor General of South Africa has, in its report on the 2023/2024 financial statements of the Municipal Council, emphasised the material impairment of R 212 million on receivables from exchange transactions as well as R 53 million on receivables from non-exchange transactions. The gross outstanding service debtors in total decreased by 8.9% in relation to the 2023/2024 financial year, this decrease resulted from the writing off of debt to the value of R 159 million in respect of prescribed debt and debt of indigent households.	The effective implementation of the Credit Control Policy in areas where Eskom is a supplier of electricity is playing a major role in the escalation of the service debtors. Most households are working in the Agricultural sector where a large portion of job opportunities is of a seasonal nature. The Municipality will continue to exercise all legal avenues to collect its outstanding debt. Concerted efforts are therefore being made, inter alia through capacitating our own debt collection to recover debts older than 90 days which constitutes 63% of total outstanding debt. Credit control measures are progressively tightened up, e.g. service provider to perform disconnection on defaulters.

1.2 Service Delivery Overview

The investment in municipal infrastructure has been historically influenced by existing backlogs and this is a consideration for the sustainable service delivery for new developments as well as general upgrading and maintenance. The developmental potential of urban areas plays a major role in guiding infrastructure investment to ensure sustainable service delivery to human settlements. Basic services that include water, sanitation, electricity, refuse, roads, and storm water and should be a major focus area for infrastructure budgeting and investment.

Our previous and current investment into services has been well-supported with funding from the Department of Energy (INEP), COGTA (MIG), the Department of Human Settlements (funding for bulk services), Department of Rural development (with regards to infrastructure investment to the AgriPark), funding from Essen in Belgium (with regards to solid waste service delivery) and inherent municipal funding.

In terms of bulk services, the following challenges are prominent.

Bulk electrical supply: Eskom cannot currently supply any additional bulk electricity to Ceres via their proposed Romansriver overhead line upgrade which is yet to begin at an unknown date. Tulbagh and Wolseley were recently allocated a slight NMD increase, but concern for the future upgrades remains since Eskom does not even have a proposal on the table on how to address their network capacity deficiency on that network. We are already exceeding our Notified Maximum Demand in Ceres and Eskom can only upgrade their bulk network by 2030, if they can allocate the requisite funds. Eskom is planning to supply an additional 5 MVA to Ceres by end 2024. (This upgrade will only

take care of current growth in terms of electrical supply). All new developments in Witzenberg are now jeopardised, as Eskom cannot supply additional bulk electrical supply. This is having a major impact on the growth of the economy and intervention at National level is required. For the 2020/21 financial year Ceres exceeded its NMD by just under 5%, therefor avoiding an enormous penalty.

A new raw water storage dam was constructed at Tulbagh to alleviate the storage capacity problem. The pump station & rising main, which is phase 2 of the development will be completed by end 2023. This will ensure that we do have adequate storage during times of drought and in summer months. Funding to the tune of R29M has been secured and construction will commence during 2021 subject to the agreement between the Municipality and the Private Developer on the valuation of the dam servitude area, to be registered in favour of the municipality.

Upgrade of bulk roads and storm water, electricity, sewerage, and water mains for the new Vredebes development are well underway. These services will ensure sustainable capacity for the development and should be completed within the next 3 years. Upgrade of the new roads, storm water, electrical bulk provision, water and sanitation networks, however, remain underfunded and should be capacitated through budget allocation and investment.

1.2.1 Basic Services Delivery Highlights

Highlight	Description
Initiated a Revenue Enhancement program that directly addresses the issue of illegal connections and theft of electricity	Consistency of supply and increased revenue
Upgrading & replacement of infrastructure	Updating of Water and Sewer Master Plans
Construction of Drop –off Facility at Tulbagh	Service residents of Tulbagh its recycling of waste.
Upgrade Van Breda Bridge, Ceres	Rehabilitation and widening of existing bridge

1.2.2 Basic Services Delivery Challenges

Service Area	Challenge	Actions to address
Streets & Storm water	Funding backlogs on bituminous pavements Storm water Master planning implementation	Pavement Management System 2019, all bituminous pavements, 10% is in a poor to very poor condition. Budget constraints
Water	Vandalism	Vandalism at various water reservoirs, various sewer pump stations and WWTW's and infrastructure is a great concern. (especially during load shedding)
Electricity	Vandalism and Copper theft Load shedding Exceeded Notified Maximum Demand,	This scourge has shown a nationwide surge and is resulting additional costs, loss of revenue and non-consistency of supply Besides the negative effect on the economy of Witzenberg, this is enabling even more theft and vandalism which prolong outages and amplified service requests - Ceres- 5 MVA increase applied for in 2019 and additional 1MVA applied for in 2022. To this date, only 1 MVA capacity has not been granted by Eskom. Development in Ceres remains on halt due to Eskom's Romans River 132kV upgrade, which moved from 24/25 to 27/28. - Wolseley- The town is currently running at its NMD. 2,5MVA increase application was submitted to Eskom to no success. According to Eskom, their 5-year budget plan currently does not accommodate Wolseley's transformer upgrade, which then translates to no additional capacity available for the town. Tulbagh- The town is also running at its NMD. An additional 2MVA has since been applied for in 2023 for and currently being processed by Eskom.

Service Area	Challenge	Actions to address
	Aging Electrical Network Recapitalization of the Electrical Network Availability of vehicles Filling of vacant posts	Much of the existing electrical network exceeds its useful life and is even considered hazardous to operate in some instances. The new Master plan has identified the hazardous equipment which has since been prioritized for replacement. Available funding to replace aging equipment is always a challenge within the Municipal environment, but with heightened awareness, this will be addressed. An aging fleet results in some vehicles spending extended periods in the workshop. Spares availability and reliability is an added extenuating challenge. This tends to affect daily operations and turnaround times. Some posts remain vacant for extended periods before filling, but this is currently being addressed
Solid Waste	Old fleet of Compactors and Tipper trucks. Regional Landfill Site in Worcester (Waste license issued) and busy with Closure Permit for Tulbagh Landfill site.	Collection time extended working hours during breakages. Investigation into the costs for required infrastructure and tipping fee at gate and move to Cell 2.
Town Planning & Building Control	Economic slowdown	Number of land use applications on the decrease due to the economic slowdown

1.2.3 Proportion of urban households with access to basic services

The table below indicates the number of urban households with access to a minimum level of basic services:

Wards	Town	Nr. of Accounts				*Informal Households
		Water	Sanitation	Electricity	Refuse	
1,12	Nduli	1 507	1 403	2 532	1 379	1 133
3,5	Ceres	2 366	2 629	2 892	3 220	
4,6	Bella Vista	2 652	2 673	2 516	2 583	
4,1	Hamlet	1 405	1 368	Eskom	1 366	857
9	Op-Die-Berg	546	477	Eskom	622	
7,11	Tulbagh	1 925	1 851	2 787	1 745	2 880
2,7	Wolseley	2 578	2 606	2 668	2 633	3 271
TOTALS		12 979	13 007	13 395	13 548	8 141

The informal settlements receive basic services through individually placed water points, toilet units and chemical toilets serviced twice per week. Refuse bags are distributed in informal settlements and collected on a weekly basis. Waste skips is also placed for household refuse and serviced as required.

1.3 Financial Health Overview

1.3.1 Financial viability highlights

Highlight	Description
Debt coverage ratio 1473:1	The number of times debt payments can be accommodated within operating revenue. This represents the ease with which debt payments can be accommodated by the municipality. The ratio indicate that the municipality can afford to incur new long-term debt.
Cost coverage ratio 3.32 months	It explains how many months' expenditure can be covered by cash and other cash equivalents available to the municipality. It needs to be mentioned that the improvement of the ratio is supported by unspent government grants.

1.3.2 Financial viability challenges

Challenge	Action to address
Service debtors to revenue 0.68: 1	A Revenue Enhancement Strategy will be implemented during the new financial year. The budget provides for the installation of water management devices which aims to reduce outstanding debt and to limit water wastage. The lockdown restrictions had a negative effect on debt collection as no cutting of services were affected.

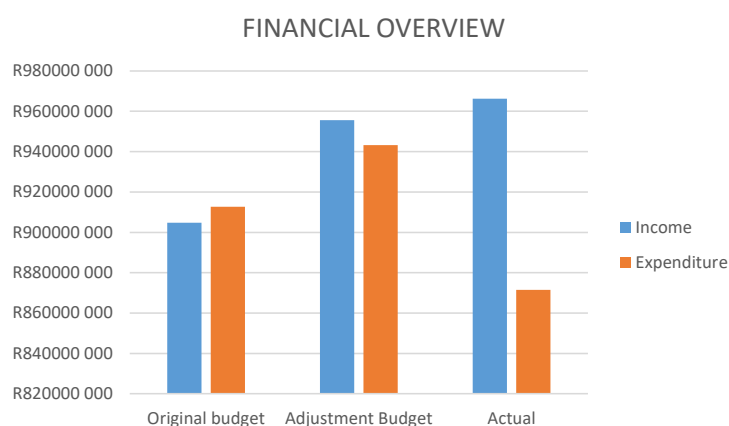
1.3.3 National Key Performance Indicators – Financial Viability (ratio's)

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 Financial Viability and Management.

KPA & Indicator	2021/22	2022/23	2023/24	Comments
Debt coverage (Total operating revenue - operating grants received: debt service payments due within the year)	346.2:1	328.6:1	1473.4:1	This indicator is to determine if the municipality generates sufficient cash to cover outstanding debtors, the higher the ratio, the better
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	0.84:1	0.96:1	0.68:1	This is the percentage that outstanding debtors are of annual revenue, the lower, the better
Cost coverage (Available cash+ investments: Monthly fixed operating expenditure)	3.16 months	4.68 months	3.32 months	The number of months that cash on hands will be able to cover expenditure, the higher, the better

1.3.4 Financial Overview

Details	Original budget	Adjustment Budget	Actual	Variance from final budget
	R	R	R	%
Income	904,702,236	955,565,441	966,270,217	1.1%
Grants	205,713,969	233,009,735	191,218,157	-17.9%
Taxes, Levies, and tariffs	622,567,991	637,567,991	633,098,887	-0.7%
Gains	0	0	4,701,450	
Other	76,420,276	84,987,715	137,251,723	61.5%
Less Expenditure	912,736,772	943,215,657	871,495,583	-7.6%
Net surplus/(deficit)	(8,034,536)	12,349,784	94,774,634	667.4%



1.3.5 Operating ratios as a percentage of operating expenditure

Detail	Expected norm	22/23 Actual	23/24 Actual	Variance 23/24 from norm
	%	%	%	%
Employee Cost	30	29.52	27.30	2.7
Repairs & Maintenance	20	3.25	2.31	17.69
Finance Charges & Depreciation	10	6.94	5.59	4.41

Note: The above excludes all internal costs in respect of repairs and maintenance.

1.3.6 Total Capital Expenditure

Detail	2021/22	2022/23	2023/24
	R'000		
Original Budget	89 244	88 153	73 264
Adjustment Budget	81 667	100 974	89 547
Actual	73 744	87 190	81 784
Percentage Expenditure	77,1%	86,3%	91,3%

1.4 Organisational Development Overview

1.4.1 Municipal transformation and organisational development highlights

Highlight	Description
Embarking on TASK process. Review of all job descriptions.	Various positions and departments have been evaluated and audited
Realisation of public participation with all relevant wards	Five (5) channels of communication between the municipality and communities
Creation of awareness on Corruption and Fraud Policy	Communication of whistle blower process on a quarterly basis to the community and to personnel
Skilling, capacitating and building of essential personnel	Minimum competency realisation for all key staff and continuous capacity building for strategic personnel

1.4.2 Municipal transformation and organisational development challenges

Challenge	Actions to address
Gap in filling employment equity targeted groups in managerial positions	Specify the recruitments to the targeted in terms of the Employment Equity Plan segment
Low salary (remuneration) equals to lack of attraction of specialized skills	Embarking on salary scale reviews (TASK)
Limited capital budget	Requiring financial support for auxiliary functions from supporting organs of state

1.5 Auditor-General Report

1.5.1 Audited outcomes

The table below detail the audit outcomes for the past twelve financial years:

Year	Status	Year	Status	Year	Status
2012/13	Unqualified with no findings	2016/17	Unqualified with no findings	2020/21	Unqualified with no findings
2013/14		2017/18		2021/22	
2014/15		2018/19		2022/23	
2015/16		2019/20		2023/24	

1.6 Statutory Annual Report Process

No	Activity	Timeframe (new exemption deadlines in brackets)
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Municipal entities submit draft annual reports to MM	
5	Submit draft Annual Performance Report including consolidated annual financial statements to Internal Audit and Auditor-General	August
6	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	September / October
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	October
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	October - December
10	Municipalities receive and start to address the Auditor General's comments.	December
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	December
12	Audited Annual Report is made public, and representation is invited Report was updated when AG report was received and advertised.	
13	Oversight Committee assesses Annual Report	January
14	Council adopts Oversight report	
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	March

CHAPTER 2: GOVERNANCE

Good governance has eight 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 considered and that the voices of the most vulnerable in society are heard during decision-making. It is also responsive to the current and future needs of society.



WITZENBERG MUNICIPAL COUNCIL - 2026



MAYORAL COMMITTEE

							
Cllr Elizabeth Sidego Speaker of Council WARD 11 (DA)	Cllr Trevor Abrahams Executive Mayor (DA)	Cllr Jonathan Nel Executive Deputy Mayor PR (ICOSA)	Alderman Karriem Adams Mayco: Housing Matters WARD 6 (DA)	Alderman Hendrik Smit Mayco: Technical Services WARD 5 (DA)	Cllr John Fredericks Mayco: Corporate & Financial Services PR (VF+)	Cllr Patric Daniels Mayco: LED & Tourism WARD 2 (DA)	Cllr Les Hardnek MPAC, PR (WP)

WARD COUNCILLORS

							
Cllr Andile Gili WARD 1 (ANC)	Cllr Dirk Swart WARD 3 (DA)	Alderman Ronald Visagie WARD 4 (DA)	Cllr Jacob Zille WARD 7 (ANC)	Cllr Gwen Franse WARD 8 (DA)	Cllr Mxolisi Ndaba WARD 9 (ANC)	Cllr Sophia de Bruin WARD 10 (DA)	Cllr Khanyiso Yisa WARD 12 (ANC)

PR COUNCILLORS

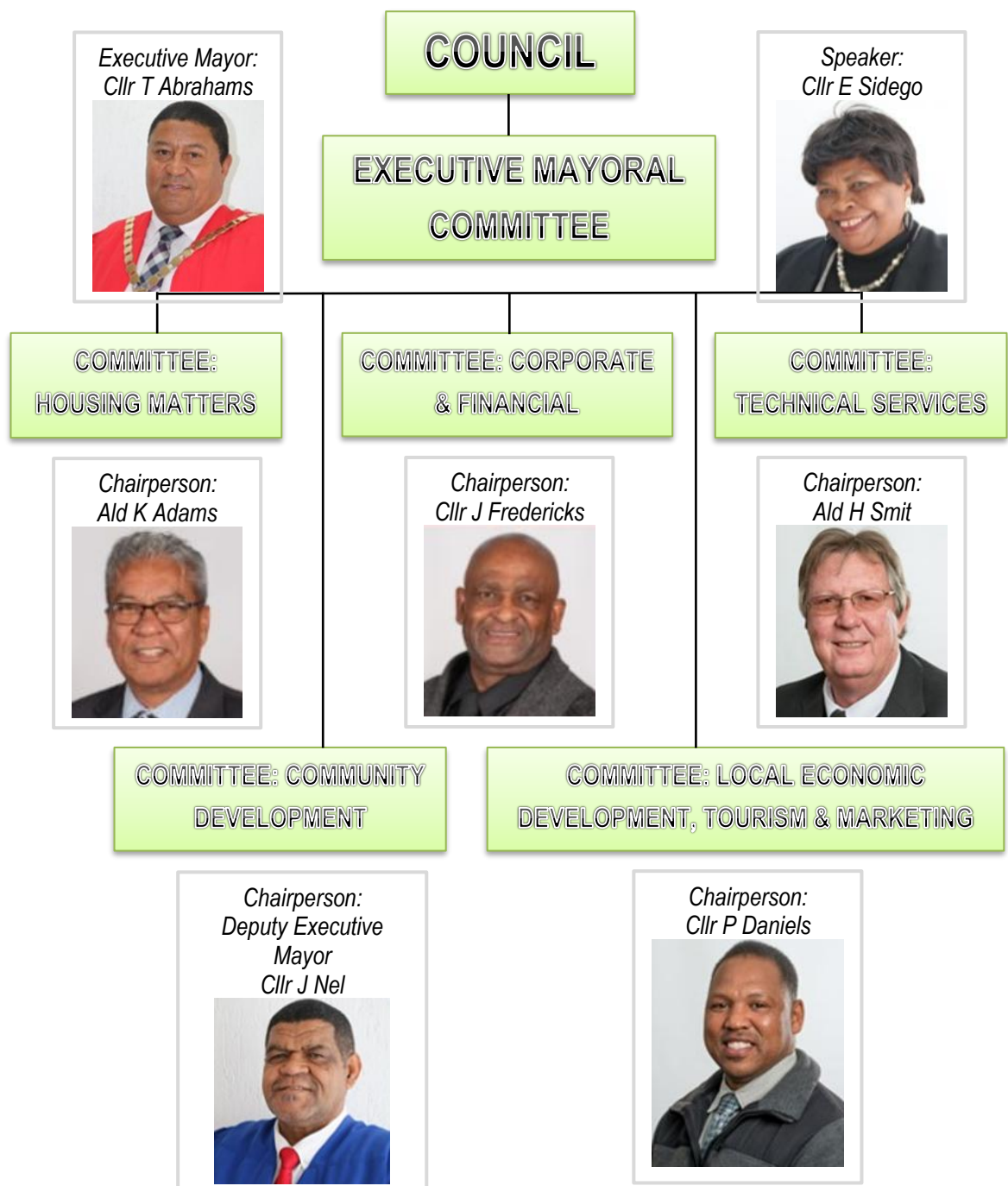
						
Cllr Warrick Alexander PR (PA)	Cllr Gert Laban PR (WA)	Cllr Johnnerey Mouton PR (ANC)	Cllr Isak Swartz PR (EFF)	Cllr Katriena Robyn PR (GOOD)	Cllr Nonzame Phatsoane PR (ANC)	Cllr Noluthando Nogcinisa PR (ANC)

Council as of April 2024

COMPONENT A: POLITICAL & ADMINISTRATIVE GOVERNANCE

2.1 Political Governance Structure

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



2.1.1 Council

The Witzenberg municipal council consist of 23 Councillors of which 12 are Ward Councillors and 11 Proportional Councillors.

Below is a table that categorises councillors within their specific political parties and wards for the period 1 July 2023 to 30 June 2024:

Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
Abrahams TE	Councillor / Executive Mayor	DA	Proportional
Adams K	Chairperson for Housing Matters	DA	Ward 6
Alexander W	Councillor / Mayco Member	PA	Proportional
Daniels P	Portfolio Chairperson LED	DA	Ward 2
De Bruin S	Councillor	DA	Ward 10
Franse G	Councillor	DA	Ward 8
Fredericks JP	Portfolio Chairperson Corporate and Financial Services	FFP	Proportional
Gili AL	Councillor	ANC	Ward 1
Hardnek LA	Councillor Chairperson MPAC	WP	Proportional
Laban GG	Councillor / Executive Deputy Mayor Portfolio Chairperson Committee for Community Development	WA	Proportional
Mouton J	Councillor / Mayco Member	ANC	Proportional
Ndaba M	Councillor	ANC	Ward 9
Nel JF	Councillor / Executive Deputy Mayor Portfolio Chairperson Committee for Community Development	ICOSA	Proportional
Nogcinisa N	Councillor	ANC	Proportional
Phatsoane N	Councillor	ANC	Proportional
Robyn K	Councillor / Executive Mayor	GOOD	Proportional
Sidego EM	Councillor Speaker	DA	Ward 11
Smit H	Executive Mayor / Councillor Chairperson Technical Services	DA	Ward 5
Swart D	Councillor	DA	Ward 3
Swartz IL	Councillor/ Mayco Member	EEF	Proportional
Visagie JJ	Councillor	DA	Ward 4
Yisa K	Councillor	ANC	Ward 12
Zalie J	Councillor / Mayco Member Portfolio Chairperson for LED	ANC	Ward 7
Heradien P	Councillor / Speaker	ICOSA	Proportional

Below is a table which indicates the number of items submitted to Council and meeting attendance for the period 1 July 2023 to 30 June 2024:

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
24 July 2023	4	100%	0%
25 August 2023	17	100%	0%
17 October 2023	8	100%	0%
14 December 2023	10	53%	47%
24 January 2024	52	91%	10%
23 February 2024	2	53%	47%
20 March 2024	2	96%	4%
27 March 2024	2	53%	47%
12 April 2024	16	96%	4%
16 April 2024	2	96%	4%
16 May 2024	10	74%	26%
21 June 2024	34	87%	13%

Appendix A: List of Councillors, Committee allocations & attendance of Council Meetings

2.1.2 Executive Mayoral Committee

The Executive Mayor of the Municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance since executive powers are vested in 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 Executive Mayor, delegated by the Council, as well as the legislative powers assigned to these parties. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in collaboration with the Mayoral Committee.

Period 1 July 2023 to 30 June 2024:

Name of member	Position	Period	Capacity
Abrahams, T	Councillor	14/12/2023 - 30/06/2024	Executive Mayor
Adams, K	Alderman	01/07/2023 - 17/10/2023	Mayco member
		20/12/2023 - 30/06/2024	Mayco member
Alexander, W	Councillor	24/10/2023 - 14/12/2024	Mayco member
Daniels, P	Councillor	23/08/2023 - 17/10/2023	Mayco member
		20/12/2023 - 30/06/2024	Mayco member
Fredericks, JP	Councillor	01/07/2023 - 17/10/2023	Mayco member
		20/12/2023 - 30/06/2024	Mayco member
Klaasen, B	Alderman	01/07/2023 - 10/07/2023	Mayco member
Laban, G	Councillor	24/07/2023 - 18/04/2024	Deputy Executive Mayor
Mouton, J	Councillor	24/10/2023 - 14/12/2023	Mayco member
Nel, J	Councillor	18/04/2024 - 01/07/2024	Deputy Executive Mayor
Robyn, K	Councillor	17/10/2023 - 14/12/2023	Executive Mayor
Smit, H	Alderman	01/07/2023 - 17/10/2023	Executive Mayor
		20/12/2023 - 30/06/2024	Mayco member
Swartz, I	Councillor	24/10/2023 - 14/12/2023	Mayco member
Visagie, JJ	Alderman	01/07/2023 - 17/10/2023	Mayco member
Zalie, J	Councillor	24/10/2023 - 14/12/2023	Mayco member

2.1.3 Portfolio Committees

In terms of section 80 of the Municipal Structures Act 1998, if a Council has an executive committee; it may appoint, in terms of Section 79, committees of councillors to assist the executive committee or Executive Mayor. 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.

The table below indicates the dates of the Committee meetings, and the number of reports submitted to Council for the 2023 / 2024 financial year:

Committee	Chairperson	Number of minutes submitted to Council	Meeting Date
Committee for Housing Matters	Alderman K Adams	2	15-Aug-23 28-Sept-23 11-Sept-23 31-Jan-24 05-Apr-24 26-Apr-24 16-May-24 03-Jun-24 28-Jun-24
Committee for Community Development	Councillor GG Laban Councillor JF Nel	0	23-Nov-23 11-Apr-24
Committee for Corporate and Financial Services	Councillor W Alexander Councillor J Fredericks	3	19-Sept-23 21-Nov-23 20-Feb-24
Committee for Technical Services	Councillor J Mouton Alderman J Visagie Alderman H Smit	3	21-Sept-23 23-Nov-23 13-Feb-24 09-Apr-24
Committee for Local Economic Development and Tourism	Councillor P Davids	1	19-Sept-23 11-Apr-24

Appendix B: Committees & Committee purposes

2.1.4 Municipal Public Accounts Committee (MPAC)

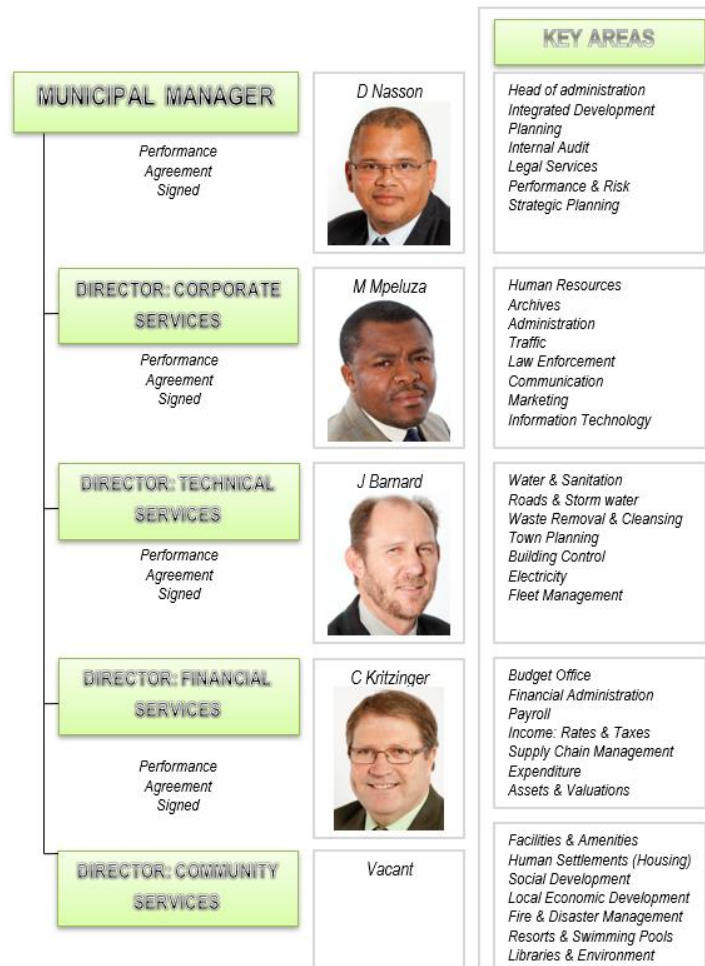
An Audit Committee has been established that includes Risk- & Performance functionality and is referred to as the Performance-, Risk & Audit Committee (PRAC). A Municipal Public Accounts Committee as an oversight committee has been established comprising from non-executive councillors with the specific purpose of providing the Council with comments and recommendations on the Annual Report.

Council appointed the Chairperson and members of the MPAC at a Council meeting held on 23 February 2022. The members of the MPAC are as follows:

Position	Councillor	Political Party
	Period 1 July 2023 to 30 June 2024	
Chairperson	Cllr L Hardnek	WP
Member	Cllr N Nogcinisa	ANC
	Alderman JJ Visagie	DA
	Cllr KA Robyn	GOOD
	Cllr W Alexander	PA

2.2 Administrative Governance Structure

The Municipal Manager is the 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 directorship, which constitutes the management team below:



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 *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, adhering to agreed procedures and avoid legal proceedings against one another.

2.3.1 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
Municipals Managers Forum	SALGA, neighbouring municipality's MMs	District based initiatives
SALGA Working Groups	SALGA, Neighbouring municipality's Technical Directors and experts	Municipal wide information sharing
IDP Managers Forum	Department of Local Government (DPLG), All municipalities in the Western Cape (WC), IDP Managers	Provincial wide information sharing
District IDP Managers Forum	Cape Winelands District Municipality, all Municipalities in the Cape Winelands District	District wide information sharing
LED Managers Forum	Cape Winelands Regional LED Forum	Sharing information and best practises on Economic Development, providing report back of projects implemented, lobbying of support for programmes and projects
WMO Forum	DEADP, All municipalities in the Western Cape (waste management officers), and experts	Municipal wide information sharing with all 3 spheres of government.
CWDM WMO Forum	DEADP, CWDM municipalities (WMO) .	Municipal information sharing with all 3 spheres of government in CWDM
Strategic Integrated Municipal Engagement (SIME)	All provincial sector departments, all municipalities in the Western Cape	Provincial, District & local based planning.
Technical Integrated Municipal Engagement (TIME)	All provincial sector departments, all municipalities in the Western Cape	Provincial, District & local based planning.
Ministerial Technical Committee	Provincial Government and Municipal Managers	
Ministerial Mayoral Committee	Provincial Government and Mayors	Provincial programmes and initiatives aligned with municipal performance
District Public Participation Forum (DPP)	All municipalities in the Cape Winelands District Municipality, DPLG, IDP Manager, local stakeholders for National Government Departments	District wide information sharing
Provincial Public Participation Forum (PPP)	DPLG, GCIS, all municipalities in the WC, IDP Manager	Provincial wide information sharing
Provincial CommTech	DPLG, GCIS, all communication officials from municipalities in the WC, National Government Departments	Discussion, trend monitoring, training and workshops concerning government communication and technology
SALGA National Communicators Forum	DPLG, GCIS, all communication officials from municipalities in the WC, National Government Departments	Nationwide information sharing and calibration with the strategic focus of the NDP

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Internal Audit Forum	All municipal Chief Audit Executive of the province	National, District and Municipal wide information sharing
Risk Management Forum	All municipal Chief Risk Officers of the province	National, District and Municipal wide information sharing
District Coordinating Forum	District Mayors	District programs and initiatives aligned with municipal performance
District Coordinating Forum (Technical)	District Municipal Managers	District programs and initiatives aligned with municipal performance
Joint District Approach	Local municipalities in District, District Municipality, Provincial Sector departments	District wide strategic planning
Municipal ICT Managers Forum	Provincial ICT Managers, SALGA, SITA, DPLG	Provincial-wide information sharing

2.3.2 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 shares their area and community with other spheres of government as well as their various sector departments. This means that the municipality must 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	Contribution of Sector Department
Intergovernmental Steering Committee Meeting	Reducing poverty in the 3 poverty nodes	DRDLR, Agriculture department, Education, Social development, Public Works, CoS	- Mobilising resources - Implementing projects to reduce poverty. - Sharing information
Cape Winelands LED District forum	Strengthening LED networking	Cape Winelands District Municipality, B-Municipalities, Department of Economic Development and Tourism	Report back on programmes and initiatives
Social Cluster: Area Based approach	Report back and identifying gaps in service delivery	Department Social Development, SAPS, Department Education, Cape Winelands District Municipality, Department of Health, CDW	Report back and providing information on programmes
EPWP District Forum	Report back	Cape Winelands District Municipality, B-Municipalities, Department Public Works	Report back & discussions on performance

COMPONENT C: PUBLIC ACCOUNTABILITY & PARTICIPATION

MSA section 51(b) requires a municipality to establish and organize its administration to facilitate a culture of accountability amongst its staff. Section 16(1) states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(1) requires a municipality to supply its community with information concerning municipal governance, management, and development.

A Municipal Public Accounts Committee has been established. The internal audit function is capitated with three qualified auditors, employed on a permanent basis, one trainee and one intern. The audit function reports functionally to the Performance Risk and Audit Committee and administratively to the Municipal Manager. The capacity of the Performance, Risk and Audit Committee has been increased with the appointment of qualified and specialized members. A representative from the business sector is also invited to participate in Mayoral Committee meetings.

Such participation is required in terms of:

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

2.4 Public Meetings

Apart from bi-annual community meetings & jamborees held in each town, the municipality also communicates through monthly newsletters, loud-hailing, and distribution of pamphlets, text messages and public service announcements via community radio.

Nature and purpose of the meeting	Date of events	Number of participating Municipal Councillors	Number of participating Municipal Administrators	Number of community members attended
IDP & Budget Public Meetings and Municipal Service Delivery Jamborees				
IDP Review Public Participation	Ward 4 & 6 Bella Vista – 17/10/2023	1	26	3
	Ward 3 & 5 Ceres – 19/10/2023	2	22	9
	Ward 8 & 9 Op-Die-Berg – 18/10/2023	1	14	6
	Ward 2 & 7 Wolseley – 12/10/2023	0	29	0
	Ward 4 & 10 P A Hamlet – 16/10/2023	2	28	62
	Ward 7 & 11 Tulbagh – 11/10/2023	1	26	13
	Ward 1 & 12 N'Duli – 10/10/2023	2	15	62
	Ward Committees - 23/10/2023	4	15	17
IDP & Budget Public meetings				
IDP Review Public Participation	Ward 4 & 6 Bella Vista – 22/04/2024	2	15	4
	Ward 7 & 11 Tulbagh – 16/04/2024	1	19	26
	Ward 3 & 5 Ceres – 15/04/2023	4	30	11
	Ward 1 & 12 N'Duli – 17/04/2024	3	23	87
	Ward 4 & 10 P A Hamlet – 10/04/2024	2	21	64
	Ward 2 & 7 Wolseley – 18/04/2024	1	13	8
	Ward 8 & 9 Op Die Berg – 11/04/2024	2	24	33
	Ward Committees - 29/04/2024	4	10	54

2.4.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2023/24 financial year:

Name of representative	Capacity	Meeting dates
H Smit	Chairperson	7/09/2023 (Deviation from fixed calendar completed by H Smit) 05/10/2023 Ceres Town Hall 30/11/2023 Ceres Town Hall 11/12/2023 (Management Engagement)
H Smit	Executive Mayor	
J Fredericks	Mayco Member	
G Laban	Deputy Mayor	
J Nel	Deputy Mayor	
D Nasson	Municipal Manager	
H Kritzingner	Director Finance	
J Kolkota	Deputy Director Finance	
Vacant	Director Community Services	
M Mpeluza	Director Corporate Services	
J Barnard	Director Technical Services	
I Barnard	Senior Manager Human Resources	
G Pharo	Senior HR Officer: Benefits	
W Davids	Senior HR Officer: Training & Development	
Vacant	Senior HR Officer: Health & Safety	
C Titus	Committee Officer	
M Scholtz	IMATU Secretary	
L Ntshanga	IMATU Chairperson	
Lesley Koopman	IMATU	
M Pieterse	IMATU	
L Pietersen	IMATU	
C Appolis	SAMWU Chairperson	
P Daniels	SAMWU Secretary	
L Silver	SAMWU Full-timer shopsteward	
V Botes	SAMWU	
T Gxasixa	SAMWU	

2.4.2 Ward Committees

The purpose of a ward committee is:

-  to encourage better participation from the community and to inform council decisions.
-  to make sure that there is effective communication between the Council and the community.
-  to assist the ward councilor with consultation and feedback to the community.

Ward committees need to be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented in the membership contingent. The ward councilor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they act as an

advisory body to the ward councilor, which enables them to make specific submissions directly to the Council. These committees play a pivotal role in the development and annual revision of the IDP of the area.

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Appendix E: Ward Committee Governance & Functionality

Appendix F: Ward Committee Performance per Ward

2.5 IDP Participation & Alignment

Refer to item 2.4 for IDP participation meetings.

Refer to items 3.1.4, 3.1.5 & 3.1.6 for IDP alignment.

Municipal Key Performance Area	Strategic Objective	
Essential Services	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
Governance	2.1	Support institutional transformation and development
	2.2	Ensure financial viability
	2.3	To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.
Communal Services	3.1	Provide and maintain facilities that make citizens feel at home
Socio-Economic Support Services	4.1	Support the poor and vulnerable through programmes & policy
	4.2	Create an enabling environment to attract investment and support to the local economy.

Strategic Alignment between IDP & Service Delivery & Budget Implementation Plan

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 encompasses the relationships amongst the various stakeholders involved and the strategic goals governing the institution.

2.6 Risk Management

Section 62(1)(c)(i) of the MFMA states that: "... The accounting officer of the 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."

Witzenberg Municipality is committed to the optimal management of risk to protect our core public service values, achieve our vision, objectives and deliver on our core business functions.

While conducting our daily business operations, we are exposed to a variety of risks. These risks include operational and other material risks which require comprehensive controls and on-going oversight to be properly managed.

To ensure business success the Municipality have adopted an enterprise-wide integrated approach to the management of risks. By embedding the risk management process into key business processes such as planning, operations and new projects, the municipality will be better equipped to identify events affecting our objectives and to manage risks in ways that are consistent with the approved risk appetite.

The top inherent strategic risks of Witzenberg Municipality are:

Risk Title	IR	RR
Eskom's inability to provide increased electricity supply to the mun	25	25
Illegal invasion and occupation of land	20	20
Unsustainable High cost of electricity bulk supply	20	20
Electricity load-shedding>4 hours	25	19
Deteriorating electrical infrastructure	25	19
Inability to provide landfill facility in Witzenberg municipal area	25	17
Major unplanned not disaster related interruptions to service	25	17
The municipality's inability to deal with illegal land use and building work	20	17
Inability to deal with community protest, unrest and uprising	25	16
Municipality's inability to provide increased electricity supply to	25	16
Growth in informal settlements	20	16
Deteriorating road infrastructure	20	16
Lack of funding to rehabilitate landfill site in Witzenberg	20	16
Uneconomical utilization of assets (Dennebos and Eiland)	20	16
Deteriorating water and sanitation infrastructure	20	15
Unfunded budget	25	14
Inability to deal with disaster, business continuity and fire hazard	25	13
Poor growth in revenue base	20	13
Ageing vehicle fleet	20	13
Escalation in vulnerable and indigent households	20	13
Failure of law enforcement agencies to assist municipality	20	13
Inability to minimise recyclable waste	20	13
Increase in vandalism, theft of municipal assets	20	13
Rapid increase in Salary budget	20	13
Un-recoverability of outstanding receivables	20	13
Interruption of Wolseley bulk water supply	16	13
Increase in unaccounted water and electricity losses	20	12

2.7 Anti-Corruption & 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, favouritism, 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.

The municipality's Audit Committee (Performance, Risk & Audit Committee) recommendations for 2022/23 are set out in **Appendix G**.

2.7.1 Developed strategies

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-Fraud and Corruption Strategy	Yes	29 November 2022 (Adopted)
Fraud and Corruption prevention policy and response plan	Yes	29 November 2022 (Adopted)
Witzenberg Whistle Blowing Policy	Yes	25 January 2023 (Adopted)

2.7.2 Implementation of strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Fraud Prevention Policy	Supply Chain Management	Roll-out of Anti-Fraud and Corruption Policy to internal stakeholders through presentations and internal newsletters
Ethics Awareness Programme	Possible loss of income at traffic due to inactive follow-up on traffic violations	Roll-out of Anti-Fraud and Corruption Policy to external stakeholders through outreach programmes
Outreach programme on fighting fraud and corruption	Lack of awareness of fraud amongst staff	Investigation of fraud and corruption cases
Whistle blowing through the National Fraud Hotline	Possible misuse of policy to disclose sensitive information	Monitoring recommendations with regards to disciplinary, criminal and recovery actions. Effective delegation systems
To ensure that all employees and councillors in service of the Witzenberg Municipality has declared all interest/ownership/directorship.	Avoid doing business with employees in service of the municipality who does not declare that they are in service of the municipality	Use Trans Union in order to identify all employees that have interest/ownership/directorship in companies
Regular update of the fraud risk register	Detection and prevention of fraud in the municipality	Monitoring key controls to alleviate fraud and corruption

2.8 Performance, Risk & 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; and
-  effective governance.

Section 14(2)(c) of the Local Government Municipal Planning and Performance Management Regulations (R796 dated 24 August 2001) states that a municipality may utilize any Audit Committee established in terms of other applicable legislation as the Performance Audit Committee of the said municipality.
The Public Sector Risk Management framework states that the committee should review and recommend for approval the:

- 🍌 risk management policy.
- 🍌 risk management strategy.
- 🍌 risk management implementation plan; and
- 🍌 risk appetite

2.8.1 Functions of the Performance, Risk & Audit Committee

The council noted its Performance, Risk and Audit Committee charter on 31 October 2018.

To fulfil its role, the Committee 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 and internal audits.
- 🍌 Risk management.
- 🍌 Accounting policies.
- 🍌 The adequacy, reliability and accuracy of financial reporting and information.
- 🍌 Performance management.
- 🍌 Effective governance.
- 🍌 Compliance with the MFMA, Division of Revenue Act (DoRA) and any other applicable legislation.
- 🍌 Performance evaluation; and
- 🍌 Any other issues referred to by the municipality.

2.8.2 Members of the Performance, Risk & Audit Committee

Name of representative	Capacity	Meeting dates				
		28/07/2023	18/08/2023	03/11/2023	17/11/2023	13/12/2023
Mr J. George (Second 3-year term ended 31 October 2022 extended with Council approval until 31 January 2025)	Chairperson	✓	✓	✓	✓	✓
Ms J. Lapoorta (First 3-year term February 2023 until 31 January 2026)	Member	✓	✓		✓	✓
Ms C. Fagan (Second 3-year term until 31 July 2024)	Member		✓	✓		
Mr J.J. Swarts (First term from 1 February 2023 until 31 January 2026)	Member	✓	✓	✓	✓	✓

2.8.3 Performance, Risk & Audit Committee (PRAC) recommendations

Appendix G: Audit Committee Recommendations

2.9 Internal Auditing

An annual risk assessment update was performed during April/June 2022 and all relevant risks were populated into the Witzenberg risk register. Updates were performed on a continuous basis.

This risk assessment forms the basis for reviewing the 3-year audit plan as indicated below:

Project type	2023/2024	2024/2025	2025/2026
Risk-based audits	Distribution of electricity - Maintenance	Overtime Average	Allowances and subsidies Average
	Water and Sanitation Maintenance	Asset Management Average	Risk Management Average
	ICT continuity	Procurement- Deviations	Building control Average
	Disaster Management	Labour Relations Average	EPWP
	Indigent Management	Facility Management - Maintenance	Governance
	Archives	Housing - Administration Average	Review of Financial Controls
	By-Law Enforcement	Injury on duty Average	Secretariat Average
	PoPIA compliance	Fleet Management Average	Recruitment and terminations Average
	Contract Management	Performing Billing Activities	Physical office security Average
		Valuation roll management Average	Occupational Health and Safety
		Inventory Average	Landfill Management Average
		Leave Average	Business Continuity
Statutory Internal Audits	DORA compliance	DORA compliance	DORA compliance
	Performance Management System (quarterly)	Performance Management System (quarterly)	Performance Management System (quarterly)
Follow up	Follow up internal Audit findings	Follow up internal Audit findings	Follow up internal Audit findings
	Management Audit Action Plan (MAAP)	Management Audit Action Plan (MAAP)	Management Audit Action Plan (MAAP)
Other	Combined Assurance	Combined Assurance	Combined Assurance
	IA Quality Assessments	IA Quality Assessments	IA Quality Assessments
	Year-end stock count	Year-end stock count	Year-end stock count
	Compliance- Staff Regulations	Performance Management- Staff Regulations	Performance Management- Staff Regulations
AD-HOC assignments	Provision for ad-hoc assignment	Provision for ad-hoc assignment	Provision for ad-hoc assignment

Annual Audit Plan

The Audit Plan for 2023/24 was implemented and the table below provides details on audits completed:

Audit Activity	Estimated hours	Quarter	Status
Statutory Audits			
DORA compliance	250	4	Completed
Performance Management System	800	All	Completed
Follow up audit work			
Follow up Internal Audit Findings	300	All	Completed
Management Audit Action Plan	250	All	Completed
Risk based audits			
Distribution of Electricity- Maintenance	250	2	Completed
Water and Sanitation Maintenance	250	2	Completed
ICT Continuity	60	3	Completed

Audit Activity	Estimated hours	Quarter	Status
Asset Management	320	4	Completed
Indigent Management	200	4	Completed
Archives	288	2	Completed
By-Law Enforcement	250	2	Completed
POPIA Compliance	300	3	Work in progress
AD-Hoc audits			
Other			
Combined Assurance Reporting Project	150	All	Work in progress
IA Quality Assurance	100	All	Work in Progress
Year-end Stock on behalf of AGSA	80	4	Completed
Compliance- Staff Regulations	270	3	Completed

2.10 By-Laws

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation conducted prior to adoption of policy (Yes/No)	Date of Publication
Indigent policy	30 May 2022	Yes	3 June 2022
Budget policy	30 May 2022	Yes	3 June 2022
Tariff policy	30 May 2022	Yes	3 June 2022
Property rates policy	30 May 2022	Yes	3 June 2022
Credit control and debt collection policy	30 May 2022	Yes	3 June 2022
Consumer payment incentive policy	30 May 2022	Yes	3 June 2022
Budget virement policy	30 May 2022	Yes	3 June 2022
Cellular telephone and data card policy	30 May 2022	Yes	3 June 2022
Transport- travel- and subsistence allowance policy	30 May 2022	Yes	3 June 2022
Municipal supply chain management policy	30 March 2022	No	
Integrated Waste Management By - Law	8 October 2021	No- (translating to Afrikaans and I Xhosa)	
Water and Sanitation Services and Industrial Effluent By-laws		No	11 February 2022

2.11 Supply Chain Management

2.11.1 Competitive bids more than R 200 000 (R 300 000 from 24/01/2024)

Bid Committee meetings.

The following table details the number of Bid Committee meetings held for the 2023/24 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
39	45	36

Attendance of members of the Bid Specification Committee, are as follows:

Member	Percentage attendance (%)
Deputy Director Finance / Manager Financial Administration (Chairperson)	100
Manager Supply Chain	100
Relevant technical expert responsible for a function	100

Attendance of members of the Bid Evaluation Committee, are as follows:

Member	Percentage attendance (%)
Deputy Director Finance / Manager Financial Administration (Chairperson)	100
Supply Chain Practitioner	100
Relevant technical expert responsible for a function	100

Attendance of members of the Bid Adjudication Committee, are as follows:

Member	Percentage attendance (%)
Director Financial Services (Chairperson)	100
Director Technical Services	100
Director Community Services	100
Director Corporate Services	100
Manager Supply Chain/Deputy Director: Finance	100

Note: The percentages as indicated above include the attendance of those officials acting in the position of a Bid Committee Member.

Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 30 bids of an estimated value of R 188 946 717.

The five highest bids awarded by the Bid Adjudication Committee, are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded.
08/2/19/39	Supply and delivery of electricity metering and related equipment	Technical Services	Ontec Systems (PTY) Ltd	R 10 000 000
08/2/20/01	Hiring of Plant and Equipment for the Witzenberg Municipal Area	Technical Services	Aqua Transport & Plant Hire (PTY) Ltd	R 10 000 000
08/2/20/81	Appointment of Panel for the rendering of professional Legal services Category 1-5	Municipal Manager	Johan Bezuidenhout Attorney	R 10 000 000
08/2/21/78	Short-term Insurance	Financial Services	Silverlake Trading 305 (PTY) Ltd t/a Opulentia Financial Services	R 10 000 000
08/2/20/82	Supply, Delivery, Installation And Commissioning Of Emergency Back-Up Generators (Re-Advertisement)	Technical Services	ZWH Projects and Development (PTY) Ltd	R 5 485 045

Awards made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management Policy, only the Accounting Officer may award a bid which is more than R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

The following bids were awarded by the Accounting Officer during the 2023/24 financial year:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded.
08/2/21/23	Resealing of existing streets in the Witzenberg Municipal area	Technical Services	Actophambili Roads (PTY) Ltd	R 50 000 000
08/2/20/78	Upgrade and Extension of the Wolseley Wastewater Treatment Works: Phase 2A	Technical Services	Exeo Khokela Civil Engineering Construction (Pty) Ltd	R 46 291 475
08/2/21/74	The Supply and Dispensing Of Fuel (Unleaded Petrol & 50ppm Diesel) For Municipal Vehicles And Plant From Licenced Fuel Retail Sites / Service Stations In The Witzenberg Municipal Area	Technical Services	Bellmarjill (PTY) Ltd	R 25 000 000
08/2/21/02	Construction of Tierhokskloof Bulk water pipeline	Technical Services	JZV Construction (PTY) Ltd	R 23 073 146
08/2/20/101	Development, supply and installation of an Electronic Indigent Management System	Community Services	African Ideas Corporation (PTY) Ltd	R 798 000

Awards made by the Bid Adjudication Committee

No bid was awarded by the Bid Adjudication Committee in terms of paragraph 44 (2) of the Supply Chain Management Policy and paragraph 37 (2) of the Supply Chain Regulations.

Appeals lodged by aggrieved bidders.

The following appeals were lodged by aggrieved bidders on awards made in terms of section 62(1) of the Municipal Systems Act (Act 32 of 2000):

Bid number	Bid title	Date of appeal	Appellant	Reason for appeal	Dismissal	Dealt by
08/2/20/93	Monitoring Of Drinking Water Quality in The Witzenberg Area	09-May-2024	AL Abbott & Associates	Alleged error in bid process	Appeal is being dealt with by the Accounting Officer	Accounting Officer

Awards made to enterprises within the Witzenberg municipal area.

The following table details the value of competitive bids awarded to enterprises within the Witzenberg Municipal Area during the 2023/24 financial year:

Number of contracts awarded to enterprises within the Witzenberg municipal area	Percentage of contracts awarded to enterprises within the Witzenberg municipal area (%)	Value of contracts awarded to enterprises within the Witzenberg municipal area. R	Percentage of contract value awarded to enterprises within the Witzenberg municipal area (%)
5	16.67	29 306 600	15.51

2.11.2 Formal written price quotations between R 30 000 and R 200 000 (R 300 000 from 24/01/2024)

Awards made to enterprises within the Witzenberg municipal area.

A total of 40 formal written price quotations amounting to R 6 075 127 were awarded.

The following table details the value of formal written price quotations awarded to enterprises within the Witzenberg municipal area during the 2023/24 financial year:

Number of contracts awarded to enterprises within the Witzenberg municipal area	Percentage of contracts awarded to enterprises within the Witzenberg municipal area (%)	Value of contracts awarded to enterprises within the Witzenberg municipal area. R	Percentage of contract value awarded to enterprises within the Witzenberg municipal area (%)
6	15.00	757 827	12.47

2.11.3 Deviation from normal procurement processes

Paragraph 44 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R 9 811 113 were approved by the Accounting Officer. The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value (%)
Single supplier	62	4 539 988	46.27
Impossible	0	0	0.00
Impractical	37	4 054 107	41.33
Emergency	20	1 217 017	12.40

This amount shows a decrease of R 2 267 320 compared to the previous year's figure of R 12 078 433. It should be noted that although various processes were implemented to reduce the number and value of deviations it fluctuates during each period and will not necessarily reflect the same patterns.

2.11.4 Logistics management

The system of logistics management must ensure the following:

-  the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number.
-  the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock.
-  the placing of manual or electronic orders for all acquisitions other than those from petty cash.
-  before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract.
-  appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased.
-  regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
-  monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.
- Each stock item at the municipal stores, Drommedaris Street, is coded and listed on the financial system. Monthly monitoring of patterns of issues and receipts is performed by the Storekeeper. Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order to gear them to order stock more than the normal levels. Internal controls are in place to ensure that goods and services that are received are certified by the responsible person, which is in line with the general conditions of contract. Regular checks are performed to determine the condition. Quarterly stock counts are performed so that surpluses, deficits, damaged and redundant stock items are identified and reported to the Council. As of 30 June 2024, the value of the stock at the

municipal stores is calculated at R 24 274 424, with a satisfactory stock turnover rate of 1.04. For the 2023/24 financial year, a total of R 189 143.53 was accounted for as damaged or deficit inventory.

2.11.5 Disposal management

The system of disposal management must ensure the following:

- 🍎 immovable property is sold only at market related prices, except when the public interest or the plight of the poor demands otherwise.
- 🍎 movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices; whichever is the most advantageous.
- 🍎 Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the National Conventional Arms Control Committee.
- 🍎 Immovable property is let at market related rates, except when the public interest or the plight of the poor demands otherwise.
- 🍎 All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are reviewed annually.
- 🍎 Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- 🍎 In the case of the free disposal of computer equipment, the Provincial Department of Education is first approached to indicate within 30 days whether any of the local schools require this equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets.

No disposals took place during the 2023-2024 financial year.

2.11.6 Performance management

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been updated and are awaiting approval for implementation. Monthly reporting concerning appeals received by aggrieved bidders is also done to measure the performance of the bid specification and bid evaluation committees.

The Accounting Officer has appointed the Internal Auditor as the independent observer to attend bid committee meetings. This further enhances transparency regarding our bid committee system and compliance with all relevant legislation.

The following company and its directors were listed as restricted suppliers during the 2023/24 financial year:

ETL Consulting (PTY) Ltd, Registration number: 2015/043415/07

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 gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
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
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2023/24	Yes
Adjusted Budget 2023/24	Yes
Asset Management Policy	Yes
Customer Care, Credit control and Debt collection Policy	Yes
Indigent Policy	Yes
Funds and Reserves Policy	Yes
Investment and Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Veriment Policy	Yes
Petty Cash Policy	Yes
Long Term Financial Policy	Yes
Borrowing Policy	Yes
SDBIP 2023/24	Yes
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2023/24	Yes
IDP Process Plan for 2023/24	Yes
Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2022/23	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	Yes
Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)	

Description of information and/or document	Yes/No
Audit Committee charter	Yes
Risk Management Policy	Yes

2.13 Communication & Public Satisfaction

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 Act 1996 and other statutory enactments all impose an obligation on local government communicators 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 of fundamental importance to government organizations due to their constant interaction with members of the public. All local government entities strive to uphold the following Constitutional ideals towards the development of acceptable policy and legislative framework regarding service delivery in public service:

- Promoting and maintaining high standards of professional ethics.
- Providing service impartially, fairly, equitably and without bias.
- Utilizing resources efficiently and effectively.
- Responding to people's needs; the citizens are encouraged to participate in policymaking; and
- Rendering an accountable, transparent, and development-oriented public administration.

These ideals are achieved through always adhering to the 8 principles of Batho Pele:

Consultation

Consultation is done through various tools is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.

Setting service standards

This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards.

Increasing access

One of the primary aims of Batho Pele is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the distribution of existing services.

Ensuring courtesy

This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves.

Providing information

As a requirement, available information about services should be at the point of delivery, but for residents who are located far from the point of delivery, other arrangements will be needed.

Openness and transparency

A key aspect of openness and transparency is that the public should know more about the way national, provincial, and local government institutions operate, how well they utilize the resources they consume, and who is in charge.

Redress

This principle emphasizes a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

Value for money

Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

2.13.1 Communication strategy

The Witzenberg Municipality Communication Strategy illustrates the views of residents regarding communication and perceptions of the municipality. Many views expressed display dissatisfaction levels with aspects related to elements

beyond the scope of local government, for example access to housing, employment opportunities, education, and healthcare. However, local government acts as the conduit to expedite issues of this nature to the correct government entities as well as support and invest in various programs aimed at skills development, youth development, social development, and short-term temporary employment. Levels of literacy, understanding of language, public apathy, level of education, knowledge of government processes and access to communication tools can also affect how the public formulates perceptions of local government and can potentially hamper how they communicate and assimilate communication, especially within rural environs. A successful communication strategy therefore links local demographics to the municipality's action plan and influences budgetary expenditure according to the needs of the public. The Communication strategy was adopted and approved by Council in May 2023.

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

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Part of the Strategy
Media communication	Yes
Public participation and ward committees	Yes
Online communication	Yes
Customer satisfaction surveys	Yes
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

2.13.2 Communication and query/complaint management

Witzenberg Municipality runs a 24-hour emergency control center that aid the public, 7 days a week, 365 days a year. The control center offers the dual function of escalating service delivery queries to the correct departments such as water and sewerage, electrical, streets and storm water, as well as escalates emergency service queries to police, ambulance, fire and traffic services. They also perform the function of informing senior management and Council concerning high priority incidents such as shack fires, housing issues, motor vehicle accidents, obstructions, and health hazards. This ensures that decisions regarding expenditure and overtime can be executed and monitored. Complaints are also received via email, website, social media, telephonically and letters and this communication is routed to the relevant sections and personnel to address. Speedy turnaround times and feedback towards clients ensure that they are not disgruntled and have a realistic expectation of when the service will be delivered, its delivery method and how the query will be resolved. This greatly aids in educating the public on how the municipality conducts its operations, how to use the municipality to address issues as well as creating public support. Failure to validate complaints and communicate the reasons for service interruptions can result in discord and protest. The Municipality, with the help of the Western Cape Government, is in the process of developing a Case Management system.

2.13.3 Communication and municipal marketing

The cornerstone of municipal marketing is the quality of service which includes speed of initial response, workmanship of service rendered, duration of address before resolution, feedback to the complainant, professional closure/finishing of the problem addressed. Branding is associated with all types of municipal marketing (logos, uniforms, public engagement, etc.) and as illustrated in the present Communication Strategy, the public do not have a negative perception of services rendered by the municipality, but neither do they have a positive perception of the municipality. Marketing efforts focus upon logo placement, monthly newsletters, social media engagement, media statements, branding, etc. The overarching theme projected with communication is to offer the public easy access to services, information, personnel and complaint resolution.

2.13.4 Communication and international relations

Witzenberg Municipality is open towards establishing mutually beneficial partnerships with international organizations and municipalities aimed at skills development, knowledge sharing, local economic empowerment, and job creation. The municipality regularly conducts meetings with visiting international delegations to discuss aspects of operations and best practice models. Some of these engagements have resulted in twinning agreements offering developmental support to our vulnerable communities.

2.13.5 Communication and investor relations

Witzenberg Municipality consistently markets its service delivery levels and infrastructure in a bid to attract investors to the area through the promotion of its facilities, management, political stability, water and air quality, natural environment, and unskilled and semi-skilled labor force.

2.13.6 Emergency and disaster communication

In the event of an emergency or disaster being declared by the District, Witzenberg Municipality is able to provide communication support together with the District through mechanisms of communications relay to line functions within its competence, able to source landscape and geographical mapping of the area in question, gather inputs from visceral line functions and services, perform communication reports to monitor the situation, act as spokesperson, manage and support media relations, drafting articles/statements and providing photographic evidence of the situation if so required. The Fire Chief Heads Disaster Management.

2.13.7 Financial communication

Witzenberg Municipality engages frequently with the public regarding its expenditure on projects, financial legislation, anti-fraud and corruption mechanisms, the bid and tender processes, through social media and printed collateral. The aim of financial communication is to create transparency regarding our expenditure and asset management. As a municipality our ultimate goal is to comply and, where possible, to exceed the audit standards set forth for local government and maintain our clean audit status. Due to the regulatory nature of financial management, Witzenberg Municipality aims to make this information freely available for the public to access as well as make use of language calibration to ensure that the information disseminated is simple and easily assimilated. This information is available on all platforms.

2.13.8 Electronic communication

Social media is a cost-effective resource used to convey information and is an effective method of relaying municipal communication as many residents are in possession of a cell phone. However, this mode of communication is labor intensive and does not have great penetration in our rural environs due to limited connectivity and access to mobile data/Wi-Fi. We make use of all available means of communication tools to residents to convey urgent updates concerning power outages, water interruptions, road closures, dangerous weather conditions, municipal jamborees, etc. In addition, information is also available on our corporate website. We have requested assistance from the Provincial Government in terms of an updated complaints system and we have been identified as one of the recipients for broadband at our Thusong Centre.

2.13.9 Interpersonal communication

Witzenberg Municipality conducts internal communication with employees from the Municipal Manager's office to promote and convey our organizational policies and procedures to staff through internal newsletters. This newsletter covers employee related information concerning long service awards, retirement, information regarding their salary structures and benefits, births, marriages, deaths, sporting achievements, training and educational accolades, health and safety, anti-fraud strategies and whistle blowing. The communication aimed at employees carries a monthly theme concerning employee wellness to promote better health management and personal welfare. It is also a platform for senior management to engage with employees and relay important information.

2.13.10 Media communication

Witzenberg Municipality creates, promotes, and liaises with local and regional media regarding project and program launches, milestones, municipal issues, local events. We also respond to media queries and requests for statements. All external communication is approved by the Municipal Manager as per his delegation; however, he may appoint spokesperson(s) within the organization at his discretion.

2.13.11 Communication and legislation

Witzenberg Municipality liaises with the public regarding decisions by Council and Portfolio Committees with impact upon local regulations and by-law generation. The municipality often engages with the public for initial commentary and feedback to aid the municipality with their decision-making on issues highlighted by the public. The municipality also performs official communication to residents and businesses concerning contravention of established by-laws and regulations. The municipality always strives to be open, consistent, and transparent regarding legal issues and aims to engage with the parties involved to ensure clarity, mutual understanding and respect of heritage, cultural and religious beliefs, as long as it does not infringe upon the rights of other residents.

2.13.12 Visual communication

Visual communication is pivotal to our Communication Strategy as a large sector of our demography has poor literacy levels and relies upon visual communication to understand municipal messages. Visual communication is performed using correspondence, branding, photographs, marketing collateral, videos, and events. Municipal vehicles are branded with decals which identify them as official conveyances and inspires trust with residents that the work being administered by employees or the information being disseminated by employees is accurate and reliable. It is for this

reason that 'loud hailing' is an effective communication practice to relay urgent notifications to the public in the Witzenberg district. This is highly dependent on time, capacity and available resources.

2.13.13 Communication challenges

The Witzenberg Municipality communicates regularly with its target public, but faces financial challenges which hamper the following areas of our communication initiatives:

- Branding of assets, employees, and infrastructure
- Limited brand collateral available
- Inability to perform outsourced media scanning.
- Development of our intranet, website, and complaints system
- Capacity
- Poor network coverage due to the topography
- Limited to no free Wi-Fi access
- Access to better technology for our communication systems, brand development, feedback mechanisms and reporting
- No access to communication or perception-specific research regarding language usage and message penetration
- Neglect or exclude small pockets of the community which are located in remote, rural environs.

Local government is frequently criticized on their lack of communication and engagement with the community, but although our municipality faces adversity, Witzenberg Municipality is successful in our good governance as we progress each year in this field, due to prioritizing the needs of all our residents; commercial, residential, rural, and informal. Our communities are vocal and hold the municipality accountable for our performance and our areas for improvement in our departments. The reputation of the municipality is that we are approachable and accessible to the public and this is largely because of our frequent interaction with the public, addressing issues raised by the public, admitting fault, limitation where relevant and building a trust relationship with the public based upon reliability and quality services.

2.13.14 Communication milestones

Witzenberg Municipality strive to continuously communicate municipal related information and news to the Witzenberg community in order to promote the Witzenberg Municipality brand, positively influence perceptions of service delivery, as well as the level of satisfaction with services, rating of communication, suggestions for improvement and utilize the most effective communication channel/s. The Communication Strategy will be a guide for all and assist us in communicating effectively with all our communities.

There is regular interaction and communication with members of the public through available channels and in person at the office, in meetings, events, through social media as well as calls and emails. Concerns and complaints are considered, and systems improved to improve communication effectiveness and accommodate all. We are also conducting a general customer satisfaction survey including feedback on the effectiveness of communication methods and intervals. This is available at all municipal offices. We have also upgraded our loud hailing system, which now plays pre-recorded voice messages.

Furthermore, we implemented a series of live radio interviews on a weekly schedule that included all directorate and most sectional heads to inform and educate on basic municipal information, their functions, and activities. Amongst other Fire, Traffic, IDP and the Budgeting Office and Supply Chain Management had radio slots. Witzenberg Tourism also ensures maximum coverage and brand exposure through their marketing strategy, activities, and events and the use of our logo on all marketing material.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 Overview of Performance within the Organisation

3.1.1 Introduction

Performance management is prescribed by Chapter 6 of the Municipal Systems Act and the Municipal Planning and Performance Management Regulations, 2001. Regulation 7(1) of the regulations 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, organized and managed, including determining the responsibilities of the different role players.” This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a Performance Management Policy Framework that was approved by Council on 12 April 2024 from the revision approved by Council on 25 July 2018.

The Top Layer SDBIP for 2023/24 was approved by the mayor on the 1st of June 2023. Revisions to the SDBIP Top Layer targets was approved by Council on the 12th of April 2024 and the Adjusted Top Layer SDBIP approved by the mayor on the 16th of April 2024. Below are the considerations in the development of the Top Layer SDBIP:

- 🍎 Alignment with the IDP, National KPA’s, Municipal KPA’s and IDP objectives
- 🍎 Alignment with the budget
- 🍎 Oversight Committee Report on the Annual Report of 2021/22
- 🍎 The risks identified during the municipal risk analysis.
- 🍎 Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the audit.

Other additional information with regards to performance:

- | | |
|---|-------------------|
| 🍎 Functions of the municipality | Appendix D |
| 🍎 Performance of entities & service providers | Appendix I |
| 🍎 Service delivery performance at ward level | Appendix F |

3.1.2 Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP. An operating procedure for the management and implementation of the SDBIP has been developed. The operating procedure was work-shopped with the relevant KPI owners and senior management. The procedures can be summarised as follows:

- 🍎 The Performance Administrator informs the relevant KPI owners, senior management and departmental secretaries of the closure date to submit actuals achieved for the preceding month. By the 10th of each month KPI owners complete the template with their actuals achieved, performance information and evidence. If a specific target was not reached, reasons with corrective measures must be provided.
- 🍎 The Performance Administrator generate a report from excel and distribute via email to Senior Management for discussion at Senior Management- and Directorate Meetings.
- 🍎 Results on the Top Layer SDBIP Key Performance Indicators are submitted to the CFO for inclusion in the quarterly Section 52D report that is tabled at Council.
- 🍎 The quarterly performance report as included in the Quarterly Budget Statement (Section 52D Report), was tabled at Council as follows:
 - 1st Quarterly Budget Statement 24 January 2024
 - 2nd Quarter Budget Statement 24 January 2024
 - Section 72 Midyear report 24 January 2024
 - 3rd Quarterly Budget Statement 16 May 2024

3.1.3 Individual Performance

Senior Management

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance-based agreements with the Section 57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2023/24 financial year were signed on 29 June 2023.

The appraisal of the actual performance in terms of the 2022/23 signed agreements, took place twice per annum as regulated. The final evaluation of the 2022/23 took place on 25 January 2024. The evaluation for 2023/24 will take place after the auditing of the 2023/24 Annual Performance Report and Annual Financial Statements. The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805. The panel included the following people:

- 🍎 Executive Mayor
- 🍎 Portfolio Chairperson
- 🍎 Chairperson of the Performance, Risk and Audit Committee
- 🍎 Municipal Manager
- 🍎 Manager: Human Resources
- 🍎 Chief: Internal Auditor
- 🍎 Mr. D McThomas, Municipal Manager of Breede Valley Municipality, review of the Municipal Manager
- 🍎 Ward Councillor included with review of Municipal Manager.

Individual contracts were entered into with all permanent employees, excluding Section 57 employees, as determined by the Municipal Staff Regulations, Regulation 890 of September 2021. Formal assessments are to be performed by December 2024.

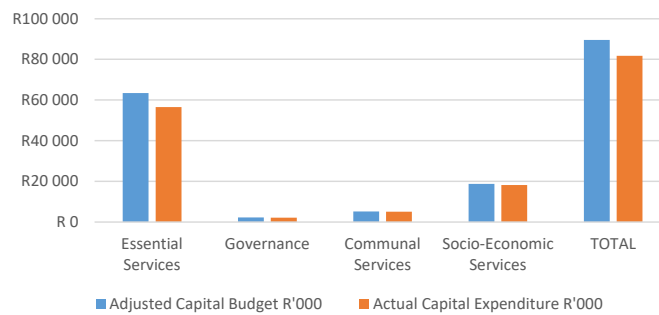
3.1.4 The Integrated Development Plan and the Budget

The Amended 2023/24 IDP was adopted on 30 May 2023, whilst the budget for 2023/24 was approved by Council on the same day. The IDP process and the performance management process 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.

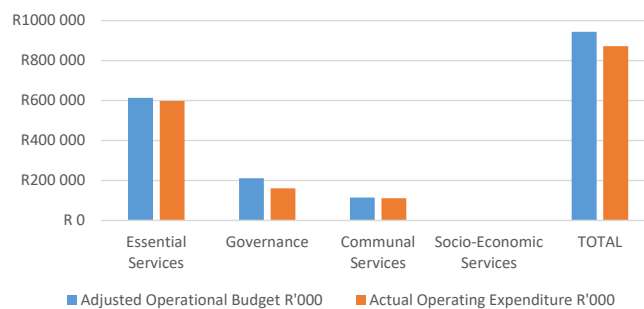
The table below provides an analysis of the budget allocation and expenditure per Municipal Key Performance Area (Operational expenditure excludes internal transfers):

Municipal Key Performance Area	Adjusted Capital Budget	Actual Capital Expenditure	Adjusted Operational Budget	Actual Operating Expenditure
	R'000	R'000	R'000	R'000
Essential Services	R63 451	R56 525	R613 133	R597 188
Governance	R2 273	R2 077	R211 861	R160 475
Communal Services	R5 132	R5 048	R115 261	R111 926
Socio-Economic Services	R18 690	R18 133	R2 961	R1 906
TOTAL	R89 547	R81 784	R943 216	R871 496

Capital Budget allocation and expenditure per Municipal Key Performance Area



Operational Budget allocation and expenditure per Municipal Key Performance Area



3.1.5 Strategic Alignment

Municipal Key Performance Area	Strategic Objective	
Essential Services <i>Direct service delivery such as the provision of water, sanitation, electricity & solid waste removal. Also include roads & storm water management and subsidised serviced sites.</i>	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
Governance <i>Includes human resources, finance management, strategic- and town planning, law enforcement, public participation, fire- and disaster services, policy and Council.</i>	2.1	Support institutional transformation and development
	2.2	Ensure financial viability
	2.3	To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.
Communal Services <i>Indirect public services such as community halls, sports fields, open spaces, parks, resorts, swimming pools, environment.</i>	3.1	Provide and maintain facilities that make citizens feel at home
Socio-Economic Support Services <i>Non-core/municipal functions that includes subsidised housing (top structures), Local Economic Development- and Social Development support.</i>	4.1	Support the poor and vulnerable through programmes & policy
	4.2	Create an enabling environment to attract investment and support to the local economy.

3.1.6 Key Performance Indicators in approved 2023/24 Top Layer SDBIP

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	95%	96%	15%	40%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend / preventative- & corrective planned maintenance budget votes of technical department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
TecDir3	% Expenditure on Capital Budget by Technical Directorate	90%	95%	10%	40%	60%	95%	95%	96%	96%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the technical directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.
WS1.11 (Cir8)	Number of new sewer connections meeting minimum standards	New	210	20	53	60	210	10	12	12	14	The total number of new sewer connections (defined as connections to a flush toilet connected to the sewerage system or a septic tank or a VIP toilet) made by the municipality. This is inclusive of new sewer connections to communal facilities and chemical toilets that meet basic sanitation standards. Only residential.
WS2.11 (Cir8)	Number of new water connections meeting minimum standards	New	170	2	18	20	170	10	12	12	14	Total number of new water connections meeting minimum standards (supply of water is Piped (tap) water inside dwelling/institution, Piped (tap) water inside yard, and/or Community stand- <200 m) by the municipality. This is inclusive of new water connections to communal facilities that meet minimum standards. Only residential
TecWat21	Percentage compliance with drinking water quality standards.	100%	98%	98%	98%	98%	98%	98%	98%	98%	98%	Measure of potable water sample pass rate according to the SANS 241 standard. Average of sample results. Only microbiological results of Escherichia Coli are considered in the measurement. Result should be less than 1 count per 100ml.
EE1.11 (Cir8)	Number of dwellings provided with connections to mains electricity supply by the municipality	New	230	2	221	225	230	10	12	12	14	Number of new residential supply points commissioned and energised by the municipality
FinInc28	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at period end.	13 465	11 873	13 465	13 465	11 873	11 873	13 500	13 550	13 570	13 590	The objective of the KPI is to report on the number of residential properties that have access to the service according to the number of properties billed for the service on the SAMRAS financial system Proxy measure for National Key Performance Indicator.
TecWat20	Percentage unaccounted water losses	14%	18%	18%	18%	18%	18%	17%	17%	16%	16%	Unaccounted-for water (UFW) is the difference between the quantity of water supplied to the municipality's network and the metered quantity of water used by the customers. UFW has two components: (a) physical losses due to leakage from pipes, and (b) administrative losses due to illegal connections and under registration of water meters. The reduction of UFW is a crucial step to improve the financial health and to save scarce water resources.
TecE37	Percentage unaccounted electricity losses.	10.7%	10.0%	11.0%	10.8%	10.5%	10.0%	10%	10%	10%	10%	Unaccounted-for electricity (UFE) is the difference between the quantity of electricity supplied to the municipality's network and the metered quantity of electricity used by the customers. UFE has two components: (a) Technical losses due to ageing/inadequate networks, and (b) administrative or non-technical losses due to illegal connections and under registration of electricity meters. The reduction of UFE is a crucial step to improve the financial health.
TecRo7	Kilometres of roads upgraded & rehabilitated	0,6	1km	0	0	0	1km	3	3	4	4	This indicator measures the kilometres of new roads constructed, roads upgraded & rehabilitated and resurfaced.

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.2 Provide for the needs of informal settlements through improved services

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
TecDir2	Number of subsidised serviced sites developed.	529	No target was set for 2023/24 as the servicing of subsidised residential sites is not planned- and budgeted for in 2023/24.					130		50	50	A housing opportunity is incremental access to and/or delivery of one of the following Housing products: Incremental Housing which provides a serviced site with or without tenure. A serviced site is being defined as a demarcated site with access to water & sanitation services located adjacent to a road.
TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap)	100%	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a water point (tap). Access are being defined as households within 200m of a water point (tap). Certain taps may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility.	100%	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a communal toilet facility. Access are being defined as households within 200m of a communal toilet facility. Certain toilets may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecRef31	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	100%	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste. Access are being defined as households within 200m of a periodic waste pick-up route or skip for household waste. Certain skips may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.1 Support institutional transformation and development

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	93%	96%	10%	35%	60%	96%	96%	96%	96%	96%	A Workplace Skills Plan is a document that outlines the planned education, training and development interventions for the organization. Its purpose is to formally plan and allocate the budget for appropriate training interventions which will address the needs arising out of Local Governments' Skills Sector Plan, the municipality's strategic requirements as contained in the IDP and the individual departmental staffing strategies and individual employees' PDF's. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. Kpi measures percentage expenditure of vote allocated towards training needs as arise from WSP. Proxy for National KPI.
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly reports on the percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan. Quarterly report submitted to Municipal Manager. National Key Performance Indicator.

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.2 Ensure Financial Viability

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	431	450	350	350	450	450	350	350	350	350	This indicator measures debt coverage as (total operating revenue - operating grants received) / debt service payments due within the year. This means the municipality is able to cover its debt service payments from operating revenue excluding grants number of times. Proxy for National KPI.
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	3.22	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	This indicator measures: (available cash + investments) / monthly fixed operating expenditure. This indicates that with the available cash the municipality is able to pay its fixed operating expenditure for certain amount of months. Proxy for National KPI.
FinFAdm11	Financial viability expressed outstanding service debtors	69%	60%	60%	60%	60%	60%	60%	60%	60%	60%	These indicator measure service debtors to revenue (total outstanding service debtors / revenue received for services). This means that a % of revenue in the SFP is still outstanding as at year end. Proxy for National KPI.
FinInc15	Percentage revenue collection	91%	93%	93%	93%	93%	93%	94%	94%	95%	95%	This indicator reflects the percentage of revenue collected from service accounts delivered.
MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	101%	98%	15%	40%	75%	98%	99%	99%	99%	99%	Percentage reflecting year to date spend / preventative- & corrective planned maintenance budget votes for the whole of the municipality. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
MM2	Percentage spend of capital budget for the whole of the municipality.	86%	95%	10%	40%	60%	95%	95%	96%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.3 To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
MMIDP9	Number of IDP community engagements held.	Changed	14		7		14	14	14	14	14	Bi-annual community engagements as per IDP Process Plan held in each of the 7 towns.
ComSoc48	Number of meetings with inter-governmental partners.	12	12	3	6	9	12	12	12	12	12	Number of Inter-Governmental meetings attended.

Municipal Key Performance Area: COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and maintain facilities that make citizens feel at home.

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
ComAm34	Analysis report on customer satisfaction questionnaires on community facilities.	1	1 Report				1 Report	1 Report	1 Report	1 Report	1 Report	This indicator measures the submission of an analysis report on a community survey on community perception and satisfaction in respect of the access to and maintenance of certain community facilities. The survey include at least the provision of questionnaires at certain facilities for customers to complete.
ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	81%	98%	15%	40%	75%	98%	99%	99%	99%	99%	Percentage reflecting year to date spend / preventative- & corrective planned maintenance budget votes for the Community Department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
ComDir2	Percentage expenditure on Capital Budget by Community Directorate	86%	95%	10%	40%	60%	95%	95%	96%	96%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the community directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.1 Support the poor and vulnerable through programmes & policy

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	2867	4500	4500	4500	4500	4500	4400	4300	4300	4300	Refers to the number of account holders subsidised through the municipality's Indigent Policy as at the end of reporting period.
LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services	New	5.0%	1.0%	2.0%	3.0%	5.0%	5.0%	5.0%	4.5%	4.5%	The amount municipal operating budget expended on free basic services to indigent households (R-value) as a percentage of the total operating budget of the municipality for the period. Free Basic Services are understood in terms of water, sanitation, electricity and waste removal services only.
LED1.21	Number of work opportunities created through Public Employment Programmes (incl. EPWP and other related employment programmes)	401	400	100	200	300	400	405	410	410	410	Simple count of the number of short-term work opportunities provided through the municipality by Public Employment Programmes such as Expanded Public Works Programme and other related infrastructure initiatives. EPWP is a nationwide programme covering all spheres of government and SOEs. EPWP projects employ workers on a temporary or ongoing basis with government, contractors, or other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions. The indicator tracks the number of unique work opportunities generated within the quarter, regardless of the duration.
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	27	20	5	10	15	20	20	20	20	20	The indicator refers to the number of engagements with target groups for the implementation of social developmental programmes and/or initiatives.
ComHS14	Number of housing opportunities provided per year.	No target	140	0	0	0	140	80	80	80	80	A housing opportunity is incremental access to and/or delivery of one of the following Housing products: Practically completed Subsidy Housing which provides a minimum 40m² house.
ComHS15	Number of Rental Stock transferred	35	10	0	0	0	10	40	50	50	50	Number of rental stock transferred to approved beneficiaries, using established criteria. Rental stock is being defined as subsidised houses constructed before 1994 (scheme houses) and leased by the municipality to identified and approved beneficiaries.

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.2 Create an enabling environment to attract investment and support to the local economy.

Ref	Key Performance Indicator	Baseline 21/22	Target 2023/24 (adjusted)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 24/25	Target 25/26	Target 26/27	Target 27/28	Definitions
ComLed19	Bi-annual report on investment incentives implemented.	4	2 Reports		1		1	2 Reports	2 Reports	2 Reports	2 Reports	Bi-annual report on investment incentives implemented.
ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly report on the Small Business Entrepreneurs Development Programme.
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Progress reports on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.
LED3.11	Average time taken to finalise business license applications	New	5 days	2	3	4	5	5	5	5	5	The indicator measures the average number of working days a business owner can expect to wait from the date of submission of a complete business licence application to the date of outcome of licensing decision from the municipality. Business license applications refer to those businesses registering to operate and do business within the municipal area. A 'complete application' refers to the point at which all of the required administrative information has been supplied, allowing the municipality to proceed with the processing. A 'finalised' application refers to an application where the municipality has taken a decision to approve or deny the application. An application is considered finalised at the point of the decision, regardless of the time between the decision and the communication of the application outcome.

3.1.7 National Key Performance Indicators

The Municipal Planning and Performance Management Regulation of 2001 prescribes general key performance indicators in terms of section 43 of the Municipal Systems Act, 2000. Section 43 (2) of the Act determines that key performance indicators set by a municipality must include the general key performance indicators as prescribed.

The general key performance indicators prescribed under section 10 of the regulations are as follows:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- The percentage of households earning less than R 1 100 per month with access to free basic services
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan

- d) The number of jobs created through municipality's local economic development initiatives including capital projects
- e) The 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
- f) The percentage of a municipality's budget actually spent on implementing its workplace skills plan
- g) Financial viability as expressed by the following ratios:
 - a. Debt coverage
 - b. Outstanding service debtors
 - c. Cost coverage

The abovementioned indicators are included in the municipal Service Delivery and Budget Implementation Plan with additional indicators identified to measure performance under each of the strategic objectives.

The absence of definitions and conceptual clarity on these indicators and the fact that the indicators were not revised over the past 20 years required innovation from the municipality to practically measure these indicators in reliance with current methodologies and the availability of information. MFMA Circular 88, Municipal Circular on Rationalisation Planning and Reporting Requirements, from National Treasury, aims to support the alignment of planning and reporting instruments for a prescribed set of municipal performance indicators. The circular further states: *"The Municipal Systems Act (MSA) and the MFMA require alignment between planning and reporting instruments such as the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP) and the Annual Report. However, there has been some confusion as to the results level that indicators in the SDBIP occupy, particularly in component 3. Quarterly projections of service delivery targets and performance indicators for each vote. This is particularly in relation to the goals and objectives set out over the medium term in the IDP, and how they are measured."*

To ensure the practical measurement of some of these indicators, new indicators were developed that would support and report on the purpose of some of the indicators.

In the paragraphs below an explanation is provided on how and why indicators were developed to support the national indicators and how they are included in the municipal SDBIP.

Inclusion of general key performance indicators in SDBIP

The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal

The indicator is impractical to measure as stated because of the following reasons:

- The percentage of households residing in the Witzenberg as at period end, is unknown as the municipality does not do population counts. The detailed municipal level results of the 2022 Census have not been released yet with the previous Census completed in 2011.
- The municipality provides services only to urban areas and the level of services in the rural areas is unknown. The Census of 2011 indicate 46% of the population residing on farms.
- In certain urban areas such as Prince Alfred's Hamlet and Op-Die-Berg, Eskom provides electricity and therefore the level of electricity provision in these areas is unknown.

The municipality implemented 8 different indicators to measure "access to basic services" in the formal as well as informal areas. The differentiation between formal and informal is necessary as formal areas are usually serviced through established networks between erven after a request for a connection is received. In the formal areas, access to water, sanitation and electricity is measured by using the Circular 88 indicators WS1.11 (nr of sewer connections), WS2.11 (nr of Water connections) and EE1.11 (nr of electricity connections) for the period reported on. Solid waste removal cannot be measured through connections as residential waste is removed on a weekly basis according to a published programme. Each of the 7 towns in Witzenberg is allocated to a specific day when waste is removed. Waste removal is therefore measured through the number of residential properties for which waste is removed and billed for (FinInc28).

The measurement of services in informal areas differs from the above as no official connection processes can be followed as services are not provided through networks to each household. Informal areas are defined as a demarcated

area where households reside on unmarked plots without service networks and roads. In these areas, services are provided through communal facilities such as communal toilets, chemical toilets, stand-alone taps and waste skips. In Witzenberg there are three demarcated informal settlements: Nduli (Ceres), Pine Valley (Wolseley) and Chris Hani (Tulbagh). The access to water and sanitation in these demarcated areas are measured by determining whether the informal structures are all situated within a radius of 200 meters from the communal toilets and taps. In other words, households in the demarcated areas do not have to walk more than 200m to have access to water and a toilet. The target is therefore that 95% of households living in these three demarcated areas are within 200m of a toilet and tap. A google image or GIS image is utilised to count the number of structures within a demarcated area. A structure is being counted as a household. Emphasis is being placed on the demarcation of areas as illegal land grab and squatting has rapidly increased over the past couple of years outside the demarcated areas. These new areas do not have access to the water and sanitation network and communal facilities cannot be provided due to insufficient bulk infrastructure and budgetary constraints. It is also the viewpoint that service delivery would legalise the land occupations and encourage future land grab. Areas not identified as demarcated areas are therefore not included in the measurement. Solid waste removal as is done in the formal areas is also absent as there are no accessible roads for solid waste vehicles. Skips are placed at strategic points and area cleaning operations is undertaken periodically in these three demarcated areas. The percentage of informal households with access to electricity cannot be determined mainly because no formal electrical networks is established and when households can be connected it is through a pre-paid electrical meter that is not aligned with an erf number as is the case with conventional meters. It is also the policy of the Integrated National Electrification Programme not to provide subsidy for electrical connections in informal areas due to amongst others the fire hazard. Subsidies are however provided to subsidised housing projects (RDP). The municipality therefore measure access to electricity in these subsidised housing projects separately in the same format as with formal electricity connections.

The following indicators are applicable for informal areas:

- Provide basic services - Percentage of households in demarcated informal areas with access to a water point (tap) – TecWat22
- Provide basic services - Percentage of households in demarcated informal areas with access to a communal toilet facility. – TecSan13
- Improve basic services - Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste. – TecRef31

The percentage of households earning less than R 1 100 per month with access to free basic services

The number and therefore the percentage of households cannot be determined as explained previously. The amount of R 1 100 is also not applicable anymore and the municipality provide free basic services through its indigent policy to households earning less than R 3 000 per month. The number of account holders that are subsidised through the municipality's Indigent Policy are however measured. If a target is exceeded, it is viewed as a negative as it indicates a decreasing economic situation as well as insufficient budget for indigent support.

The following indicators are applicable:

- Number of account holders subsidised through the municipality's Indigent Policy – ComSoc41

The percentage of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.

The following indicators are applicable:

- Percentage spent on capital budget for the whole of the municipality – MM2

The number of jobs created through municipality's local economic development initiatives including capital projects

The following indicators are applicable:

- Number of work opportunities created through Public Employment Programmes (Incl. EPWP and other related employment programmes). – LED1.21 (Circular 88 indicator)

The 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.

This indicator is also impractical to set a target and to measure. The number of positions that would become vacant during a year cannot be determined beforehand and the appointment of individuals from equity target groups cannot be planned as the applicants is unknown. A report on existing appointments as per the municipality's approved equity plan is compiled on a quarterly basis.

The following indicators are applicable:

- Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality – CorpHR12

The percentage of a municipality's budget actually spent on implementing its workplace skills plan

The indicator measures the expenditure of the municipality's budget for implementation of the workplace skills plan

The following indicators are applicable:

- Percentage budget spent on implementation of Workplace Skills Plan – CorpHR13

Financial viability as expressed by the following ratios:

- a) **Debt coverage**
- b) **Outstanding service debtors**
- c) **Cost coverage**

The following indicators are applicable:

- Financial viability expressed as Debt-Coverage ratio – FinFAdm10
- Financial viability expressed as Cost-Coverage ratio – FinFAdm9
- Financial viability expressed outstanding service debtors – FinFAdm11

3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24

Strategic performance of the municipality is measured in terms of the municipality's performance on its key performance indicators (KPI) set in the Top Layer SDBIP. Results rounded for reporting and evaluation purposes.

Actual strategic performance (Top Layer) and corrective measures that will be implemented.

Municipal Key Performance Area: **ESSENTIAL SERVICES**

Strategic Objective: **1.1 Sustainable provision and maintenance of basic infrastructure**

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	Percentage of budget spent.	All	98%/99%	98%	95%
Reason for under-performance: An amount of R 500 706 was unspent from the total budget of R 12 869 361. The unspent amount can mainly be attributed to the delay in the appointment of a service provider for road maintenance and subsequent non-performance issues with certain service providers.						
Corrective measures: The non-performance issues has been resolved. The road maintenance contract is a 3-year contract and similar delays in 2024/25 is not expected.						
TecDir3	Percentage expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	95%/88%	95%	92%
Reason for under-performance: An amount of R 6,3m was unspent from the total budget of R 82,3m. The under expenditure can mainly be attributed to a delay with regards to the design and subsequent procurement process for the Upgrade of the Ceres Electrical Substation. The total expected project cost amounts to R 25m to be completed by June 2025 with R 4,9m budgeted in 2023/24 and the rest in 2024/25. The design had to be adjusted after initial costing estimates resulting in an unspent amount of R 3,5m. The rest of the unspent budget for technical services is distributed over several projects with reasons for underspending including savings on completed projects and non-performance of service providers.						
Corrective measures: The procurement process for the Ceres Substation is underway and is still planned to be completed by June 2025. Unspent 2023/24 will be transferred to 2024/25. Non-performance of certain service providers are being addressed.						
TecWat21	Percentage compliance with drinking water quality standards.	Percentage compliance.	All	98%/100%	98%	100%
WS1.11 (Cir88)	Number of new sewer connections meeting minimum standards	Nr of new connections	All	New	210	216
WS2.11 (Cir88)	Number of new water connections meeting minimum standards	Nr of new connections	All	New	170	183
EE1.11 (Cir88)	Number of dwellings provided with connections to mains electricity supply by the municipality	Nr of new supply points	All	New	230	541
Reason for over-performance: Implementation of Revenue Enhancement Strategy has resulted in a significant increase in applications mainly because of stricter control over illegal connections.						
FinInc28	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at period end.	Number of properties	All	13 465/13 485* Incl of all properties	11873	11941
TecWat20	Percentage of unaccounted water losses	Percentage water losses.	All	18%/12%	18%	12%
TecEl37	Percentage of unaccounted electricity losses.	Percentage electricity losses.	All	10%/10,%	10%	10%
TecRo7	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	2/3,3	1km	5,3km
Reason for over-performance: Funding shifted from Bulk Water Projects to Road Upgrade projects. Two bulk water projects was planned to be implemented in the latter part of 2024/25 but due to significant increase in tender prices from budgeted funding, the projects had to be withdrawn and prioritised for implementation in respectively 2024/25 and 2025/26. These were approve MIG funded projects and new projects had to be registered because of the increase in costs. The budget for these two bulk water projects was shifted to upgrade of roads project also funded by MIG and therefor more distance of roads could be upgraded.						

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.2 Provide for the needs of informal settlements through improved services

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
TecDir2	Number of subsidised serviced sites developed.	Number of serviced plots.	5	N/A	No target set	
Note: The construction of subsidised serviced sites was not planned- and budgeted for in 2023/24. The indicator is however included as a 5-year IDP indicator.						
TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap)	Percentage of households	All	95%/100%	95%	100%
TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility.	Percentage of households	All	95%/100%	95%	100%
TecRef31	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	Percentage of households	All	95%/100%	95%	100%

NOTE:

The indicators listed above with reference numbers TecWat22, TecSan13 and TecRef31 refers specific to the relevant services which is accessible in the three demarcated informal areas of Nduli, Tulbagh (Chris Hani) and Wolseley (Pine Valley). It is reported that all informal households in these three demarcated areas have access to water and sanitation services which is located within 200m from households.

Also refer to the following paragraphs for more detail on specific service delivery levels:

Water Services – Chapter 3 Paragraph 3.2.4

Sanitation – Chapter 3 Paragraph 3.3.4

Electricity – Chapter 3 Paragraph 3.4.4

Waste removal – Chapter 3 Paragraph 3.5.4

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.1 Support institutional transformation and development

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	96%/82%	96%	97%
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	Quarterly report	All	4/4	4 Reports	4 Reports

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.2 Ensure Financial Viability

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Ratio	All	350/1163	450	N/A
Note: The municipality do not have any loans currently and therefore a ratio can not be determined. The indicator is however included as a national indicator.						
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Ratio	All	2,8/4,97	2,8	2,8
FinFAdm11	Financial viability expressed outstanding service debtors	Ratio	All	60%/84%	60%	90%
Reason for under-performance: Low Collection Rate. Inability of consumers to pay. Non payment culture of consumers						
Corrective measures: Stringent implementation of credit control and debt collection policy, including the implementation of auxiliary payments for defaulters.						
FinInc15	Percentage revenue collection	Percentage revenue collected.	All	93%/93%	93%	90%
Reason for under-performance: Low Collection Rate. Inability of consumers to pay. Non payment culture of consumers						
Corrective measures: Stringent implementation of credit control and debt collection policy, including the implementation of auxiliary payments for defaulters.						
MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	Percentage of budget spent.	All	98%/99%	98%	95%
Reason for under-performance: An amount of R 513 265 was unspent from the total budget of R 13 416 031. Refer to indicator TecDir1 for detailed explanation.						
Corrective measures: Refer to TecDir1 for detail.						
MM2	Percentage spend of capital budget for the whole of the municipality.	Percentage of budget spent.	All	95%/87%	95%	93%
Reason for under-performance: An amount of R 6,6m was unspent from the total budget of R 89,7m. Refer to indicator TecDir3 for detailed explanation.						
Corrective measures: Refer to TecDir3 for detail.						

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.3 To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
MMIDP9	Number of IDP community engagements held.	Number of engagements held.	All	14/14	14	14
ComSoc49	Number of meetings with inter-governmental partners.	Number of meetings attended.	All	12/12	12	14

Municipal Key Performance Area: COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and maintain facilities that make citizens feel at home.

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
ComAm34	Analysis report on customer satisfaction questionnaires on community facilities.	1 Report	All	1/1	1 Report	1 Report
ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	Percentage of budget spent.	All	98%/96%	98%	97%
Reason for under-performance: An amount of R 8 435 was unspent from the total budget of R 334 542 which are mainly savings distributed over several departments and sections.						
Corrective measures: None required.						
ComDir2	Percentage expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	95%/83%	95%	96%

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.1 Support the poor and vulnerable through programmes & policy

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Number of account holders.	All	4500/3205	4500	3185
LED2.12 (Cir88)	Percentage of the municipality's operating budget spent on indigent relief for free basic services	Percentage spend.	All	New	5%	3%
LED1.21 (Cir88)	Number of work opportunities created through Public Employment Programmes (incl. EPWP and other related employment programmes)	Number of jobs created.	All	New	400	403
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	Number of programmes.	All	20/29	20	32
ComHS14	Number of housing opportunities provided per year.	Number of top structures.	All	No Target	140	150
ComHS15	Number of Rental Stock transferred	Number of properties transferred.	All	30/22	10	5
Reason for under-performance: Delay in requesting and receiving RCC from Finance Department. Struggle to find the original title deeds from previous service providers and deeds office.						
Corrective measures: Requested current service provider to expedite the process of transfers						

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.2 Create an enabling environment to attract investment and support to the local economy.

2023/24 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2022/23 (Baseline)	Target 2023/24	Result 2023/24
ComLed19	Bi-annual report on investment incentives implemented.	Bi-annual Reports	All	4/4	2 Reports	2 Reports
ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	Quarterly Reports	All	4/4	4 Reports	4 Reports
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	Quarterly Reports	All	4/4	4 Reports	4 Reports
LED3.11	Average time taken to finalise business license applications	Nr of days	All	New	5 days	2 days

COMPONENT A: BASIC SERVICES

3.2 **Water Services**

3.2.1 **Introduction**

All the towns in the Witzenberg municipal area are equipped with independent water services with their own resources, distribution systems and treatment works.

Ceres

The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply. Water quality from the Koekedouw is good and it is only chlorinated before distribution. Two reservoirs (3 and 5 MI) serve as storage reservoirs to the 138.8km distribution network, with 4 supply zones (Bella Vista, N'Duli, Ceres main supply zone and Ceres central PRV zone). The network includes 2 X 2 MI service reservoirs, a booster pump station to the pressure tower (500kl) at Bella Vista, as well as a 750 kl service reservoir, 4.5MI reservoir and booster pump station at N'Duli. The Koekedouw borehole serves as back-up provision and is equipped.

Tulbagh

Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh. Construction of the Kleinberg pipeline has been completed to provide an additional supply of $1.2 \times 10^6 \text{ m}^3/\text{annum}$ from the Klein Berg River. The Kleinberg scheme has now been completed with RBIG funding. This includes the construction of a new storage dam with a capacity of approximately 1 200 000m³, the construction of a rising main and booster pump station. All the water is stored in a 570 MI raw water dam at present, with the new dam being filled up. Two reservoirs (800 kl and 1 MI) serve as a clear water storage reservoir to the 41.7km distribution network, with 2 pressure zones. The network includes a booster pump station to the pressure tower (500 kl). A new reservoir for extra storage capacity is planned for 23 / 24 and 24 / 25 financial years.

Wolseley

Wolseley receives its water supply from the Tierhokskloof weir. No storage facility exists and the dependency on the Tierhokskloof River as a sustainable supply without storage has been identified as a critical risk in water provision for growth in Wolseley. The pipeline will be upgraded in the 2024/25 financial year at a cost of R 23 073 146. Purification consists of pressure filters and chlorination. The Ceres Road Reservoir (680 kl) and the 6 MI Wolseley Reservoir serves as a storage reservoir to the 63.7 km distribution network, with two pressure zones. The network includes a 4.5 MI services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station with a capacity of 58 l/s was completed during 2010/11 to enable the transfer of "lei" water during periods of low flow, from the Artois Canal to this reservoir. The project also allows for treatment at the reservoir.

Prince Alfred's Hamlet

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, 1 borehole and a supply line from the Koekedouw Dam. Due to the quality of the raw water, only chlorination is required. Four 500 kl reservoirs serve as storage reservoirs to the 43.3 km distribution network, with only 1 pressure zone.

Op-die-Berg

Op-die-Berg has three water sources, a fountain and 2 boreholes. Due to the quality of the water, only chlorination is required. A 50kl, 60kl and 500kl reservoir serve as storage reservoirs to the 7.6km distribution network, with only 1

pressure zone. The new storage reservoir for Op-die-Berg has been completed to ensure adequate storage capacity, as well as meeting the peak demands of the town. Construction will be completed in 23 / 24 financial year.

3.2.2 Highlights

Highlights	Description
Upgrading & replacement of infrastructure	Completion and approval of Water Safety Plans Completion of the Kleinberg rising main and booster pump station. Completion of 500kl Op Die Berg reservoir. Completion of Vredebes bulk water connector.

3.2.3 Challenges

Challenges	Description
Personnel shortage	Number of vacant positions
Budget	Limited budget for infrastructure refurbishment, upgrade and replacement of vehicles and out-dated equipment.
Vandalism	Vandalism at various water reservoirs and pump-stations and infrastructure is a great concern.

3.2.4 Water Service Delivery Levels

Total use of water by sector (cubic meters)

Year	All	Unaccountable water losses	Percentage losses
	Cubic meters		
2014/15	7 079 144	1 463 304	20.7%
2015/16	6 088 276	962 345	16%
2016/17	6 508 218	1 259 772	19.36%
2017/18	5 835 602	1 090 102	17.9%
2018/19	6 408 893	1 136 219	17,7%
2019/20	6 708 325	1 008 621	15%
2020/21	7 187 597	870 884	12%
2021/22	6 937 365	965 175	13.9%
2022/23	6 533 253	767 574	11.75%
2023/24	6 850 763	813 218	11.87%

Water losses slightly increased from 11.75% in the 2022/23 to 11.87% in the 2023/24 financial year and this volume remains within the target set for the financial year. Management processes are, however, on-going to reduce the rate of water losses even further.

The table below specifies the different water service delivery levels per household for the financial years 2021/22, 2022/23 and 2023/24: Note that the “piped water inside dwelling” figure constitutes the number of accounts and is not a true reflection of the number of households. Other figures represent households. These figures exclude rural areas.

Description	2021/22	2022/23	2023/24
	Actual	Actual	Actual
Household			
<u>Water:</u> (above minimum level)			
Piped water inside dwelling (accounts)	12 972	12 987	12 979
Piped water inside yard (but not in dwelling) (accounts)			
Using public tap (within 200m from dwelling) (households)	5 610	6 640	8 141
Other water supply (within 200m)	0	0	0
Minimum Service Level and Above Sub-total	18 582	19 627	21 120
Minimum Service Level and Above Percentage	100%	100%	100%
<u>Water:</u> (below minimum level)			
Using public tap (more than 200m from dwelling)	0**	0**	0**
Other water supply (more than 200m from dwelling)	0	0	0
No water supply	0	0	0
Below Minimum Service Level Sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households (formal and informal)	18 582	19 627	21 120
*Formal households calculated based on accounts issued (excluding informal households which is actual households). Where figures are less than previous year it is mainly due to the closure of accounts on unregistered erven.			
** Households outside demarcated areas are not officially provided with a service. The construction of serviced sites in the area were planned for over the long term as all planning and funding for the next 3 years is focused on the Vredebes development at Ceres. In some cases, private connections occur for distribution.			

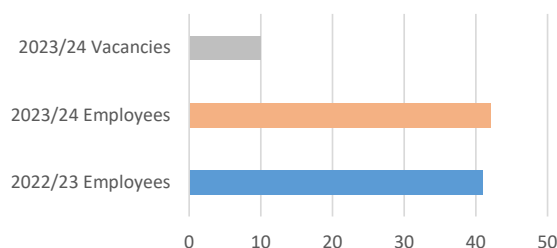
3.2.5 Service Delivery Indicators: Water Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

-  TecWat21 Percentage compliance with drinking water quality standards
-  WS2.11 Number of new water connections meeting minimum standards
-  TecWat20 Percentage of unaccounted water losses.
-  TecWat22 Percentage of households in demarcated informal areas with access to a water point

3.2.6 Employees: Water & Sanitation Services

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	19	11	3
4 - 6	10	19	3
7 - 9	3	4	2
10 - 12	6	5	2
13 - 15	2	2	0
16 - 19	1	1	0
TOTALS	41	42	10



3.2.7 Capital Expenditure: Water Services

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Network- Water Pipes & Val	R100 000	R100 000	R100 000	100%	R100 000
Tulbagh Reservoir	R2 700 827	R225 000	R224 498	100%	R15 000 000
Op-Die-Berg Reservoir	R2 680 669	R4 785 431	R4 766 431	100%	R4 800 000
Plant & Equipment	R0	R200 000	R206 673	103%	R206 673
Tierhokskloof bulk pipeline	R10 919 809	R652 000	R649 671	100%	R21 000 000
Plant & Equipment	R0	R24 000	R24 000	100%	R24 000
Vredebes bulk water pipeline	R0	R1 600 000	R1 596 590	100%	R1 596 590
Tulbagh Dam	R0	R3 012 651	R2 857 453	95%	R27 000 000
		R10 599 082	R10 425 315	98%	

3.3 Wastewater Services (Sanitation)

3.3.1 Introduction

Ceres

Sewerage and industrial effluent are collected from consumers via a sewerage system which is treated at the Ceres Wastewater Treatment Plant. The Plant services the areas of Ceres, N'Duli, Bella Vista and Prince Alfred's Hamlet. The sewerage system includes 9 booster pump stations. A portion of the treated effluent is used for irrigation on communal land, sport fields and the golf course.

Tulbagh

Sewerage is collected from consumers via a sewerage system and treated at the Tulbagh Wastewater Treatment Plant. The sewerage system includes 3 booster pump stations. Treated effluent is partially discharged to a river, under an existing licence and the rest is used for irrigation in Church Street and local sport fields.

Wolseley

Sewerage is collected from consumers via a sewerage system and treated at the Wolseley Wastewater Treatment Plant. The sewerage system includes 6 booster pump stations. Mechanical and civil upgrades to the plant are planned to ensure that the plant performs at an optimum level and to ensure compliance with national standards.

Prince Alfred's Hamlet

A significant volume of sewerage generated at Prince Alfred's Hamlet is pumped for treatment to the Wastewater Treatment Works (WWTW) in Ceres. Three pump stations are used for this purpose. Several erven still use private septic tank systems to deal with the sewerage. These septic tanks are emptied by the municipality on request.

Op-Die-Berg

At the town of Op-Die-Berg, 75% of the consumers are connected to a sewerage network and treated at the WWTW. The rest are managed through private septic tanks. Septic tanks are emptied by the municipality on request. Upgrades to the WWTW have been completed to ensure adequate capacity, as well as efficient and effective treatment of the wastewater.

All the towns within Witzenberg have attained Green Drop status with the latest assessment and have also scored nationally within in the top ten rankings.

3.3.2 Highlights

Highlights	Description
New Infrastructure & upgrades	Security Upgrades at Sewer PS's

Highlights	Description
	Investigation and preliminary design completed for Wolseley WWTW Upgrades: - Phase1 completed. - Phase 2A in tender stage. Wastewater Risk Abatement Plans completed and approved by Council. Replacement of Fabriekstreet, Ceres sewer line. Refurbishment of Pumpstation 4, Ceres.

3.3.3 Challenges

Challenges	Description
Personnel shortage	Number of vacant positions
Budget	Limited budget for infrastructure refurbishment, upgrade and replacement of vehicles and out-dated equipment.
Vandalism	Vandalism challenges at various sewer pump stations and WWTW's

3.3.4 Wastewater (Sanitation) Service Delivery Levels

The table below specifies the different sanitation service delivery levels per households for the financial years 2021/22, 2022/23 and 2023/24.

Note that the “flushed toilet” figure constitutes the number of accounts and is not a true reflection of the number of households. Other figures represent households. These figures exclude rural areas.

Description	2021/22	2022/23	2023/24
	Actual	Actual	Actual
Household			
<u>Sanitation:</u> (above minimum level)			
Flush toilet (connected to sewerage) (accounts)	*12 955	*13 038	*13 007
Flush toilet (with septic tank) (nr. of erven)	717	717	717
Chemical toilet (only indicate nr of toilets, not included in calculation)	58	77	114
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above minimum service level) (households – informal areas)	5 610	6 640	8 141
Minimum Service Level and Above Sub-total	19 340	20 472	21 865
Minimum Service Level and Above Percentage	100%	100%	100%
<u>Sanitation:</u> (below minimum level)			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	0	0	0
No toilet provisions	**0	**0	**0
Below Minimum Service Level Sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%

Description	2021/22	2022/23	2023/24
	Actual	Actual	Actual
Household			
Total number of households (formal and informal)	19 340	20 472	21 865
<i>*Formal households calculated based on accounts issued (including serviced sites but excluding informal households which is actual households). Where figures are less than previous year it is mainly due to the closure of accounts on unregistered erven.</i>			
<i>** Households outside demarcated areas are not officially provided with a service. The construction of serviced sites in the area were planned for over the long term as all planning and funding for the next 3 years is focused on the Vredebes development at Ceres. In some cases, private connections occur for distribution.</i>			

3.3.5 Service Delivery Indicators: Wastewater (Sanitation)

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

-  WS1.11 Number of new sewer connections meeting minimum standard.
-  TecSan13 Percentage of households in demarcated informal areas with access to a communal toilet facility.

3.3.6 Capital Expenditure: Wastewater (Sanitation)

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Sewer Network Replacement	R100 000	R1 262 375	R1 262 374	100%	R1 262 374
Toilets for Informal Settlement	R0	R1 031 194	R837 011	81%	R837 011
Generators	R0	R2 569 926	R2 569 836	100%	R2 569 836
		R4 863 495	R4 669 221	96%	

3.4 Electricity

3.4.1 Introduction

The National Energy Regulator (NERSA) was established to be the custodian and enforcer of the National Electricity Regulatory Framework. NERSA provides the framework for licenses, power generation, transmission, distribution and trading in South Africa.

The upgrading and provision of bulk infrastructure is mainly guided by the implementation of low-cost and private developments and industry.

All erven within the boundaries of Witzenberg Municipality have access to electricity. ESKOM supplies electricity to Op-die-Berg, Prince Alfred Hamlet and the rural areas inclusive of the adjacent low-cost housing. The municipality has a license to reticulate electricity to all other developed areas. All qualifying and identified indigent households receive free basic water and electricity as per national government policy. However, servicing informal settlements with electricity is a continuous struggle.

The Electricity Master Plan for Ceres, Wolseley and Tulbagh was updated in the 2022/23 financial year with MER funding from Western Cape Government. It includes a condition assessment of the major network components, information that is considered critical when determining future budget requirements.

Local government plays an integral 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.

3.4.2 Highlights

Highlights	Description
Initiated a Revenue Enhancement program that directly addresses the issue of illegal connections and theft of electricity	Consistency of supply and increased revenue
Improved the safety and security of the community by upgrading many streetlights with the new LED lights and installed improved lighting in high-risk areas as identified by the public.	Safety and Security
Installed Pepper Spray and Alarms in numerous substations to ensure enhanced safety and security of Municipal property.	Safety and Security
Upgrade of the Power Factor Correction (PFC) Unit at Bon Chretien substation for improving power factor.	Power quality improvement
Reconstruction of the fully vandalized Vredebes substation	Safety
Initiated an upgrade of the dilapidated Power station- work in progress	Safety
Initiated an Environmental Impact assessment for a Solar PV Plant that's currently being investigated in Ceres.	Alternative energy adoption

3.4.3 Challenges

Challenges	Description
Vandalism and Copper theft	This scourge has shown a nationwide surge and is resulting additional costs, loss of revenue and non-consistency of supply
Load shedding	Besides the negative effect on the economy of Witzenberg, this is enabling even more theft and vandalism
Exceeded Notified Maximum Demand,	Ceres: 5 MVA increase applied for in 2019 and additional 1MVA applied for in 2022. To this date, this additional capacity has not been granted by Eskom. Development in Ceres remains on halt due to Eskom's Romans River 132kV upgrade, which moved from 24/25 to 27/28. Wolseley: The town is currently running at its NMD. 2,5MVA increase application was submitted to Eskom to no success. According to Eskom, their 5-year budget plan currently does not accommodate Wolseley's transformer upgrade, which then translates to no additional capacity available for the town. Tulbagh: The town is also running at its NMD. An additional 2MVA has since been applied for in 2023, anticipated to be in 2024 still.
Availability of vehicles	An aging fleet results in some vehicles spending extended periods in the workshop. Spares availability and reliability is an added extenuating challenge. This tends to affect daily operations and turnaround times.
Filling of vacant posts	Some posts remain vacant for extended periods before filling, but this is currently being addressed
Aging Electrical Network	Much of the existing electrical network exceeds its useful life and is even considered hazardous to operate in some instances. The new Master plan has identified the hazardous equipment which has since been prioritized for replacement.
Recapitalization of the Electrical Network	Available funding to replace aging equipment is always a challenge within the Municipal environment, but with heightened awareness, this will be addressed.

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD) from previous year	Maximum Demand Peak (NMD)
Ceres	36,5MVA (Additional 5 MVA applied for in 2019 and additional 1MVA in 2022)	+0.29 MVA	36.21 MVA
Wolseley	5.2MVA	+ 0.4 MVA	4.80 MVA

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD) from previous year	Maximum Demand Peak (NMD)
Tulbagh	4.5MVA (additional 2MVA applied for in 2023)	+ 0.12 MVA	4.62 MVA

The energy losses were measured at 10.3% for 2023/24 which is a decrease from the 10.5% in the previous year and this is attributed to the Revenue Enhancement program that targets illegal electrical connections and electricity theft.

3.4.4 Electricity Service Delivery Levels

Description	2021/22	2022/23	2023/24
	Actual	Actual	Actual
Household			
<u>Energy: (above minimum level)</u>			
Electricity (at least minimum service level - accounts)	2 103	1 610	2 109
Electricity - prepaid (minimum service level)	10 924	11 581	12 569
Minimum Service Level and Above Sub-total	13 027	13 191	14 678
Minimum Service Level and Above Percentage	100%	100%	100%
<u>Energy: (below minimum level)</u>			
Electricity (< minimum service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
Below Minimum Service Level Sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households (formal and informal)	13 027	13 191	14 678
*The below minimum service level cannot be determined as the number of pre-paid meters installed in informal areas is unknown. Therefore it cannot be determined the number of households in informal areas without electricity. Dept. of Energy does not fund these connections if households are not on a formalised plot. Where figures are less than previous year it is mainly due to the closure of accounts on unregistered erven.			

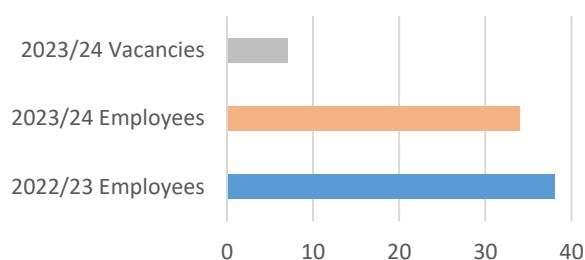
3.4.5 Electricity Service Delivery Indicators

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

-  EE1.11 Number of dwellings provided with connections to mains electricity supply by the municipality.
-  TecEI37 Percentage of unaccounted electricity losses

3.4.6 Electricity Service: Employees

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	16	12	3
4 - 6	7	11	1
7 - 9	5	3	1
10 - 12	4	7	1
13 - 15	5	0	1
16 - 19	1	1	0
TOTALS	38	34	7



3.4.6 Electricity Service: Capital Expenditure

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
MV Network Equipment	R100 000	R900 000	R819 917	91%	R819 917
MV Substation Equipment	R0	R1 500 000	R1 500 000	100%	R1 500 000
Upgrade of LV Network Cab	R0	R500 000	R560 944	112%	R560 944
Upgrade of MV Cables	R0	R1 000 000	R1 000 000	100%	R1 000 000
Electrical Network Refurbis	R0	R1 000 000	R1 000 000	100%	R1 000 000
Fencing Tulbagh Deport	R2 000 000	R2 556 470	R2 228 469	87%	R5 200 000
Upgrade of Streetlights	R0	R500 000	R500 000	100%	R500 000
Vredebes 150 houses elect	R0	R1 037 246	R1 037 246	100%	R1 037 246
Upgrade Ceres Substation	R0	R4 918 314	R1 373 150	28%	R21 000 000
Upgrade on electrical netw	R1 000 000	R1 000 000	R799 923	80%	R799 923
		R14 912 030	R10 819 650	73%	

3.5 Waste Management (Collection, Disposal, Recycling & Cleaning)

3.5.1 Introduction

The Witzenberg Integrated Waste Management (IWM) Plan is a statutory requirement of the New National Environmental Management: Waste Act 2008 (Act No. 59 of 2008) which came into effect on 1 July 2009. This Act aims to transform waste management, collection and disposal to a sustainable practice focusing on waste avoidance and environmental sustainability. The primary objective of IWM planning is to integrate and optimize waste management, in order to maximise efficiency and to minimise the associated environmental impact, financial cost and to improve the quality of life of all residents within Witzenberg Municipality.

A Witzenberg Integrated Waste Management Plan was developed for 2022 to 2025 and was endorsed by MEC Local Government. Witzenberg conducts refuse removal through curb-side collection on a weekly basis to address 100% of the domestic waste generated. A standard collection plan in the form of a Refuse Collection Schedule, is being implemented where collection in each town takes place on separate specified days.

Waste Management Services rendered in Witzenberg include:

- Two bag waste collection system, i.e black bag and green bag
- Quarterly issuing of black- and green bags to all residents of WM
- Curb-side collection of waste from formal households, businesses and in informal settlements
- Public awareness and education – done by Waste Ambassadors and Permanent staff
- Waste disposal done at Prince Alfred Hamlet Landfill Site as the only fully operational site, out of the 5 licenced landfill sites in WM
- Cleaning of streets and regular emptying of skips (garden refuse)

- Provision and cleaning of public toilets in Central Business Districts
- After hours teams from 16h00 to 20h00 to clean main routes in CBD area of all towns in Witzenberg
- Material Recovery Facility (MRF) located in Ceres, processes recyclables
- Drop Off Facility at Wolseley accepts recyclables, builders' rubble, and garden waste, dropped off by residents.

Waste management activities are monitored in terms of licence requirements, where relevant, and this includes External Audits being conducted by outsourced, independent specialists in the field.

The National Waste Management Strategy (NWMS) is a legislative requirement of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008), the "Waste Act". The purpose of the NWMS is to achieve the objects of the Waste Act. Organs of state and affected persons are obliged to give effect to the NWMS. In compliance with its stipulations regarding waste minimization:

- Curb-side recycling collection service rolled out in Ceres and Prince Alfred Hamlet. This service will eventually be rolled out in all towns.
- Materials Recovery Facility is fully operational
- Separation at source encouraged by issuing clear bags to households that would like to separate their waste at source
- Each filled bag collected is replaced with a new clear bag to fill up for the next round of collection
- Incentive to municipal account holders (approved tariff as a discount) is offered for each bag of recyclables dropped off at the Drop Off/ MRF
- Construction of an additional Drop Off is underway in Tulbagh

All of the above aims to create an enabling environment for the community of Witzenberg to minimize the volume of waste entering our landfill.

3.5.2 Highlights

Highlights	Description
Materials Recovery Facility is fully operational	Processing all recyclable material, thus minimizing waste to landfill
Appointed Waste Ambassadors in wards 7 & 5 from Pine Valley	Do awareness and education from door to door, cleaning of open spaces, around recycling and greening of open spaces.
Drop –off Facility at Wolseley	Serves residents of Wolseley in accepting recyclables, garden waste and builders' rubble
Construction of Tulbagh Drop Off is underway	Will serve residents of Tulbagh in accepting recyclables, garden waste and builders' rubble
Fence installed at Prince Alfred Hamlet Landfill Site	Access control made possible at the site, addressing risks encountered
New Hooklift Truck purchased	Utilized in operations at the MRF
New Front End Loader purchased	Utilized in area cleaning and landfilling operations

3.5.3 Challenges

Challenges	Description
Old fleet of Compactors and Tipper trucks.	Collection time extended working hours during breakages.
Regional Landfill Site in Worcester	Additional costs involved
Non-compliance of landfill sites	High rehabilitation costs of landfills
Vacancies	Vacancies needs to be funded and filled

3.5.4 Waste Management - Service Delivery Levels

The table below indicates the different waste management (refuse collections, waste disposal, street cleaning and recycling) service delivery standards of the municipality:

Description	2021/22	2022/23	2023/24
	Actual	Actual	Actual
Household			
<u>Refuse removal:</u> (above minimum level)			
Removed at least once a week (accounts)	13 463	13 486	13 548
Removed at least once a week or through periodic cleaning programmes (households in informal settlements)	5 610	6 640	8 141
Minimum Service Level and Above Sub-total	19 073	20 126	21 689
Minimum Service Level and Above Percentage	100%	100%	100%
<u>Refuse removal:</u> (below minimum level)			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
Below Minimum Service Level Sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households (formal and informal)	19 073	20 126	21 689

Note: Rubbish bags is distributed in informal areas and collected weekly, according to a publicised programme with a periodic cleaning service

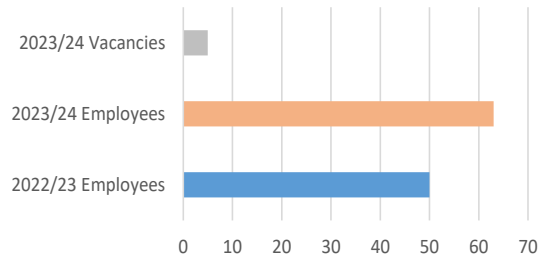
3.5.5 Waste Management - Service Delivery Indicators

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

-  FinInc28 Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at period end.
-  TecRef31 Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.

3.5.6 Waste Management - Employees

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	38	39	3
4 - 6	8	7	2
7 - 9	4	15	0
10 - 12	0	1	0
13 - 15	0	0	0
16 - 19	0	1	0
TOTALS	50	63	5



3.5.6 Waste Management – Capital Expenditure

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Fencing Landfill site	R3 000 000	R4 517 500	R4 301 035	95%	R5 600 000
Drop-offs Transfer stations	R6 000 000	R2 281 686	R1 684 754	74%	R6 000 000
Waste Management Vehicle	R5 047 826	R7 214 131	R7 179 885	100%	R7 179 885
Furniture and office equipment	R0	R256 457	R225 477	88%	R225 477
		R14 269 774	R13 391 150	94%	

3.6 Housing

3.6.1 Introduction

Phase F1, Vredebes, which consists of 635 serviced plots was completed at a total value of R 35m. The 1st Phase to construct houses in Vredebes has started in 2019.

The first houses were handed over by the MEC for Housing in December 2019 and in total 229 houses were completed by end of June 2020. All houses handed over and occupied by 14 December 2020. The 1st phase of houses consists of 600 top structures were planned to be built at 200 per year but due to constraints in providing electricity the building of houses was stopped.

In 2023/24 financial year additional funding were received for the building of 150 ABT houses in conjunction with electricity availability. The building of these houses started end of October 2023 with completion end June 2024.

3.6.2 Highlights

Highlights	Description
150 ABT houses were out of the outstanding 371 houses completed as part of the original 600 houses	150 ABT Houses completed end June 2024
Approval of the UISP Project for 188 sites in Nduli	Planning money made available to the amount of R 1m by DoHS. Layout for the project has been completed but could not continue because of Phase H in Vredebes that was stopped because of the electricity supply which ESCOM cannot provide. The process of decanting cannot start because of no alternative land available, we however start with allocation and moving of 11 families to Vredebes who stayed in Mooiblom where the 188 sites need to be developed.
Money received for building of 150 ABT houses as part of already approved project in Vredebes.	150 ABT Houses completed but not all handed over, ABT concept includes making use of special bricks and for the first these houses were also equipped with solar geysers.

3.6.3 Challenges

Challenges	Description
Selling and renting of RDP houses	Beneficiaries are in desperate need for money, and this is a way to generate an extra income. Sales are made illegally without houses being transferred which hampers the transfer processes because in some case the beneficiaries who received the subsidy are gone or deceased. No definite guidelines from the DoHS which must enforce the pre-emptive right
Transfer of rental stock	Outstanding debts of tenants to get rates clearance. Unforeseen documents needed by attorneys to expedite the registration process e.g. registration of mother even and lost original title deeds. Huge backlog at Deeds Office.
Emergency housing for evictees (private and farm workers)	Emergency camps are planned as part of the Vredebes Housing Development, but no immediate solution available because of project funding for bulk infrastructure which will take $\pm$ 3 years to be completed depending on additional fund allocations. Planned Incremental Housing Concept needs to be approved by National Housing Department.
Immigration control in informal settlements. Increased illegal invasion of land in Wolseley and unfortunately, we have no control because these structures are erected overnight and over weekends when the no personnel is on duty and eviction through the court process costly and lengthy.	A response team need to be budgeted for and advertised via the tender process. Existing Community Committees needs to be co-operative. A "breakdown & monitoring team" consisting out of 5 temporary workers has been appointed to assist the housing officials and law enforcement with controlling illegalities in the informal settlements.
GAP housing opportunities need to be increased because of household incomes rising on a yearly basis	The income band between R3 501 – R22 000 who is potential beneficiaries for GAP market do not qualify so easily for a bank loan although linked to the FLIPS subsidy because of their credit worthiness. The policy changed in 2018 to allow beneficiaries to make use of the pension funds as a warrantee to qualify for a bond or bank loan.
Vandalism of communal toilets in informal settlements	Constant or daily vandalism of communal toilets during the night and over weekends. Although community committees exist, we still have no control over the vandalism, and this is causing huge expenses to the maintenance budget of the Housing Section.
Influx of illegal residents and foreigners to the informal settlements	Constant growth of informal settlements, structures going up over weekends and during the nights when law enforcement staff are not on duty. People coming in to work as seasonal workers on farms and simply stays when season is over. Rapid increase of illegal structures and unfortunately no control and assistance or support from local community.
Nduli Community expectations	Uproars in terms of claims made that Vredebes Development belongs to Nduli Residents only.
Current Vredebes Project stalled and the further development of Nduli	Inability of ESCOM to provide electricity and no timelines provided

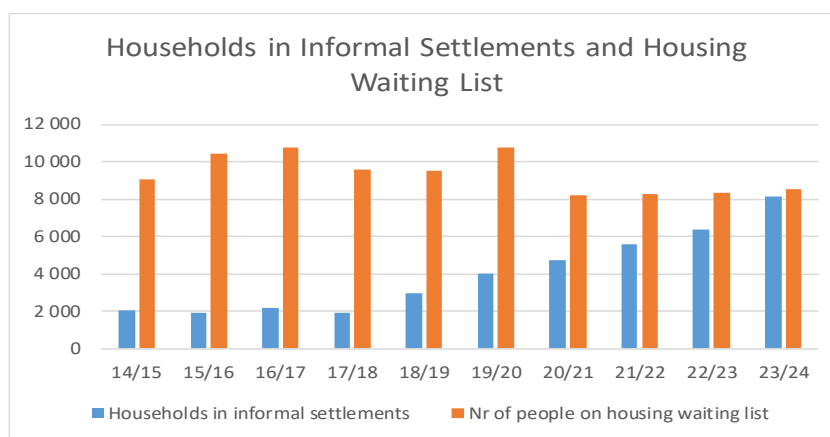
3.6.4 Housing Service Delivery Levels

Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)
2014/15		86.7%	2 077	9 065	(3.75) %
2015/16			1 945	10 421	14.96%
2016/17	29 969	83.3%	2 200	10 736	3%
2017/18	27 295	86.8%	1 942	9 568	(10%)
2018/19	29 969	83.3%	2 967	9 546	0%
2019/20	30 000e	87%	4 027	10 774	13%

Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)
2020/21	30 000e	87%	4 756	8 181	(25%)
2021/22	27 866	85%	5 610	8 300	1.4%
2022/23	28 665	87%	6 398	8 360	0.7%
2023/24	22 998*	88%	8 141	8 505	1,7%

* Witzenberg Socio-Economic Profile (Western Cape Government) Including rural areas

The decrease is due to the inclusion of the 2022 Census figures. It is the view of the municipality that a major undercount was the reason for the decrease in population.



A summary of houses constructed, and sites serviced under the subsidisation programme includes:

Financial year	Allocation (Budget)	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2014/15 (Capital)	34 885	34 885	100%		470
2014/15 (Operational)	15 017	15 017	100%	42	
2015/16 (Capital)	28 930	27 449	94%		763
2015/16 (Operational)	0	0	0%	0	
2016/17 (Capital)	7 711	7 522	98%		0
2016/17 (Operational)	24 963	24 264	97%	200	
2017/18 (Capital)	7 155 472	7 155 472	100%		In process
2017/18 (Operational)	15 573 699	12 643 351	81%	107	
2018/19 (Capital)	26 163 613	26 163 613	100%		635
2018/19 (Operational)	12 098 000	12 098 000		30	
2019/20 (Capital)	0	0			0
2019/20 (Operational)	29 000 000	23 982 171	83%	199	
2020/21 (Capital)	26 507 700	26 507 700	100%		In process
2020/21 (Operational)	11 606 000	4 469 000	39%	0	
2021/22 (Capital)	4 125 138	4 125 138	100%		529
2021/22 (Operational)	19 268 708	430 900	2%	0	

Financial year	Allocation (Budget)	Amount spent	% spent	Number of houses built	Number of sites served
	R'000	R'000			
2022/23 (Capital)	0	0	N/A		
2022/23 (Operational)	0	0	N/A		
2023/24 (Capital)					
2023/24 (Operational)	30 000 000	29 850 000		150	

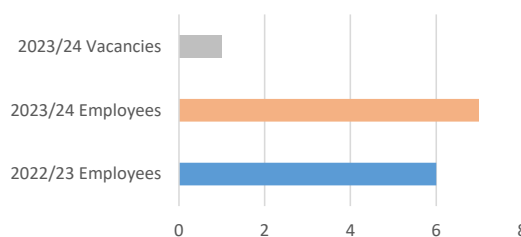
3.6.5 Service Delivery Indicators: Housing

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

- 🍌 TecDir2 Number of subsidised serviced sites developed. (No target set for 2023/24)
- 🍌 ComHS14 Number of housing opportunities provided per year
- 🍌 ConHS15 Number of Rental Stock transferred

3.6.6 Employees: Housing

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	2	1	0
7 - 9	2	3	1
10 - 12	1	2	0
13 - 15	0	1	0
16 - 19	1	0	0
TOTALS	6	7	1



3.7 Free Basic Services & Indigent Support

Witzenberg acknowledges that priority must be given to the basic needs of the community and that the social and economic development of the community is supported to provide access to the basic level of service in terms of the Constitution of South Africa, Section 151(1)(b) and 153(b).

Free basic services are provided to households with a combined monthly income of less than R 5 000

A household may apply with the relevant forms and once their application has been approved, they are entitled to free basic services for one year. If they still qualify after the year has lapsed, they need to complete the application process again.

The aim of the Indigent Policy is to ensure a sound and sustainable way to provide affordable basic services to the poor through financial assistance within the legal framework of the powers and functions of the municipality. This is done to improve the standard of living and creating a prosperous municipality that is free from the scourge of poverty.

THE OBJECTIVE OF THIS POLICY IS TO:

- 🍌 Ensure a transparent, accountable and sustainable manner to assist the poor with access to basic services as defined in the policy.

- 🍎 Ensure a sustainable manner to assist the poor with the burial costs, transfer duties and to change the municipal accounts in the cases of death, legal separation, divorce, etc. when necessary; and to
- 🍎 Ensure that a fair portion of the equitable share, as provided by National Government, is spent as a contribution towards poverty alleviation.

THE QUALIFICATION CRITERIA FOR URBAN HOUSEHOLDS IN ORDER TO RECEIVE ASSISTANCE ARE AS FOLLOWS:

- 🍎 The head of the household must be a South African citizen.
- 🍎 The household, except in the case of rural households, must receive an account from Witzenberg Municipality.
- 🍎 An application on the prescribed form must be duly completed and submitted, with the required information and signature.
- 🍎 No member of the household may own a fixed property, other than the site on which the household resides; and
- 🍎 The household's joint gross income may not exceed R 5 000 per month.

THE QUALIFICATION CRITERIA FOR OLD AGE HOMES IN ORDER TO RECEIVE ASSISTANCE ARE AS FOLLOWS:

- 🍎 More than 50% of the residents within the old age home must receive less than R 5 000.00 per month.
- 🍎 The qualification criteria for electricity consumers within Witzenberg Municipality, but who reside in areas where the municipality is not the supplier of electricity, is that their connection may not exceed 20 Amps.

BENEFITS (Income up to R 3 000):

- 🍎 **Property rates**
In terms of the Property Rates Act, Act 6 of 2004, Section 17(h) all residential sites are exempt from the first R15 000 of the market value on a property. As an additional subsidy, the municipality will increase this level subsidized to R150 000.
- 🍎 **Electricity**
A subsidy equal to the amount charged for the first 50 kWh consumed per month.
- 🍎 **Water**
A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 100% subsidy on the basic charge for water, where the municipality is the service provider.
- 🍎 **Sanitation**
A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.
- 🍎 **Refuse removal**
A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.
- 🍎 **House rental**
A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month.
- 🍎 **Burial costs**
A subsidy equal to 100% of the amount charged for burial cost. The subsidy can be provided in terms of every deceased member of the household.
- 🍎 **Transfer costs**
A subsidy equal to 100% of the amount charged for transferring the municipal service accounts, because of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit. A subsidy equal to 100% of the costs of an attorney to transfer the property into the spouse's name. This subsidy is provided because of death of the head of the household,

whilst approved as an indigent household and the current registration is not registered at the Deed's Office in the name of both parties. The appointment of the attorney is entirely the prerogative of the municipality.

BENEFITS (income between R 3 000 & R 5 000):

Property rates

In terms of the Property Rates Act, Act 6 of 2004, Section 17(h) all residential sites are exempt from the first R15 000 of the market value on a property. As an additional subsidy, the municipality will increase this level subsidized to R150 000.

Electricity

A subsidy equal to the amount charged for the first 25 kWh consumed per month.

Water

A subsidy equal to the amount charged for the first 3 kilolitres consumption per month as well as 50% subsidy on the basic charge for water, where the municipality is the service provider.

Sanitation

A subsidy equal to 50% of the amount charged for the service per month where the municipality is the service provider.

Refuse removal

A subsidy equal to 50% of the amount charged for the service per month where the municipality is the service provider.

House rental

A subsidy equal to 50% of the amount charged in the case of municipal sub economical rental stock as house rental per month.

Burial costs

A subsidy equal to 50% of the amount charged for burial cost. The subsidy can be provided in terms of every deceased member of the household.

Transfer costs

A subsidy equal to 50% of the amount charged for transferring the municipal service accounts, because of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit. A subsidy equal to 50% of the costs of an attorney to transfer the property into the spouse's name. This subsidy is provided because of death of the head of the household, whilst approved as an indigent household and the current registration is not registered at the Deed's Office in the name of both parties. The appointment of the attorney is entirely the prerogative of the municipality.

3.7.1 Access to Free Basic Services

Free Basic Services to Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 3 000 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2018/19	15 388	6 742	43	6 742	43	6 742	43	6 742	43
2019/20	15 317	6 742	43	6742	43	6742	43	6742	43
2020/21	16 421	6 828	42	6828	42	6828	42	6828	42
2021/22	17 418	7 755	45	7 755	45	7 755	45	7 755	45

Free Basic Services to Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 3 000 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2022/23	18 456	9 012	48	7 899	48	7 899	48	7 899	48
2023/24	19 367	9 817	51	9 738	50	9 738	50	9 738	50

Free Basic Services to Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 5 000 per month (50% benefits)							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2020/21	16 421	67	0.005	67	0.005	67	0.005	67	0.005
2021/22	17 418	133	0.007	133	0.007	133	0.007	133	0.007
2022/23	18 456	125	0.006	125	0.006	125	0.006	125	0.006
2023/24	19 367	79	0.004	79	0.004	79	0.004	79	0.004

Rates						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value	No of HH	Exempt Valuation	Value
			R'000			R'000
2018/19	3 697	120 000	3 600	12 875	120 000	12 746
2019/20	3 093	120 000	3 247	12 871	120 000	13 514
2020/21	2 868	120 000	3 190	13 990	120 000	15 562
2021/22	3 111	120 000	3 669	13 680	120 000	16 136
2022/23	3 205	120 000	4 053	13 586	120 000	16 303
2023/24	3 185	150 000	2 886	13 680	150 000	12 312

Electricity									
Financial year	Indigent Households (100%)			Indigent households (50%)			Non-indigent households		
	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'000			R'000			R'000
2018/19	3 697	50	2 606				9 626	0	0
2019/20	3 093	50	2 466				9 936	0	0
2020/21	2 801	50	2 697	67	25	3 222	10 351	50	9 968
2021/22	2 967	50	2 884	133	25	6 463	10 507	50	10 212
2022/23	3 044	50	2 677	125	25	5 498	11 843	50	10 418
2023/24	3 106	50	3 237	79	25	4 117	11 872	50	12 375

Water						
Financial year	Indigent Households (100%)			Indigent households (50%)		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2018/19	6 742	6	12 669			
2019/20	5 790	6	10 880			
2020/21	6 828	6	11 552	67	3	1 360
2021/22	7 755	6	13 912	133	3	1 193
2022/23	7 899	6	15 166	125	3	1 200
2023/24	9 735	6	19 859	79	3	805

Sanitation						
Financial year	Indigent Households (100%)			Indigent households (50%)		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2018/19	6 742	187.41	15 162			
2019/20	5 790	198.65	13 802			
2020/21	6 828	210.57	17 253	67	105.29	8 463
2021/22	7 755	223.21	20 771	133	111.60	17 811
2022/23	7 899	239.39	22 691	125	119.69	17 953
2023/24	9 738	253.76	27 972	79	126.88	12 028

Refuse Removal						
Financial year	Indigent Households (100%)			Indigent households (50%)		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2018/19	6 742	1	11 817			
2019/20	5 790	1	10 960			
2020/21	6 828	1	13 701	67	1	1 344
2021/22	7 755	1	17 764	133	1	1 523
2022/23	7 889	1	19 381	125	1	1 535
2023/24	9 738	1	25 258	79	1	1 381

COMPONENT B: ROAD TRANSPORT

This component includes roads and storm water management.

3.8 **Road Services**

3.8.1 **Introduction**

Integrated Transport Planning

This transport field is responsible for transport planning, road planning, traffic engineering and implementation of the Integrated Transport Plan (ITP) with the streets and storm water infrastructure that include the upgrade, rehabilitation and maintenance of road infrastructure, storm water drainage and the adequacy of traffic signage and road markings and public transport infrastructure.

The Witzenberg Local Integrated Transport Plan 2010-2015 was adopted on 14 December 2010, with the Witzenberg Local Integrated Transport Plan (LITP) 2022-2027 being reviewed prepared as part of the Cape Winelands District Integrated Transport Plan (DITP) 2022- 2027 is currently serving before Council for adoption.

Transport Status Quo

The primary economic activities which take place in the agricultural sector and are subject to seasonal changes. Witzenberg Municipality has a number of public transport services operating within municipal area. The most used mode of transportation is the minibus taxi. Other modes used in Witzenberg are rail, non-motorised transport and private vehicles. Witzenberg Municipality also experiences high volumes of freight transport travelling through the municipality. At present, the municipality has both formal and informal public transport facilities of which some formal facilities are currently not utilised by public transport operators. Witzenberg Municipality has three minibus taxi associations operating within the area: the Ceres Taxi Association, the Nduli Taxi Association and the Tulbagh Taxi Association.

The transport needs of Witzenberg are similar to those of its neighbouring municipalities. The primary issue in Witzenberg is that there is a limited public transport service during off peak periods, forcing people to wait for long periods of time before being able to travel. The safety of passengers and pedestrians as well as the affordability of taxi services are also issues impeding transportation. The municipal transport budget for Witzenberg indicates that there is approximately R8 million allocated toward transport related improvements. The budget mainly focuses on roads improvements in residential areas within the municipality.

Road network and traffic

The road network in Witzenberg Municipality consists of provincial roads, owned and managed by the provincial road authority, which is the PGWC. Apart from the provincial roads, which are also known as the rural road network, the upgrade and maintenance of the local street network is the responsibility of the local authority. Condition of the road surface indicated that 66% of the surfacing is in good or very good condition. The corresponding value for road structure is 79%. If road surface conditions deteriorate too much, the road structure will be adversely affected. Therefore, upkeep to protection of the structure through regular maintenance is very important. Fruit and vegetables are brought from various farms around Wolseley, from Op-die Berg and Tulbagh to the factory in Ceres to be packed. This creates an inflow of heavy vehicles to Ceres. From Wolseley and Tulbagh, heavy vehicles travel to Ceres via the Michell's Pass.

The Pass has a high-quality surface, able to withstand high volumes of traffic. In contrast, the proclaimed road through Ceres is of a different standard and must accommodate the same high volume of heavy vehicles. In the urban streets of Ceres, special NMT signage restricts heavy vehicles from entering the urban areas. A Pavement Management System (PMS) is used for maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section. The priorities is divided into routine maintenance (e.g. patching), to normal

maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction). This is supported by visual inspections which are performed according to a schedule and data is recorded and prioritised for implementation. Limited funding backlogs are the greatest challenge faced in maintaining the road network.

Roads Master Planning

A Roads Masterplan approved by Council in February 2021. The Witzenberg area has been experiencing urban development growth in the recent years. It is essential that all development planning be guided by a predetermined Roads Master Plan. The Vision for Witzenberg LM Roads Master Plan was formulated to be "To provide a safe, reliable, effective and efficient road and transport system to serve the public of Witzenberg Municipality". The municipal road network is in good condition, 59% of road network being in a very good to good condition, 30% being in fair condition with 11% being poor and very poor. Out of the 204.8km of road, 91% is black top roads, 2% is block paved and 7% is gravel roads. The proposed maintenance cost over 2-3years is R42.4 mil.

Five bridges and 3 major culverts were assessed as part of the RRAMS project. The maintenance cost of these structures without professional fees were estimated to be R1.59 mil. Traffic counts were done on 108 intersections. The AM & PM peak hours were extracted, and operational analysis were done for the current scenario and geometry. Only six intersections operated with an approach lower than LOS D. Potentially dangerous intersections on Vos Street (R303) and Voortrekker Street (R46) were identified by others and further investigated.

Minibus taxis is the main source of public transport within Witzenberg LM, in the absence of a public bus service. There is a need to consolidate the various taxi ranks in Ceres. A host of new pedestrian walkways were identified as well as the required maintenance on existing facilities. In the town of Ceres, kerbs at pedestrian crossings must be dropped to improve universal access.

Precinct planning was previously done in Ceres and Tulbagh. A variety of projects were proposed to connect nodes with general beautifying of the area, improve vehicular, pedestrian and cycle movements. The proposed cost for Ceres was R56 mil and R7.2 mil for Tulbagh. New spatial plans from the 2020 SDF were used to assess new roads to be developed. Various new bridge connections were also identified in Ceres and Tulbagh. The six intersections which previously exceeded LOS D, were further analysed at a 3.7% traffic growth over the next 5 years. Some proposal is made in terms of the upgrading of these intersections. An additional two intersections in Nduli which did not exceed the LOS D were also analysed with a growth of 3.7% over the next 5 years, as these intersections are expected to see a rapid growth in traffic volumes upon completion of the Vredebes development. The site for the new taxi rank has been identified and should be pursued within the short to medium term. Negotiations with the property owner must precede any formal planning.

Pedestrian and cycle facilities should be a requirement up to Class 4 roads which are generally bus or taxi routes. Class 5 roads may however be fitted with walkways or cycling lanes, if it serves public land-uses like schools, hospitals or community buildings. Freight routes and by-pass routes were identified by previous studies. The initial survey, planning and environmental approvals should be sought in the short to medium term. Mention is made of a Petroport truck stop facility outside Ceres. This would give the trucks a place to overnight and eliminate the current illegal parking within the Witzenberg LM towns.

Master Planning is key to provide long term steering of projects, with the SDF and IDP planning for a shorter term. Municipal Grants like MIG is key to the sustainability of municipal projects. Developer contributions should be used to augment the bulk infrastructure where required.

The strategy for prioritising projects would be;

-  All maintenance and repair actions should happen over the short and medium term;
-  All small to medium size capital projects should happen over the short and medium term;
-  All project likely to fall outside of this scope should happen over the long term;
-  The initial work for the long-term projects (survey, planning and environmental), should be done over the short to medium term;

3.8.2 Highlights

Highlights	Description
Network streets	Resealing existing tarred roads
Upgrade Van Breda Bridge	Widening and upgrade bridge
Resealing Roads Wolseley	Resealing existing tarred roads
Upgrade sidewalks Rooikamp	New tarred sidewalks with bus embayment at Sports field

The Van Breda Bridge, Ceres was upgraded by widening the roadway, make provision for cyclist and a widened pedestrian walkway. The project commenced on 06 December 2021 and was completed on 25 June 2024 with a total cost of R67 260 809.63.

3.8.3 Challenges

Challenges	Description
Funding backlogs on bituminous pavements	Pavement Management System 2019, all bituminous pavements, 10% is in a poor to very poor condition
Deteriorated Tulbagh roads	4.35km Deteriorated roads needs to be upgraded
Upgrading needs on provincial roads, TR22/2 as a result of new developments	Department of Transport and Public Works to implement upgrades.
Upgrading needs for public transport infrastructure	No funding for proposals from Transport Master Plans

3.8.4 Service delivery levels: New roads & maintenance of existing roads

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

Tarred/paved roads:

Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2014/15	216.76	3.119	2.377	0.88	213.64
2015/16	222.43	5.67	8.22	0	216.76
2016/17	222.43	0	1.58	2.63	222.43
2017/18	222.66	0.235	1.00	0	222.26
2018/19	227.43	4.77	1.818	0.605	222.66
2019/20	229.03	1.6	4.1	2	227.43
2020/21	232.23	3.2	2.8	2.8	229.03
2021/22	232.23	0	0.6	0	232.23
2022/23	233.00	0.765	3.582	0	232.23
2023/24	233.00	0	5.6	4.2	233.00

Gravel roads:

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2014/15	10.31	0	0.19	10.50
2015/16	10.50	0	0	10.50
2016/17	10.50	0	0	10.50
2017/18	10.50	0	0	10.50
2018/19	10.50	0	0	10.50
2019/20	8.9	0	1.6	8.9
2020/21	8.9	0	0	8.9
2021/22	8.9	0	0	8.0
2022/23	8.9	0	0	8.9
2023/24	8.9	0	0	8.9

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

Financial year	New & Replacements	Resealed	Maintained
	R'000	R'000	R'000
2014/15	12 684	2 029	3 541
2015/16	6 121	5 753	5 780
2016/17	16 806	7 698	7 804
2017/18	8 102	3 109	8 007
2018/19	32 114	105	5 990
2019/20	48 786	8 628	6 000
2020/21	9 189	1 600	8 883
2021/22	15 271	0	9 398
2022/23	11 862	2 000	11 862
2023/24	28 722	9 237	10 779

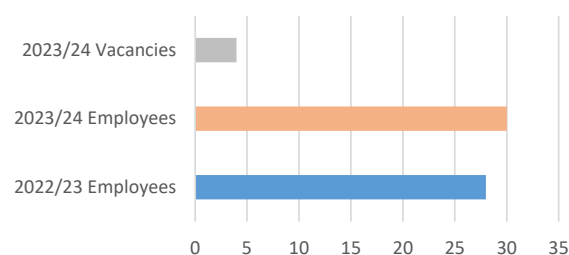
3.8.5 Service Delivery Indicators: Road Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

 TecRo7 Kilometres of roads upgraded & rehabilitated

3.8.6 Employees: Roads & Storm water

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	13	8	3
4 - 6	8	12	1
7 - 9	3	3	0
10 - 12	2	5	0
13 - 15	1	1	0
16 - 19	1	1	0
TOTALS	28	30	4



3.8.7 Capital Expenditure: Roads & Storm water

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Upgrade Van Breda Bridge	R20 113 043	R18 690 063	R18 133 474	97%	R56 000 000
Tulbagh Taxi Rank (Ph1)	R173 913	R173 913	R0	0%	R250 000
Network streets	R0	R9 759 193	R9 784 234	100%	R9 784 234
Tools & Equipment	R0	R120 000	R109 939	92%	R109 939
Resealing Roads Wolseley	R0	R3 715 000	R3 689 266	99%	R3 689 266
Upgrade pavements	R500 000	R500 000	R499 793	100%	R499 793
		R32 958 169	R32 216 706	98%	

3.9 Wastewater (Storm Water Drainage)

3.9.1 Introduction

Storm water masterplans has been developed for all towns in Witzenberg.

The Witzenberg area has been experiencing urban development growth in the recent years. It is essential that all development planning be guided by a predetermined Storm water Plan. The Vision for Witzenberg LM Storm water Plan was formulated to be "To provide a database for the Witzenberg Municipality where all storm water data can be viewed, queried, stored, added, maintained and expanded. The Storm water Master Plans must identify upgrades to the existing storm water system and propose new infrastructure in order to meet current and future infrastructure needs to accommodate growth. It must include a funding model and a programme for the implementation of all the projects identified and prioritized. It must evaluate the long-term viability of existing infrastructure to cope with expansion and augmentation."

The Witzenberg LED Strategy (2004) stated that flooding of storm water pipes is common in winter as these pipes are not inspected for blockages in the summer as required. Minor stormwater infrastructure is cleaned throughout the year with the employment of EPWP workers and major infrastructure is cleaned per annual program. The Draft Reviewed IDP 2019-2020 indicated that some areas within the Witzenberg Municipality have inadequate storm water systems. The existing storm water infrastructure within Witzenberg is made up of 68.6 km of reticulation and 35.6 km of open channel. The condition of the storm water infrastructure was assessed based on blockage and structural integrity. 92% were found to be less than 25% blocked, 3% were found be partially blocked, and 5% were full of material (litter or debris). 46% of the structures were in a good condition, 39% were found to be in fair condition, and 15% were found to be in poor (damaged or broken) condition. For the study area 28% of the Witzenberg PCSWMM model (existing minor system) require new storm water infrastructure (upgrades, replacements, and additional storm water systems). Pipe replacement and new minor systems for resolving the problem areas are proposed in this report, together with preliminary cost estimates. Costs have been calculated for each conduit that requires upgrading or new infrastructure to increase the capacity of the existing storm water network.

The total cost estimate for the installation and upgrading of the local minor storm water network to either the 1:2 year and 1:5-year return period standard amounts to R180.8 million, excluding long-term upgrade proposals, and R190.2 million including long-term upgrade proposals. The hydrological analyses have indicated that the future developments require the inclusion of detention facilities in the modelling in order to reduce the estimated post-development flood peaks to the predevelopment flood peaks. Where practically possible, developments should be required to accommodate the difference between the pre- and post- development run-offs up to the 1:50 year flood, on the development. This will reduce major and minor storm water run-off and improve water quality.

The detention ponds modelled and proposed to be implemented to reduce the future peak floods within Witzenberg Municipal area. The high-level cost estimate to construct these detention ponds amounts to R159.9 million. The bulk storm water infrastructure required to connect the future developments to existing watercourses or the existing storm water network amounts to R19.7 million. The main concern is that developments within Ceres and Wolseley are within the 1:50 Koekedouw Flood lines.

3.9.2 Highlights

Highlights	Description
None	

3.9.3 Challenges

Challenges	Description
Wolseley Montana Channel upgrade	No funding for portal culverts that has an enormous financial implication
Vandalism storm water drainage	Covers being stolen and sold at scrap metal yards.
Trees damage storm water pipes/sidewalks and roads	Trees with aggressive root systems
Storm water blockages	Manholes/catch pits being used as dirt dumping places
Storm water Master planning implementation	Budget constraints

3.9.4 Service Delivery Levels: Infrastructure & cost of construction/maintenance

Storm water infrastructure

The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2014/15	139.00	0.97	0	138.03
2015/16	139.83	0.83	0	139.00
2016/17	139.83	0	0	139.83
2017/18	139.83	0	0	139.83
2018/19	139.83	4.95	0	139.83

Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2019/20	142.83	3	0	139.83
2020/21	146.00	3.2	0	142.83
2021/22	146.00	0	0	146.00
2022/23	146.7	0.7	0	146.00
2023/24	146.7	0	0	146.7

Cost of construction maintenance:

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

Financial year	Storm water measures	
	Capital	Maintained
	R'000	R'000
2014/15	3 626	1 227
2015/16	9 662	952
2016/17	0	1 359
2017/18	2 008	1 834
2018/19	11 350	1 532
2019/20	3 391	1 623
2020/21	10 607	1 781
2021/22	889	3 364
2022/23	0	1 893
2023/24	0	2 472

COMPONENT C: PLANNING & DEVELOPMENT

Witzenberg Municipality does not have a single department that includes all strategic services. The LED section is managed by the Social & Economic Development section that is situated in the directorate for Community Services. The IDP, Internal Audit and Organisational Performance sections report to the Municipal Manager. Tourism and marketing are situated in the directorate for Corporate Services. Building control, town planning, spatial planning and GIS falls under the section Town Planning & Building Control situated in the directorate for Technical Services.

3.10 Planning

3.10.1 Introduction

The Witzenberg Spatial Development Framework (WSDF) was adopted by Council on 27 May 2020 as a core component of the 2017 to 2022 Integrated Development Plan. The WSDF will guide the spatial form and structure of Witzenberg (the way in which we use the space available for urban growth) in the future. This 5-year plan will enable Witzenberg to manage new growth and change in its area, to ensure sustainability and equitability. In its direction, the WSDF has five specific foci.

1. The first is to maintain and protect the integrity, authenticity and accessibility of Witzenberg's natural environment and associated resources. Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.
2. The second is to maintain and expand the Municipality's key regional and intra-regional infrastructure. Appropriate infrastructure – whether in the form of transport routes or municipal services – is critical to support economic development, agriculture, and livelihoods.
3. The third is to maintain and grow the agricultural assets within the Municipality. Agriculture remains the mainstay of the regional economy and require on-going support. In a spatial sense, this specifically requires protecting high-value agricultural land from urban development. The opportunity also exists to diversify farm income in a manner which does not detract from the functionality and integrity of farming areas and landscapes, and to expand access to farming to smaller entrepreneurs and emerging farmers.
4. The fourth is to maintain and expand access to Witzenberg's unique sense of people and place. Important is the recognition and maintenance of unique landscapes, and diverse expressions over time of peoples' interaction with the landscape. Also critical is the SPLUMA principle of "spatial justice"; implying that past spatial and other development imbalances must be redressed through improved access to and use of land, as well as the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, and areas characterised by widespread poverty and deprivation.
5. The fifth is to maintain and expand opportunity associated with Witzenberg's key settlements. Settlements need to be managed and provide for expansion in a manner which enables efficiency in infrastructure provision, integration and compaction to enable better thresholds and more sustainable movement, and protection of surrounding assets of nature and agriculture.

3.10.2 Highlights & Challenges

Highlights	Description
Timeous decisions	Applications turnaround time well within statutory timeframes
GIS Zoning Data	GIS programme expanded to include new data sets and civil services “as built” plans
SDF: Ceres Priority Focus Area 1	Precinct Plan concluded for the area located between Ceres, Nduli & Bella Vista known as “Ceres Priority Focus Area 1”.

Challenges	Description
Eskom capacity	Eskom is unable to supply increased capacity which is hampering new development
Economic slowdown	Number of land use applications on the decrease due to the economic slowdown
Shortage of Vacant Plots	Ceres has a shortage of serviced vacant stands for residential and industrial uses.
Uncontrolled Informal residential expansion	Proliferation of illegal occupation and unauthorised residential expansion places pressure on existing facilities and services.

3.10.3 Synthesis of Key Spatial Challenges & Opportunities

A synthesis of key challenges and opportunities related to spatial planning and management are summarised below.

Challenges

- 🍎 Economic sectors which underly the local economy and accommodate unskilled workers (specially manufacturing and agriculture) show slow growth.
- 🍎 There is significant demand for housing while further urbanisation and current delivery rates for serviced land top structures will probably not be able to meet demand.
- 🍎 Historic approaches to settlement development – favouring lower density single unit on a plot development – will threaten valuable agricultural land and strain infrastructure provision and maintenance.
- 🍎 There are inadequate opportunities available for job creation and economic growth in settlements.
- 🍎 Inadequate public and NMT transport options limit access to available work and other opportunities.
- 🍎 Water and electricity supply and associated infrastructure may not be able to meet future demand adequately.

Opportunities

- 🍎 Meaningful inter-governmental initiatives and public-private partnerships already exists which could be extended to assist in urban development and settlement management (e.g. RSEP, the Ceres Business Initiative, and the Twinning Agreement with Essen Municipality in Belgium).
- 🍎 RSEP Involvement in development of integrated communities – leverage funding and project implementation.

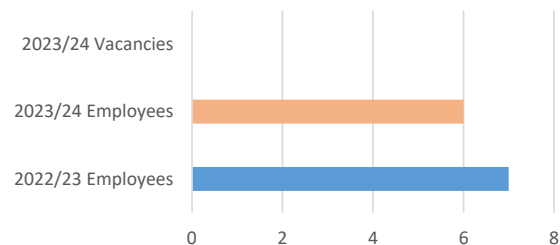
- Provincial spatial planning and land use management policy provides opportunities for the diversification of the agricultural/ rural economy (especially through sensitive tourism initiatives).

3.10.4 Service Delivery Statistics

Type of service	2019/20	2020/21	2021/22	2022/23	2023/24
Town Planning and Building Control					
Building plan applications processed	368	354	480	438	466
Total surface (m ²)	44 327m ²	60 113m ²	83 693 m ²	81 836 m ²	64 192 m ²
Approximate value	R 212 778 595	R 328 052 888	R 412 036 060	R 514 850 897	R 519 492 359
New residential dwellings	124	45	82	71	192
Residential extensions	90	123	177	251	94
New Business buildings	1	1	3	6	1
Business extensions	3	7	18	25	17
Rural applications	39	50	96	69	52
Land use applications processed	34	44	26	21	30

3.10.5 Employees: Town Planning & Building Control

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	4	4	0
13 - 15	2	1	0
16 - 19	1	1	0
TOTALS	7	6	0



3.11 Local Economic Development

The table below gives a brief description of all the achievements within Local Economic Development (LED) during the 2023/24 financial year:

Achievement/Highlight	Description
Successfully assisted informal traders with permits and business licenses	Issued 51 hawker permits Issued 25 business licenses Provided information regarding application process for permits Hawkers were allowed to have an assistant to stand in for them if they are not available to work at the stand.
Registration of small businesses on smme database	13 businesses were registered
Successful SEDA business information session in Wolseley	Linked businesses with SEDA services
Facilitated business forum meeting in Tulbagh	Assist them to elect a new forum committee

Achievement/Highlight	Description
Utilize email network to distribute business related information	Created a platform for smmes to access business opportunities
SEDA consultation in Wolseley	Linked smmes with SEDA services
Meeting with informal traders in Tulbagh	To determine the needs and challenges of the hawkers
Successful supply chain workshop in Wolseley presented by Ceres Hospital	To link smmes with local business opportunities. Nine people attended
Basix business training session to informal traders in Nduli	Empower informal traders with business skills and knowledge to help them grow their business
Municipal Imbizo during September in Nduli, Wolseley, Hamlet and Bella vista	Took LED services to local communities
Arranged a supply chain workshop by Ceres Hospital in Tulbagh	To inform smmes regarding the supply chain process and to link them with procurement opportunities in Government
Monitor and evaluation session to smmes that participated in Mentorship program	To determine if progress took place and what further support can be provided
Linked entrepreneur with National Department of Rural Development; Department gave financial assistance to recycling company.	They received a truck and fork lifter with value of more than R 2 million.
Meeting with Wolseley business forum on to inform them about the support services that SEDA offers, services available from LED unit and the supplier registration day.	Enabled smmes to link with business support services
Successful supply chain workshop presented by by Ceres hospital	Inform and empower smmes to access government procurement opportunities
Successful Witzenberg Supplier registration day to enable smmes to become compliant with government procurement regulations	Organised government stakeholders to be present on the day and give hands on support with supplier database registrations. More than 100 entrepreneurs attended.
Successful engagement with CBI regarding the entrepreneurial program	CBI funded 3 local entrepreneurs
Successful cooperative summit that was initiated by Dept Local Government	Local cooperative structures were mobilized to attend the summit and to engage with the relevant stakeholders
Meeting with informal traders to create dialogue and strengthen communication	Informal traders had the opportunity to raise their voices and to express their needs and challenges
Regular liaison with Independent Power Producers (IPP's)	Liaison took place to form partnerships and to discuss socio-economic development challenges and opportunities
Supply chain session in Tulbagh with emerging small businesses	Informed emerging businesses about the supply chain process and how to access procurement opportunities

The table below gives a brief description of all the challenges within Local Economic Development (LED) during the 2023/24 financial year:

Description	Actions to address
Insufficient office space and resources	Provision sufficient resources
Lack of sufficient funding for LED projects	To make provision for sufficient funding to ensure sustainability of projects

Description	Actions to address
Internal departments working in silos	Address the issue of effective communication and promote transversal LED in order that Technical and Community Services do not work in silos, but that planning for future projects and developments are done together, as to maximise impact and strategic efficiency
High rate of illegal hawkers in the area	More effective implementation of by-laws
Insufficient stands for hawker trailers	Identify space and establish stands for food trailers
Insufficient business premises	Access funding to establish and sustain structures

The LED Strategy is built upon commitment to develop a climate in which economic development and economic growth can prosper. The LED Strategy has been reviewed and edited and was implemented from 2022/2023 onwards.

The LED Strategy identifies various issues and strategic areas for intervention such as (3 top service delivery priorities):

Strategic areas	Description
Creating an enabling business environment	Construction of economic infrastructure; review bylaws for a more business & investment friendly environment; servicing vacant municipal land that has potential for economic development
Addressing the key development challenges	Revisiting procurement process of municipality to include more local element (within municipal legislation)
Creating sustainable job opportunities	Implementing skills development programmes and capacitating entrepreneurs with business & market related skills. Assisting SMME's with access to private sector supply chain opportunities and financial support. Working towards alignment of Expanded Public Works Programme with LED goals of enterprise development

3.11.1 Economic Activity

Refer to Chapter 1.2.3

3.11.2 LED Initiatives

During 2023/24, 446 work opportunities were created via the Community Works Programme (CWP).

There are 4 different sectors that comprise the CWP projects in Witzenberg:

-  social
-  education
-  local government
-  environment

The projects within these sectors include:

-  Early childhood development crèche assistance
-  NGO support (which include women group assistance, nutritional support, HIV support, disabled support)
-  school support (which include food scheme, site cleaning)

The CWP provide beneficiaries with nutrition and facilitate the training and the experience necessary for market entry, which includes:

-  health and safety.
-  waste management.
-  food garden; and financial training

3.11.3 LED Statistics

Additional statistics on LED:

Type of service	2019/20	2020/21	2021/22	2022/23	2023/24
Small businesses assisted	95	200	185	127	243
SMME's trained	20	20	86	80	110
Community members trained for tourism	5	0	13	0	0
Local artisans and crafters assisted	7	5	9	4	5

Job creation through the Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
2015/16	40	427
2016/17	32	398
2017/18	37	403
2018/19	34	397
2019/20	25	409
2020/21	27	401
2021/22	23	404
2022/23	34	403
2023/24	27	403

3.11.4 Service Delivery Indicators: LED

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

-  ComLed19 Bi-annual report on investment incentives implemented.
-  ComLed20 Quarterly report on the Small Business Entrepreneurs Development Programme.
-  ComLed4 Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.
-  LED3.11 Average time taken to finalise business license applications

3.12 Tourism

3.12.1 Aim & Function of the Tourism Sector

Witzenberg Municipality has a service level agreement, signed in 2021 for the next three years, with one local tourism entity, Witzenberg Tourism, operating in all five towns, which conduct marketing of the municipal area and local established businesses, activities and attractions to draw investment and trade to the area. Local businesses join as members of the local tourism authorities to participate in the marketing initiatives. Membership to this organisation holds businesses accountable to ethical norms and standards for the industry as well as to a code of conduct.

Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liaises with District, Provincial and National stakeholders to develop the brand through tourist attraction, awareness campaigns, roadshows, expos, events and festivals. Tourism also aims to train and skill local entrepreneurs to meet tourism-related demands and provide necessary services and products to promote local trade and economic development. Specific development projects were identified to be rolled out over the next three years.

3.12.2 Training & Development

Tourism runs educational packages with schools, front of house staff and local stores to promote clientele service. Tourism also sources training courses in areas such as first aid, communication, administration and hospitality to help local businesses improve output and skill levels in collaboration with various stakeholders. These are also rolled-out in the form of educational, for example a group of local petrol attendants could be invited on a tour of the region to gain first-hand knowledge and experience on all the region has to offer. The Ceres'ly Positive movement is still going strong, and the Facebook group is growing. This ongoing initiative aims to promote a positive and friendly attitude and making Ceres the friendliest town in the country. We hope to roll out this initiative or something similar in the other towns soon. As far as possible local SMMEs are utilised for catering and other services. The various Witzenberg Tourism offices are also involved in community upliftment and other development projects where possible, including feeding of communities, establishing community gardens, assisting SMMEs with marketing and free advertorial space where possible, clean-up initiatives, and especially given exposure and space during events and festivals, and other opportunities where possible.

3.12.3 Destination Marketing

Tourism will continue producing tear off maps that are distributed to points of sale with high traffic thoroughfare, providing location and contact details of local tourist attractions. They have also produced and will continue updating a joint brochure called the Witzenberg Meander, covering activities across the municipal area. Funding has been secured for the new financial year to update and perhaps redesign these materials. Tourism bureaus for Wolseley, Ceres and Tulbagh have also created their own brochures with niche marketing of their towns and, with ongoing social media promotion through Facebook and website. Various marketing material including area and tourism maps, information booklets and brochures have been printed and reprinted for distribution. Distribution at strategic points, social media and online marketing is soaring and continues as per usual and is still a reliable source of communication for many visitors to the area. For more details visit www.visitwitzenberg.co.za.

Tourism has thus far been successful in marketing the destination as an affordable and picturesque location for weddings, snow tourism, heritage tourism, agri-tourism, wine tourism, adventure tourism, cultural tourism, sports tourism and rural tourism to visitors within South Africa. Tourism also conducts on an ad hoc basis, educational visits to the areas to tourism authorities outside of our borders as well as journalists, media groups and bloggers to review and publicise our activities and services. Tourism educational are held once a quarter, whereby role-players in the media is invited to come and explore and experience what the Witzenberg has to offer. They are treated to various activities and experiences in the various towns over one or two days and an overnight experience, in exchange for media coverage on various platforms.

Local tourism is actively marketed and represented at various platforms, internationally and locally. From promotional videos, to features in various publications in print and online, as well as conferences, consultants and radio and various reality TV programmes that were filmed locally or with locals. Various members and specifically wine estates continue to excel in wine competitions, resulting in great exposure for the region and industry. Snow tourism remains a vital part of Witzenberg and generates great visitor numbers for the region through marketing initiatives on all media platforms.

Ceres Tourism has a mascot, CT, which is being used for various campaigns in the area and at other local events and outreach activities.

3.12.4 Tourism Awareness/events

Annual events taking place in the Witzenberg municipal region:

Annual Event	Date
Olive Rock Food Experience	August
Wolseley Waddle	September
Ceres Chase – Amazing Race	September
Tulbagh Skou	September
Kuns op 'n Rondte	September
Eselfontein Outdoor Festival	October
Michellspass Half Marathon	October
Gydo Christmas Light Festival	November
Loxtonia Cherry Trail Run	November
Klondyke Cherry Picking	November - December
Hoogwater Fruit picking	November - February
Bosjes Jelena Picking	November
Adene's Farm Flowers	December - April
Tankwa Camino Hikers Welcomed to Ceres	September, April & May
Tankwa Trek MTB stage race at Kaleo Guest Farm	February
Tankwa Trail at Kaleo Guest Farm, outside Ceres	April
Tulbagh Vintage & Vine Faire	May
Christmas in Winter	June
Seven Oaks Pop Restaurant	Quarterly
Drostdy Market	Monthly
Witzenville Faire	December

3.12.5 Challenges to Tourism

Witzenberg Municipality and Tourism do not have the autonomy, budget or infrastructure to roll-out Wi-Fi across the entire municipal area. Whilst some visitors seek out areas of limited coverage, most visitors have the expectation that Wi-Fi is easily accessible and is available free of charge. Not all local businesses are registered with Tourism and thus are not accountable to its code of conduct or service standards. Most establishments and services are not user-friendly to travellers with special needs, i.e. sight impaired, mobility limited, speech impairment, communication specialists (sign language, isiXhosa, German, etc.). Many establishments and services do not cater for multi-generational needs of visitors i.e. infants (cribs, feeding chairs, baby monitor, walking rings etc.), teenagers (DSTV access, cell phone chargers, cellular airtime vouchers, video games and consoles), the aged (wheelchairs, Zimmer frames, magnifying glasses, large print menus/bibles etc.). We do not yet have a formal tourism corridor through the township sectors of the municipal area. The financial support provided to Tourism contributes largely to the salaries of staffing and is thus not fully focused on the areas of tourism development, promotion and destination marketing. However, the individual tourism offices also source additional funding from other sources.

Post Covid-19 some businesses are still struggling to survive. The greatest challenge was the ongoing load shedding, resulting in businesses losing revenue and equipment due to power cuts. The resilience of the industry depends on the financial interventions and practices that businesses put in place immediately going forward. It is also a huge financial commitment to install generators, as many cannot afford to do it. However, the local Tourism industry is resilient.

3.12.6 Opportunities for Tourism

A key action towards tourism growth, development and integration will be the focus on and roll out of various projects as set out in the SLA, which is aimed at job creation, social inclusion and strategic partnerships with tourism industry partners. This will promote tourism corridors for travellers to experience a holistic tour of the region, ensuring a balance of revenue spend, exposure to rural and urban settings, demographic engagement and diversification of tourism involvement. This will further aid the municipality in realising its aims towards social cohesion, poverty eradication and economic empowerment and will include various themes.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.13 Libraries & Community Facilities

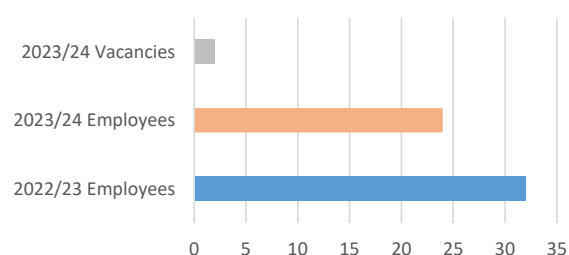
Libraries are managed by the section, Library Services, located in the directorate of Community Services. All towns have a library, with mini libraries at Op-die-Berg, Laastedrif and Agter Witzenberg.

3.13.1 Service Statistics - Libraries

Type of service	2020/21	2021/22	2022/23	2023/24
Libraries				
Number of Libraries	9 and 3 mini libraries	9 and 3 mini libraries	12	12
Library members	30 203	30 631	31 725	30 979
Books circulated	73 984	116 987	150 414	197 799
Exhibitions held	161	212	246	232
Internet access points	36	33	29	29
New library service points or Wheelie Wagons	0	0	0	0
Children programmes	57	128	194	334
Visits by school groups	169	230	343	358
Community Facilities				
Number of Community Facilities – Community- and Town Halls	12	12	12	12

3.13.2 Employees – Libraries & Community Facilities

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	10	3	2
7 - 9	12	12	0
10 - 12	9	8	0
13 - 15	1	1	0
16 - 19	0	0	0
TOTALS	32	24	2



3.14 Cemeteries

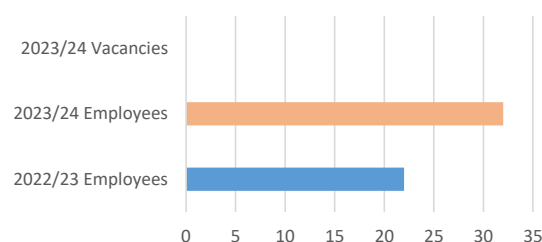
Cemeteries in all towns are managed by the municipality, except Op-die-Berg which is managed by a church. Ceres Cemetery and N'Duli Cemetery have reached full capacity. The cemetery at Bella Vista will cater for these two towns in future. Wolseley Cemetery has been extended. No crematoriums are managed.

3.14.1 Service Statistics - Cemeteries

Type of service	2020/21	2021/22	2022/23	2023/24
Number of Cemeteries	4	4	4	4
Number of private burials	1017	427	584	482
Number of poor burials	156	173	141	136
Number of indigent burials	158	148	159	164
#Stats are for all towns				

3.14.2 Employees – Cemeteries

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	17	26	0
4 - 6	3	3	0
7 - 9	1	2	0
10 - 12	0	0	0
13 - 15	0	0	0
16 - 19	1	1	0
TOTALS	22	32	0



3.15 Childcare, Aged Care & Social Programmes

The Socio-Economic Unit is responsible for:

- 🍎 the initiation and strengthening of early childhood development (ECD) programmes and support of the ECD Forum.
- 🍎 capacity building of crèches.
- 🍎 strengthening awareness programs regarding the aged abuse and access to indigent services.
- 🍎 strengthening and support of youth development with the focus on job creation and skills development.
- 🍎 strengthening and support of persons with disabilities through skills development; and
- 🍎 support HIV/AIDS awareness

3.15.1 Service Statistics: Childcare, Aged Care & Social Programmes

2022/23	2023/24
Soup kitchens established or supported	
None	Workshop for soup kitchens x 2
Initiatives to increase awareness on child abuse	
Awareness program on stranger danger for preschool children at ECD centers x5 Distribution of pamphlets, posters, and information on child safety at ECD centers x1	Awareness program on stranger danger for preschool children at ECD centers x 5 Distribution of pamphlets, posters and information on child safety at ECD centers x 1 Awareness programs for children on substance abuse/child abuse/ child trafficking and abduction/ child sexual abuse: x 6 Face paint and life skills programs: x3
Youngsters educated and empowered	
Accredited plumbing training for 2 youth (ongoing) Youth Program: Teenage Pregnancy x3 Youth program: Anti-Bullying Women Sanitary project: distribution x5	Accredited plumbing training for 2 youth (ongoing) Women Sanitary project: distribution x3 Awareness on teenage Pregnancy x2 Life skills: Women Empowerment x3

Youth Program: Leadership skills x2 Heritage Day event Youth program on Identity Youth program on Choices x2 Youth program on substance abuse x2 Holiday program x2 Youth program on motivation x2 Leadership Camp Youth Program on Safety x2 Educational fieldtrip to Elsenburg college Youth program on sexting x2 Job Preparation Workshop Youth summit	Life skills: Motivation x4 Life skills: Safety x3 Life Skills: Choices Top Achievers Ceremony Workshop: Youth Forum Youth Dialogue x2 Career exhibition Life skills: Leadership x2 Life skills: Awareness on Social Media Youth identity Workshop Youth day program x2 Indigenous games
Initiatives to increase awareness on disability	
Awareness programs regarding mental disabilities x 2 Parent Support Program: Parents and Caregivers of children and adults with disabilities x 3 Life-skills program with young people with disabilities x3 Arts & crafts skills program with persons with disabilities group x 3 Woman's day Program for people with disabilities x1	Arts and Crafts/ Life skills for people with disabilities (Awareness programs combined with arts and crafts activities): x 2 Meeting with Witzenberg Association for people with disabilities: x 2 Witzenberg Mental Health Forum meeting-stakeholder meetings: x 3
Initiatives to increase awareness on women	
Awareness on domestic violence and intimate partner violence x 6 Municipal Woman's Day program with female employees: Cancer Screening; HIV testing; blood pressure and diabetes testing.x1 Woman's day program for women in the community x 1 100 Men March- stakeholders work together to raise awareness towards Gender Base Violence x1 GBV Virtual Program x 1 Distribution programs of female sanitary hygiene products to needy young girls and women x4 Establishment of a Municipal Women's committee.	Fatherhood programs: x2 Parent Education information sessions: x 2 Door to door programs creating awareness regarding domestic violence, intimate partner violence and sexual harassment: x 5 Gender Based Violence Stakeholder Forum meetings 3
Initiatives to increase awareness on HIV/AIDS	
5 X HIV awareness programs in Witzenberg	2 x Awareness programs on HIV
Initiatives to increase awareness on Early Childhood Development	
ECD quarterly meetings in Koue Bokkeveld x 3 ECD quarterly meetings in Witzenberg x 4 Workshop regarding mouth hygiene for ECD practitioners x1 First Aid training for ECD practitioners x 2 ECD management meetings x 4	ECD quarterly meetings in Koue Bokkeveld x 2 ECD quarterly meetings in Witzenberg x4 Art workshop for ECD practitioners x 1 Fire Safety workshop for ECD practitioners x 2 First aid training for ECD practitioners x 1
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	
Awareness program on fetal alcohol syndrome x 6 Awareness programs on substance abuse at primary schools in Witzenberg x 7	Awareness program on substance abuse at primary schools in Witzenberg x4 Awareness program on foetal alcohol syndrome x 1 Orientation workshop on establishing Local Action Drug Committee

Special events hosted	
No special event hosted	Youth day hosted in Tulbagh

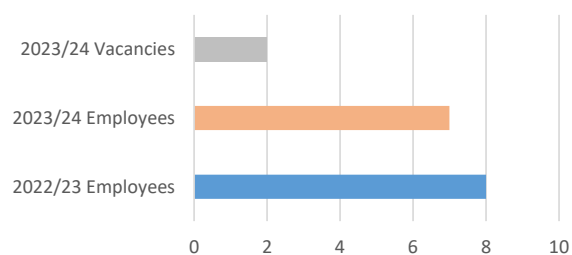
3.15.2 Service Delivery Indicators: Childcare, Aged Care & Social Programmes

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

- 🍎 ComSoc41 Number of account holders subsidised through the municipality's Indigent Policy
- 🍎 LED2.12 Percentage of the municipality's operating budget spent on indigent relief for free basic services.
- 🍎 LED1.21 Number of work opportunities created through Public Employment Programmes (incl. of EPWP and other related employment programmes)
- 🍎 ComSoc42 Number of engagements with target groups with the implementation of social development programmes.

3.15.3 Employees: Socio-Economic

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	4	4	0
7 - 9	1	1	0
10 - 12	3	2	1
13 - 15	0	0	0
16 - 19	0	0	1
TOTALS	8	7	2



3.16 Community Services: Other

3.16.1 Capital Expenditure – Community Facilities and Libraries

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Fencing of Trichardtstr Flats	R500 000	R132 198	R132 198	100%	R132 198
Upgrade of Busy Bee building	R300 000	R841 530	R827 586	98%	R827 586
Market shelter Wolseley	R100 000	R100 000	R0	0%	R650 000
Electronic Indigent System	R0	R340 000	R330 870	97%	R670 000
Library Nduli	R2 000 000	R57 500	R57 500	100%	R12 500 000
Access Control Furniture & Camera Equipment	R0	R100 000	R93 692	94%	R93 692
		R20 000	R16 680	83%	R16 680
		R1 591 228	R1 458 526	92%	

COMPONENT E: ENVIRONMENTAL PROTECTION

The section Facilities and Environment manages environmental protection which includes environmental education, aesthetics and wild animal management such as baboons, as well as the protection of fauna and flora. The department is in the process of developing an Environmental Management Plan.

3.17 *Pollution Control*

Environmental officers within the department are responsible for environmental and pollution control. The focus is mainly upon pollution, illegal dumping and the protection of fauna and flora. The municipality is part of the Regional Air Quality Forum and has an official appointed as an Air Quality Officer. The municipality places emphasis on education and training of the youth and school learners. The section strives to ensure environmental conservation as well as compliance to legislation.

3.17.1 *Service Statistics – Pollution Control*

Type of service	2020/21	2021/22	2022/23	2022/23
Pollution Control				
Number of environmental education initiatives held	6	8	8	7

3.18 *Parks, Public Open Spaces & River Management*

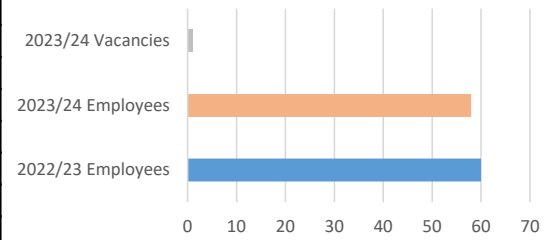
Parks management is responsible for the management and maintenance of parks in the municipal area. New parks are designed and developed by this section. The function also includes river maintenance and conservation of municipal nature areas. The municipality has more than 50 hectares of official parks and many more open spaces and areas that requires maintenance. Parks scheduled for cutting every 3 weeks. Rivers are maintained to prevent pollution and regular clearings of alien vegetation takes place.

The Ceres Rivers Restoration Program (CRRP) in collaboration with WWF were identified due to degradation of the state of the rivers in the urban areas of Ceres. The CRRP is a 3-year program funded by the Nedbank Green Fund trust. The aims of the program are to tackle the current negative impacts and challenges identified at the Dwars, Modder and Titus rivers. The key objective of the program is to restore, rehabilitate the ecological infrastructure of the mentioned rivers as well as to improve water quality and quantity. Furthermore, the program aims to enhance the socio-economic and ecological integrity of the Dwars, Modder, and Titus Rivers. More than 70% of invasive alien vegetation along the urban portion of the riverbanks of the Dwars River were removed. The riverbanks will also be stabilized by the replanting of indigenous plants native to the area. Litter and waste along and in the rivers are also removed on a weekly basis. A freshwater specialist will be appointed to assist with the development of a river maintenance management plan.

Initial and follow-up alien vegetation eradication & control programs in accordance with the Invasive alien species control, eradication & monitoring plans for the Ceres Mountain Fynbos Nature Reserve (CMFNR), Prince Alfred Hamlet & Wolseley commonage were implemented. There is a private-public partnership between Ceres Business Initiative (CBI) and the municipality. A memorandum of agreement has been signed between the parties of which CBI funds alien vegetation control and eradication projects of low density or follow-up clearing within the Ceres Mountain Fynbos nature reserve. Cape Winelands District municipality also appointed private contractors to do initial alien vegetation clearing at the CMFNR and the Prince Alfred Hamlet commonage.

3.18.1 Employees: Parks, Public open spaces & river management

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	42	41	0
4 - 6	11	10	0
7 - 9	5	5	0
10 - 12	1	1	1
13 - 15	0	0	0
16 - 19	1	1	0
TOTALS	60	58	1



COMPONENT F: SECURITY & SAFETY

This component includes Traffic; Fire; Disaster Management, Licensing and control of animals, and Control of public nuisances, etc.

3.19 Traffic & Vehicle Licensing

Our top service delivery priorities are reducing the number of road deaths caused by accidents through traffic law enforcement, speed enforcement and road traffic safety education at schools and other institutions. Another priority is to improve service delivery at the Traffic Centre. This will be achieved through service excellence and through identification of shortcomings and addressing these through training initiatives.

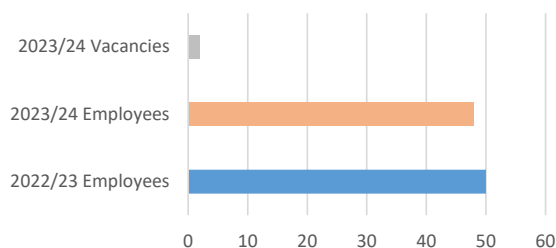
3.19.1 Service Statistics – Traffic Services

Type of service	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of road traffic accidents during the year	471	631	623	632	687	306*
Number of by-law infringements attended	138	870	1 635	313	301	190
Number of Traffic officers in the field on an average day	10	11	9	5	10	13
Number of Traffic officers on duty on an average day	21	17	18	18	16	13
Animals impounded	0	0	0	0	0	0
Motor vehicle licenses processed	26 838	23 940	28 024	29 545	28 897	27 774
Learner driver licenses processed	2 270	2 136	1 387	2 612	1 254	1 269
Driver licenses processed	1 829	1 735	2 198	2 346	4 521	4 458
Driver licenses issued	581	417	538	564	512	595
Section 56 notices issued for traffic/bylaw offenses.	25 111	37 529	10 628	32 769	6 637	13 734
R-value of fines collected	2 429 886	2 650 726	734 450	1 299 900	1 102 800	1 253 100
Operational callouts/Complaints	763	554	338	404	279	242
Roadblocks held	24	16	486	130	115	66
Special Functions – Escorts	89	66	0	9	36	42
Awareness initiatives on public safety	10	21	21	7	47	26

*Number of road traffic accidents are reported by SAPS and no reason was provided for the drastic decrease in accidents from the previous years.

3.19.2 Employees – Traffic- & Law Enforcement Services

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	1	0	0
4 - 6	5	5	1
7 - 9	20	18	0
10 - 12	22	23	0
13 - 15	2	1	1
16 - 19	0	1	0
TOTALS	50	48	2



3.20 Fire Services

In recent years, the role of the fire service in many communities has expanded far beyond fire suppression. As a progressive organization we aim to ensure that fire prevention and public education appropriately receive an increased emphasis as proactive elements to safeguard our community.

Citizens are dependent on the fire department to ensure their protection against dangers of fire, entrapment, explosion, dangerous goods incidents, and any emergency event that may occur in the community (Paulsgrove, 2003). The Constitution of the Republic of South Africa (Act 108 OF 1996) establishes fire-fighting services as a Local Government matter. The Fire Brigade Services Act (99 OF 1987) provides for the Witzenberg Municipality as a local authority to establish and maintain a fire brigade service for the following different purpose:

- a. Preventing the outbreak or spread of a fire.
- b. Fighting or extinguishing a fire.
- c. The protection of life or property against a fire or other threatening danger.
- d. The rescue of life or property from a fire or other danger.
- e. Subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
- f. The performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

The Witzenberg Municipality therefore has the duty to perform the following firefighting functions:

- Prevention, -mitigation, -preparedness, -response, -recovery and -rehabilitation of emergency incidents.
- Extinguishment of structural, veld and bush fires and any other fire.
- Rescue and humanitarian services.
- Fire Safety Prevention (the application of the National Building Regulations, Fire codes and municipal bylaws with regard to fire safety);
- Fire pre-planning and preparing related preparedness plans.
- Testing and basic maintenance work on emergency vehicles and equipment; and
- Training of staff members.

The top service delivery priority of the Fire Service is the rendering of an effective and efficient Fire and Rescue Service. The South African National Standard for Community Protection Against Fire, SANS 10090:2018, is a measurement tool that indicates whether a fire service is meeting the minimum mandatory community fire protection standard, which in turn is indicative of whether a fire authority is indeed contributing to the objects of local government. The Witzenberg Municipality Fire and Rescue Service is currently classified as a category 5(b) which mean that we meet the performance criteria for staff availability and appliance availability by only 35% to 45%.

The assessment in terms of the standard require the following:

Town	Ceres	Wolseley	Tulbagh	Op die Berg
Risk Category	B	B	B	C
Minimum pumping units	2	2	2	1
Minimum staffing levels	8	8	8	4
Minimum pumping capacity	3850 (L/min)	3850 (L/min)	3850 (L/min)	2250 (L/min)
Maximum attendance time (•)	10 min	10 min	10 min	13 min
Dedicated Emergency Call taking and dispatch	3 Emergency lines	N/A	N/A	N/A
Control Centre operators and staff required	2 Operators and one supervisor	Not required	Not required	Not required

Key Achievements

- 🍎 Emergency Response: Our firefighters responded to over 800 emergency calls, including structural fires, wildfires, vehicle accidents, and hazardous material incidents. The average response time improved by 12%, demonstrating enhanced operational efficiency.
- 🍎 Community Engagement: Through Fire Safety Awareness Campaigns, we reached over 10,000 residents, providing vital information on fire prevention, emergency preparedness, and first aid. Our partnerships with local schools and businesses have fostered a culture of safety and preparedness.
- 🍎 Risk Assessments: Comprehensive risk assessments and fire safety inspections were conducted across various sectors, ensuring adherence to safety regulations and mitigating potential hazards.

Challenges

- 🍎 Climate Change Impact: The increasing frequency and intensity of wildfires and severe floods posed significant threats to our community. Our firefighters displayed extraordinary resilience, often working around the clock to protect lives and property.
- 🍎 Staffing and Resources: The service is currently staffed at 12% of the required capacity, with only 14 full-time employees supported by 22 EPWP contract workers and a WoF Ground team. This staffing shortfall impacts on our ability to meet the growing demands of the community.
- 🍎 Funding Constraints: Limited financial resources have impacted on our ability to upgrade equipment, appoint additional staff, and expand our community outreach programs.

Operational Details

- 🍎 Service Delivery: We are classified as a category 5(b) service, meeting performance criteria for staff and appliance availability by only 35% to 45%. Despite being a young service established in 2013, we have significantly improved response times with the establishment of fire stations in Wolseley and Op die Berg.
- 🍎 Vehicles and Equipment: Our fleet includes vehicles ranging in age from 3 to 26 years, with a replacement age typically between 10-15 years. Regular maintenance is required to ensure operational readiness.
- 🍎 Station Locations: The strategic placement of our fire stations in Ceres, Op die Berg, Tulbagh, and Wolseley is critical to reducing response times and enhancing our ability to manage emergency incidents effectively.

Financial Overview

- 🍎 Budget: Our current investment is around 1.5% of the total municipal expenditure budget, equating to R62.00 per capita. This is below the average spend for similar municipalities, and economic constraints suggest limited increases in the near future.

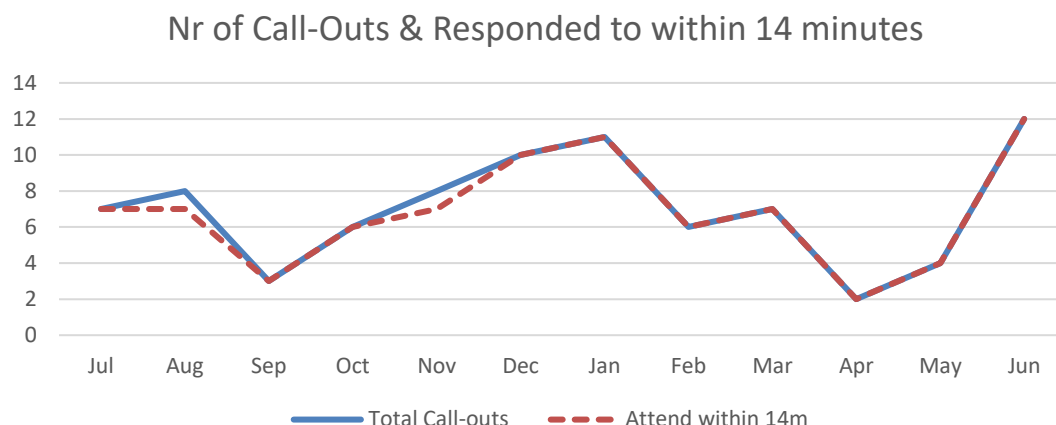
Future Outlook

- 🍎 Enhancing Capabilities: We aim to enhance our capabilities through continuous training, adopting innovative technologies, and strengthening community partnerships. Mental health and wellness programs for our firefighters will also be prioritized, recognizing the demanding nature of their work.
- 🍎 Infrastructure and Staffing: Addressing infrastructure needs and increasing staffing levels are critical to improving our service delivery. We require an operational staff complement of 96 firefighters, a dedicated fire safety team, permanent control centre operators, and disaster management officers.

The Witzenberg Fire and Rescue Services remain dedicated to safeguarding our community through proactive measures, operational excellence, and community engagement. We extend our heartfelt gratitude to our firefighters, support staff, volunteers, and the community for their unwavering support and cooperation. Together, we will continue to build a safer, more resilient Witzenberg.

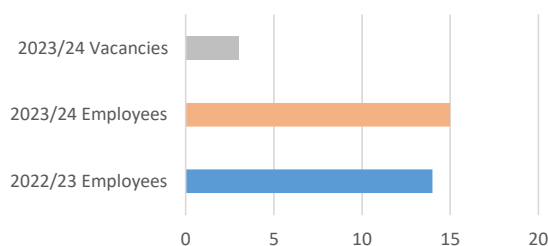
3.20.1 Service Statistics – Fire Services

The table below provide an overview of the service statistics.



3.20.2 Employees – Fire and Disaster Services

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	6	6	1
7 - 9	5	5	2
10 - 12	2	3	0
13 - 15	0	0	0
16 - 19	1	1	0
TOTALS	14	15	3



3.21 Other (Disaster Management, Animal Control &, Control of Public Nuisances)

The **Disaster Management Act** (57 OF 2005), Sections 52 and 53 require each municipality and municipal entity to prepare a Disaster Management Plan (DMP). The Witzenberg municipality has a legislated duty to:

- Establish a functional Disaster Management Centre.
- Appoint of a Head of Centre and suitably qualified persons.
- Responsible for the implementation and maintenance of an all-hazard, full-spectrum comprehensive disaster management program, ensuring:
 - Prevention
 - Mitigation
 - Preparedness
 - Response.
 - Rehabilitation and reconstruction
- Monitor progress with post-disaster recovery & rehabilitation.
- Serve as repository of and conduit for, disaster information.
- Be the advisory and consultative body on disaster issues.
- Make recommendations regarding DM funding.
- Make recommendations on legislation affecting DM.
- Promote the recruitment, training and participation of volunteers in DM.
- Promote disaster management capacity building, training and education throughout the republic, including in schools.
- Promote research into all aspects of disaster management.
- Liaise and coordinate its activities with other relevant DM Centres.

Witzenberg Municipality is primarily responsible for the implementation of the Disaster Management Act (No. 57 of 2002) within its area of jurisdiction, with a specific focus on ensuring effective and focused disaster risk reduction planning. With the new approach to Disaster Risk Management in South Africa and world-wide, the emphasis changed from response to disasters to pre-disaster risk reduction. The process of disaster risk reduction should therefore commence with a process of risk identification and assessment. The outcomes of a disaster risk assessment can ensure that all developmental initiatives as well as contingency planning and practice of the municipality are informed by accurate knowledge of potential disaster risk, enabling various stakeholders to contribute to the reduction of such risk.

WITZENBERG DISASTER MANAGEMENT PLAN

The disaster management plan of Witzenberg Municipality was reviewed over the past financial year. The stipulated plan acts as the backbone of disaster risk management in Witzenberg and includes the following:

- forms an integral part of its Integrated Development Plan (IDP).
- anticipates the types of disasters that are likely to occur in the municipal area and their possible effect.
- places emphasis on measures that reduce the vulnerability of disaster-prone areas, communities, and households.
- identifies the areas, communities, or households at risk.
- considers indigenous knowledge relating to disaster management.
- promotes disaster management research.
- identifies and address weaknesses in capacity to deal with disasters.
- provides for appropriate prevention and mitigation strategies.
- facilitates maximum emergency preparedness; and
- contains contingency plans and emergency procedures in the event of a disaster.

EDUCATION, TRAINING AND PUBLIC AWARENESS

- Disaster Management Plan Sessions
 - Over this past year, sessions on the municipality's disaster management plan were developed by the Witzenberg DMC. These involved what the DM plan entails and the application of it. They were conducted with disaster management stakeholders within the municipal area.
- Witzenberg Event Process Session
 - A workshop was held in collaboration with the Witzenberg Tourism Offices on the 17th of March 2022. The session involved a step-by-step walk through on the application process for events in Witzenberg. Those who are involved in putting on events in the municipality attended and a time for questions and answers followed. There was a total of 30 people who attended.
- Emergency Number Magnets
 - Magnets with the emergency numbers for the area were designed this past year. The purpose of this project was to enhance the communities' awareness of who to call in the case of an incident.
- Hazards in my Community
 - A pilot for the Hazards in my Community' programme was done with a grade 6 class at Nduli Primary School over two lessons. There were 41 children who were a part of it. The programme is an interactive way to teach the children about 5 high risk hazards in the municipal area.
- Flood awareness
 - To prepare for the upcoming Winter period, the Disaster Management Division developed flooding information sheets which were shared over the Witzenberg Facebook page as well as flooding awareness pamphlets which were given out to people in the community. This assisting with public awareness on what flooding entails and how to decrease one's risk of it.

Roaming livestock

Several incidents were reported in the past year where animals were involved in accidents with vehicles and damages caused. In April 2023, a horse and a car collided on the R303 at Prince Alfred Hamlet. Significant damages were caused to the motor vehicle and the horse had to be euthanised due to its injuries. During June 2023, a cow was knocked down by a vehicle on the R303, near the PA Hamlet landfill site. Two goats were knocked down by a car on 3rd of July 2023 on the R46 near Nduli suburb. Fortunately, no humans were injured in these incidents. Roaming pigs caused a lot of damages to gardens in Pluto's Park residential area and Stofberg park adjacent to Lyell Street. The Have a Heart Equine Sanctuary enterprise have been registered on the Municipal database to render a transportation and impoundment service to the municipality. During June 2023, 19 Cows and 5 pigs were impounded in Ceres, Stofberg Park area. The animals were taken to Have a Heart Equine Sanctuary's Bokdam farm in the Bonnievale district, where it was impounded.

Currently impound authorisation are issued to private landowners who has the necessary facilities to house impounded livestock who trespass on their property. Assistance is required from Law Enforcement and Worcester Stock Theft unit in this regard.

In May 2024 a cow and a vehicle collided on a public road in Tulbagh causing significant damages to the vehicle. In the month of June 2024, a total of two vehicle accidents were reported involving cattle roaming on public roads in the Tulbagh area.

Animal Monitoring

A total of 21 animal monitors have been assigned to all locations affected by roaming livestock. Ceres Rooikamp, Nduli, PA Hamlet, Wolseley, and Tulbagh are some of these locations. Three Baboon monitors were assigned to the Ceres entry from Mitchell's Pass, as well as the nearby businesses, sports fields, schools, and the Pine Forest tourist resort. Wolseley currently has one vacancy. Monitors are based on the EPWP scheme. The monitors' purpose is to guarantee that the animals do not cause a problem for residents or pose a risk to road traffic. The most difficult task is dealing with roving cows, goats, sheep, and horses. The municipality is still looking at possible service level agreements with other institutions, as indicated in Section 76(b) of the Local Government: Municipal Systems Act of 2000.

Another problem is monitoring animals on weekends and after hours throughout the week. Animal complaints vary regularly and include complaints about dog ownership. The majority of animals in municipal areas are unmarked, making identification impossible in the event of an incident. The Worcester Stock Theft Unit currently and Witzenberg Law Enforcement assists the municipality with livestock issues. Animal owners are not cooperative, and the issue remains a significant concern for the municipality. The municipality is constantly considering alternative approaches to solving these difficulties.

Road Signs.

The municipality are currently looking at the erection of notice boards that will alert the public of roaming animals. These signs will be put up at strategic places, town entrances and alongside roads where animal occurrence is a possibility. Notices to owners of livestock are also being compiled to inform them of the consequences of roaming and unsupervised animals on roads and residential areas.

Public nuisances are addressed by the Traffic Department. Complaints on nuisances received are documented and reported on in the Traffic Monthly Report.

3.22.1 Capital Expenditure – Safety & Security

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Vehicle Test Centre	R850 000	R650 000	R616 163	95%	R616 163
Security Cameras	R0	R172 879	R150 876	87%	R150 876
Rescue Equipment	R856 522	R856 522	R847 815	99%	R847 815
Fire Equipment	R0	R102 517	R33 562	33%	R33 562
		R1 781 918	R1 648 416	93%	

COMPONENT G: SPORT & RECREATION

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

The municipality manages one resort, the **Pine Forest Resort**. This resort offers the following facilities for visitors and the local community:

- 🍷 97 accommodation units that can house 557 people with day braais.
- 🍷 21 normal camping sites and 280 sites for long-term rentals
- 🍷 1 recreation hall
- 🍷 conference halls with seating of 30 and 80
- 🍷 1 Olympic size and 2 smaller for kids, swimming pools
- 🍷 The recreation area includes a play park for kids, putt-putt, trampolines, table tennis, badminton, and squash courts.

The number of visitors for 2023/24 applicable to accommodation units and normal camping sites amounted to R 3 519 404 (55 129 bed nights).

Besides the swimming pools in Pine Forest Resort, six more swimming pools are available to the local community in:

- 🍷 Ceres (one)
- 🍷 Tulbagh (one)
- 🍷 Wolseley (one)
- 🍷 Bella Vista (one)
- 🍷 PA Hamlet (one)
- 🍷 N'Duli (one – out of order due to vandalism)

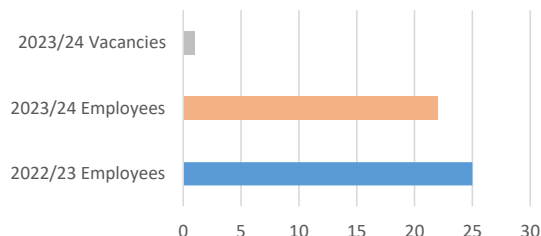
The pools were open from November 2023 to 30 April 2024. The pools were visited by 1 708 adults and 32 952 children with a total revenue of R 101 168.

All pools are maintained daily to ensure clean and safe pools for visitors.

3.22 Sport & Recreation

3.22.1 Employees: Sport & Recreation

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	14	13	0
4 - 6	7	6	0
7 - 9	2	2	0
10 - 12	1	0	1
13 - 15	0	0	0
16 - 19	1	1	0
TOTALS	25	22	1



3.22.2 Capital Expenditure: Sport Facilities

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Upgrade Sportsgrounds	R423 000	R585 217	R585 216	100%	R585 216
Ceres upgrade Of Leyell Str	R434 783	R2 396 000	R2 424 826	101%	R2 424 826
Parks Equipment	R0	R202 990	R187 089	92%	R187 089
		R3 184 207	R3 197 132	100%	

COMPONENT H: CORPORATE POLICY OFFICES & OTHER SERVICES

3.23 Financial Services

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate adequate provision of services, financial discipline, affordable tariffs, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports.

Operational financing

Council's policy is to fund operating expenses from normal revenue streams with short term borrowing being used as a last resort for capital expenditure. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings.

Working Capital

It is Council's intention to create sufficient cash reserves by way of good financial management including the setting aside of adequate provisions for working capital.

Revenue raising strategy

The guidance on how to improve the payment ratio of the area can be found in the Credit Control and Debt Collection Policy. This Policy highlights the procedures to be followed in the collection of all money owed to the Municipality.

Expenditure Management

To reduce expenditure on non-core functions, by considering Public Private Partnerships.

3.23.1 Service statistics – Financial Services

Debt Recovery						
Details of the types of account raised and recovered	2022/23			2023/24		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
R'000						
Property Rates	98 430	93 555	95%	101 272	95 050	94%
Electricity	317 273	319 861	101%	359 777	344 936	96%
Water	53 393	39 156	73%	58 417	39 577	68%
Sanitation	53 097	43 862	83%	61 983	50 427	81%
Refuse	37 791	25 873	68%	40 805	28 139	69%
Other	1 535	1 267	83%	2 369	1 462	62%
Total	561 519	523 574	93%	624 623	559 591	90%
<i>The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues</i>						

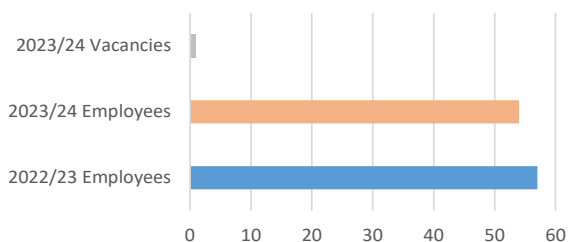
3.23.2 Service Delivery Indicators – Financial Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2023/24:

-  FinAdm10 Financial viability expressed as Debt-Coverage ratio.
-  FinAdm9 Financial viability expressed as Cost-Coverage ratio.
-  FinAdm11 Financial viability expressed outstanding service debtors.
-  FinInc15 Percentage revenue collection

3.23.2 Employees – Financial Services

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	36	28	0
7 - 9	10	13	1
10 - 12	5	7	0
13 - 15	3	2	0
16 - 19	3	4	0
TOTALS	57	54	1



3.24 Human Resource Services

The section for Human Resources within Witzenberg Municipality incorporates the following disciplines:

- 🍎 Recruitment and selection
- 🍎 Leave administration.
- 🍎 Benefit administration
- 🍎 Labour relations
- 🍎 Training and development
- 🍎 Health and safety performance management
- 🍎 Work study administration

3.24.1 Service Statistics – Human Resources

Details	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of HR policies reviewed	1	3	0	2	1	0	0
Number of total permanent employees	516	538	515	493	515	496	507
Number of total temporary employees	72	27	53	57	45	49	45
Number of total injuries (injury on duty cases)	62	87	46	34	48	48	54
Number of total approved annual leave days taken	11575	12113	9512	11821	12110	11270	10832
Number of family responsibility leave days taken	470	542	313	566	571	552	463
Number of total Health and Safety Representatives	20	20	25	21	16	24	24
Number of total First Aiders	39	56	59	30	59	59	99
Number of sick days leave taken	4118	4490	4254	5674	5610	4627	4419
Number of termination	1	3	24	29	17	27	35
Number of new employees appointed - permanent	47	41	37	6	51	20	47
Number of new employees appointed - Interns	2	2	0	2	2	2	2
Number of new employees appointed - Temporary	22	38	0	3	38	11	45
Number of total employees trained	195	284	211	246	212	241	310

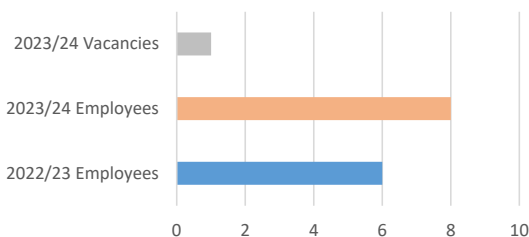


3.24.2 Service Delivery Indicators – Human Resources

- 🍎 CorpHR13 Percentage budget spent on implementation of Workplace Skills Plan.
- 🍎 CorpHR12 Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.

3.24.3 Employees – Human Resources

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	1	2	0
10 - 12	3	3	1
13 - 15	1	2	0
16 - 19	1	1	0
TOTALS	6	8	1



3.25 Information & Communication Technology (ICT) Services

The department's functions include:

- 🍎 Management and maintenance of the IT infrastructure that includes hardware and software.
- 🍎 Update and maintenance of municipal website
- 🍎 Upkeep and maintenance of LAN and WAN
- 🍎 Administration of the electronic documents system (TRIM)
- 🍎 Manage service providers for outsourced functions.

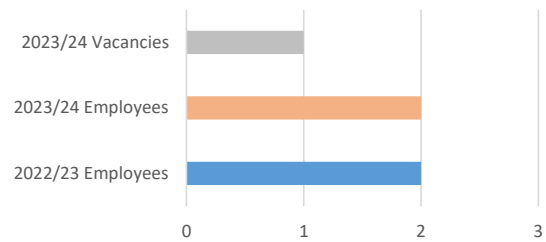
3.25.1 Service Statistics – ICT Services

Details	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Desktop support	435	465	509	588	451	410
Network support	605	700	781	861	792	856
Network downtime experienced	12 hours	9 hours	12 hours	9 hours	8 hours	10 hours
Server downtime experienced (total for 15 servers)	48 hours	15 hours	10 hours	12 hours	4 hours	2 hours
File restores requested	128	105	81	102	78	52

Note: The reduction in server downtime hours can mainly be attributed to the upgrade of controls to prevent cyber-attacks with the result that no security incidents were reported. The number of servers was also decreased from 12 to 6. The decrease in files restore requests can be attributed to the upgrade of the Microsoft Enterprise Agreement with the result that more employees utilise OneDrive which is automatically backed-up by Microsoft.

3.25.2 Employees – ICT Services

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	2	1	0
13 - 15	0	1	0
16 - 19	0	0	1
TOTALS	2	2	1



3.26 Internal Audit & Risk Management

Witzenberg Municipality does not have a Risk Management sub-directorate. The responsibility for Risk Management and the duties of a Chief Risk Officer has been delegated to the Manager: Performance and Projects. Internal Audit is assisting the Chief Risk Officer with the development of the risk management policy, strategy, and implementation plan, facilitating identification and assessment of risks, and disseminating risk reports. Portfolio directors and risk owners are responsible to maintain controls, the implementation of action plans to mitigate risk and opportunities to improve controls.

The risk register of the municipality is reviewed and updated on a continuous basis and reassessed annually to form the basis for the compilation of the 3-year audit strategy and the annual Risk Based Audit Plan.

Internal Audit is an independent in-house function that performs internal audits based on the approved Risk Based Audit Plan and other statutory audits as required by the Municipal Finance Management Act and the Municipal System Act.

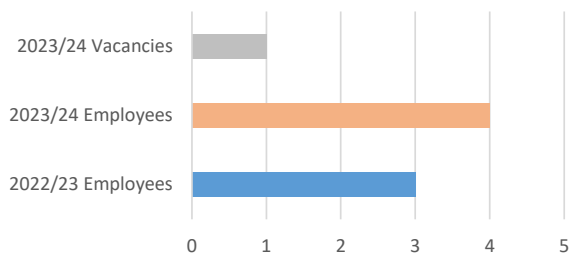
The Internal Audit function reports functionally to the Performance, Risk and Audit Committee and administratively to the Municipal Manager.

3.26.1 Service Statistics – Internal Audit

Details	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Compilation of the Risk Based Audit and 3-year strategic plans	1	1	1	1	1	1
Internal Audits	14	16	12	14	15	18

3.26.2 Employees – Internal Audit

Job Level	2022/23 Employees	2023/24 Employees	2023/24 Vacancies
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	3	2	1
13 - 15	0	1	0
16 - 19	0	1	0
TOTALS	3	4	1



3.27 Legal Services

Legal Services render an advisory and support function within the Municipality to the respective Directorates. This section is tasked to render proper and efficient legal advice to strengthen the capacity of WM to fulfil its' legislative mandate.

The functions rendered by Legal Services amongst others are:

1. Municipal Property Administration

- a. Drafting of items for Council/Delegated Authority
- b. Administration of applications for:
 - i. Leases
 - ii. Disposals
 - iii. Encroachments
 - iv. Servitudes

2. General Legal Matters

- a. Administer litigious matters.
- b. Provision of legal opinions and advice
- c. Liquor license applications administration
- d. Drafting and review of contracts, policies, and by-laws
- e. Consideration of public liability claims
- f. Supply Chain Management opinions

The highlights for the year under review were as follows:

- 🍎 No big civil matters / claims against the municipality

The challenges for the year under review were as follows:

- 🍎 There is an increase in eviction matters and cannot provide alternative housing.
- 🍎 The inability of Eskom to increase electricity supply severely hampers development.
- 🍎 Legal services are expensive and lengthy.

3.28 Strategic Support: Other

3.28.1 Capital Expenditure – Strategic Support and Other

Capital Projects	Original Budget	Adjusted Budget	Actual Expenditure	% Expenditure	Total Project Value (Est)
Furniture & equipment	R130 000	R310 042	R270 054	87%	R270 054
Computer Equipment	R50 000	R397 638	R364 608	92%	R364 608
Vehicle Replacement	R2 000 000	R4 535 707	R4 471 685	99%	R4 471 685
		R5 243 387	R5 106 347	97%	

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Witzenberg Municipality currently employs **549** officials, (permanent + temporary employees), excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

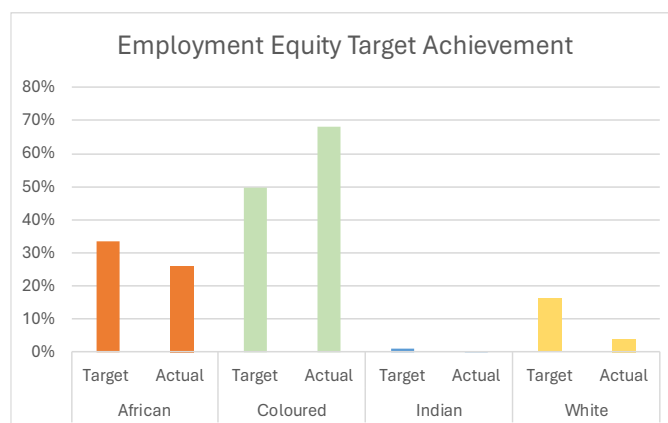
4.1.1 Employment Equity

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 indicator also refers 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".

Employment Equity targets/actual

African			Coloured			Indian			White		
Target	Actual	Target reached	Target	Actual	Target reached	Target	Actual	Target reached	Target	Actual	Target reached
33%	26%	78%	50%	68%	137%	1%	0%	36%	16%	4%	25%

2023/24 EE targets/Actual by racial classification



Male			Female			Disability		
Target	Actual	Target reached	Target	Actual	Target reached	Target	Actual	Target reached
48%	64%	133%	51%	42%	82%	0%	0%	

2023/24 EE targets/actual by gender classification

Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers (WC Province)	1 912 547	2 840 404	60 761	915 053	5 728 765
% Population	33%	50%	1%	16%	100%
Number of positions filled	136	346	2	23	507
% of Positions filled	27%	68%	0.4%	4.6%	100%
<i>Note: The total population numbers is based on projection done by Global Insight</i>					

EE population 2023/24

Occupational Categories – Race

Below is a table that indicates the number of employees by race within the specific occupational categories (including the Councillors):

Posts filled									
Occupational Categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	4	21	0	6	4	10	0	3	48
Professionals	0	10	0	0	4	8	0	1	23
Technicians and associate professionals	2	21	0	1	1	6	0	0	31
Clerks	6	19	1	0	11	43	0	8	88
Service and sales workers	20	22	0	2	11	23	0	0	78
Craft and related trades workers	6	19	1	2	0	0	0	0	28
Plant and machine operators and assemblers	10	30	0	0	0	0	0	0	40
Elementary occupations	52	99	0	1	23	27	0	0	202
Total permanent	100	241	2	12	54	117	0	12	538
Non-permanent employees	5	17	0	2	5	14	0	2	45
Grand total	105	258	2	14	59	131	0	14	583

Occupational Levels - Race

The table below categorize the number of employees by race within the occupational levels (excluding 23 councillors).

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	1
Senior management	1	0	0	2	0	0	0	0	3
Professionally qualified and experienced specialists and mid- management	1	13	0	2	1	6	0	3	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	23	41	1	6	8	31	0	5	115
Semi-skilled and discretionary decision making	29	101	1	1	19	52	0	4	207
Unskilled and defined decision making	43	62	0	0	21	29	0	0	155
Total permanent	97	218	2	11	49	118	0	12	507
Non- permanent employees	5	21	0	0	3	12	0	1	42
Grand total	102	239	2	11	52	130	0	13	549

Departments - Race

The following table categorize the number of permanent employees by race within the different departments (excluding 23 councillors):

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	4	0	2	2	4	0	1	13
Corporate Services	10	38	0	2	7	23	0	1	81
Financial Services	2	11	1	1	7	26	0	5	53
Community Services	24	73	0	1	20	44	0	1	163
Technical Services	51	113	1	4	6	21	0	1	197
Total permanent	87	239	2	10	42	118	0	9	507

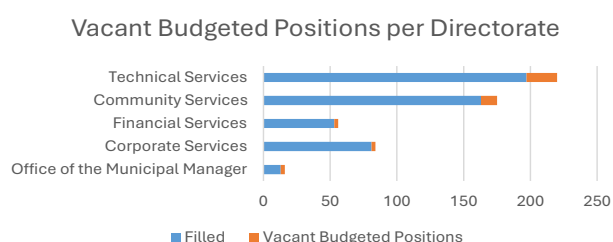
4.1.2 Vacancy Rate

The approved organogram for the municipality has 956 posts for the 2023/24 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Budgeted vacant posts were 44 vacant at the end of 2023/24, resulting in a vacancy rate of 4.6%.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant Budgeted Positions
MM & MSA section 57 & 56	4	1
Middle management	26	3
Professionals		
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	115	6
Semi-skilled and discretionary decision making	207	14
Unskilled and defined decision making	155	20
Total	507	44

PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant Budgeted Positions
Office of the Municipal Manager	13	3
Corporate Services	81	3
Financial Services	53	3
Community Services	163	12
Technical Services	197	23
Total	507	44



The table below indicates the vacancies per Section 57 and 56 posts:

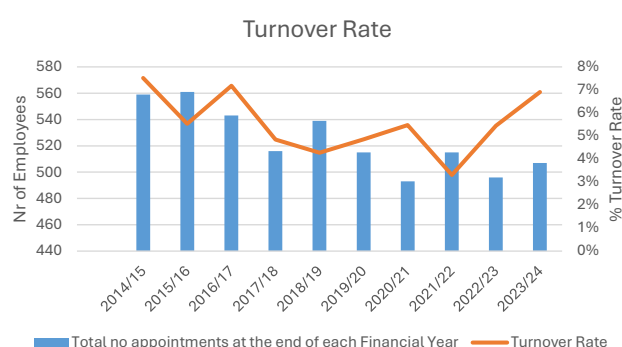
Salary Level	Number of Section 57 and 56 vacancies	Vacancy % (as a proportion of the total Section 57 and 56 posts)
Municipal Manager	0	0
Chief Financial Officer	0	0
Director: Corporate Services	0	0
Director: Community Services	1	20%
Director: Technical Services	0	0
Total	1	20%

4.1.3 Employee Turnover Rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a slight increase from 5.4% in 2022/23 to 7% in 2023/24.

The table below indicates the employee turnover rate over the last three years:

Financial year	Total no appointments at the end of each Financial Year	New appointments (Permanent Appointments)	No Terminations during the year	Turnover Rate
2014/15	559	38	42	8%
2015/16	561	29	31	6%
2016/17	543	74	39	7%
2017/18	516	47	25	5%
2018/19	539	41	23	4%
2019/20	515	37	25	5%
2020/21	493	6	27	5%
2021/22	515	45	17	3%
2022/23	496	20	27	5%
2023/24	507	47	35	7%



4.2 MANAGING THE MUNICIPAL WORKFORCE

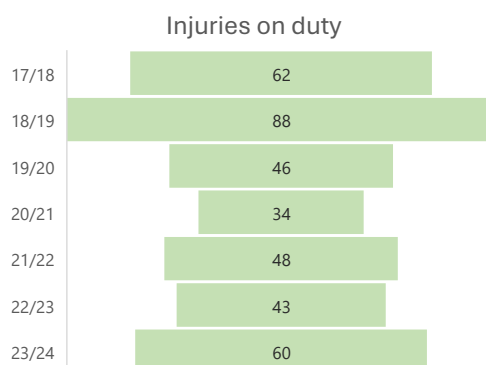
Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.1 Injuries on duty

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 for the 2023/24 financial year of 60 employees compared to 43 employees in the 2022/23 financial year. Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty. The table below indicates the total number of injuries within the different directorates:

Directorates	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Office of the Municipal Manager	0	1	1	1	2	0	0
Corporate Services	5	6	3	2	3	4	4
Financial Services	3	7	3	2	4	4	4
Community Services	23	30	9	5	9	9	16
Technical Services	31	44	30	24	30	26	36
Total	62	88	46	34	48	43	60

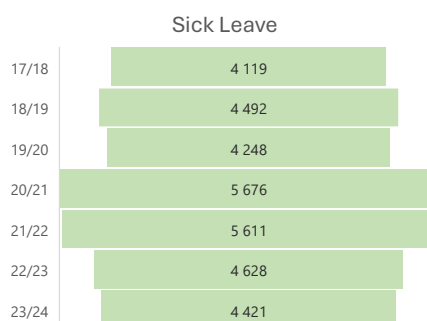


4.2.2 Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave days that have been taken during the 2023/24 financial year shows a decrease when compared with the 2022/23 financial year. The table below indicates the total number sick leave days taken within the different directorates:

Department	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Office of the Municipal Manager	44	92	42	98	108	118	71
Corporate Services	561	619	709	935	686	676	938
Financial Services	305	331	375	670	789	607	471
Community Services	1 545	1648	1392	1751	2084	1568	1525
Technical Services	1 664	1802	1730	2222	1944	1659	1416
Total	4 119	4 492	4 248	5 676	5 611	4 628	4 421



4.2.3 HR Policies and Plans

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

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

Approved policies	
Name of policy	Date approved
Attendance and Punctuality	4 August 2010
Employment Practice	4 August 2010
Employment Equity	4 August 2010
Employees under the Influence of Intoxicating Substances	4 August 2010
Legal Aid Policy	4 August 2010
Relocation Policy	4 August 2010
HIV/Aids Policy	4 August 2010
Internal Bursary	4 August 2010
Occupational Health And Safety	4 August 2010
Incapacity due to Poor Work Performance	4 August 2010
Sexual Harassment Policy	4 August 2010
Incapacity: Due to Ill Health/Injury Policy	4 August 2010
Private Work and Declaration of Interests	4 August 2010
Overtime Policy	31 May 2012
Proposed Scares Skills Policy	31 May 2012
Employee Assistance Policy	31 May 2012
Employment Policy	29 February 2012
Remuneration Policy	To be developed
Training and Development Policy	29 November 2022
Personnel Protective Equipment Policy	To be approved
Time and Attendance Policy	5 December 2017
Fraud & Corruption Prevention & Response Policy	26 July 2017
Fraud & Corruption Prevention Strategy	26 July 2017
Leave Policy	30 September 2020
Retirement Policy	30 September 2020
Mayoral Bursary Policy	25 August 2021
Witzenberg Whistle Blowing Policy	27 January 2021
Witzenberg Fraud and Corruption Policy and Response Plan	27 January 2021
Witzenberg Fraud and Corruption Prevention Strategy	27 January 2021

4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient, and accountable way. For this

purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.3.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials, and managers	Female	7	5
	Male	8	13
Professionals	Female	3	5
	Male	3	7
Associate professionals and Technicians	Female	4	4
	Male	11	4
Clerks	Female	16	17
	Male	7	5
Service and sales workers	Female	10	14
	Male	30	66
Craft and related trade workers	Female	0	0
	Male	12	6
Plant and machine operators and assemblers	Female	0	1
	Male	17	8
Elementary occupations	Female	9	4
	Male	64	57
Sub total	Female	49	50
	Male	152	166
Total		201	216

4.3.2 Skills Development – Training Provided

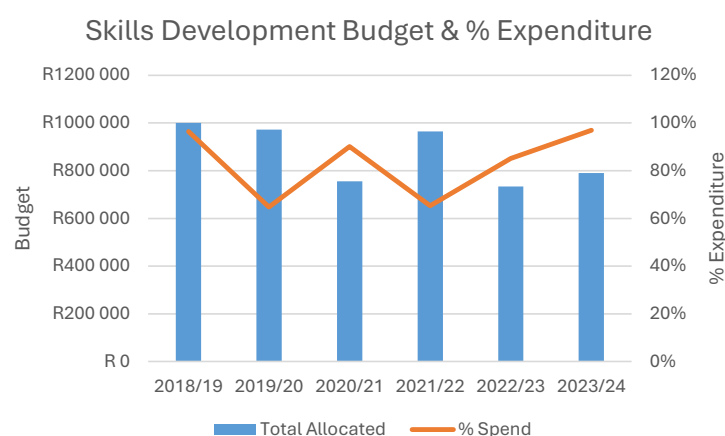
The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Nr employees at the beginning of the financial yr	Training provided within the reporting period						
			Learner ships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% achieved
MM and S57	Female	0	0	0	0	0	0	0	
	Male	4	0	0	0	0	0	0	
Legislators, senior officials and managers	Female	15	2	0	2	7	1	7	14%
	Male	27	1	0	6	6	7	6	117%
Professionals	Female	19	6	6	1	6	0	12	0%
	Male	11	7	5	0	5	3	10	30%
Technicians and associate professionals	Female	7	0	3	1	3	1	6	17%
	Male	23	0	6	10	12	10	18	56%
Clerks	Female	66	0	3	12	15	12	18	67%
	Male	23	0	2	9	7	9	9	100%
Service and sales workers	Female	32	0	3	3	5	3	8	38%
	Male	46	0	9	42	29	42	38	111%
Craft and related trade workers	Female	0	0	0	0	0	0	0	
	Male	26	0	4	16	17	16	21	76%
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	
	Male	45	0	7	18	16	18	23	78%
Elementary occupations	Female	42	0	0	4	6	4	6	67%
	Male	133	0	5	48	45	48	50	96%
Sub total	Female	181	8	15	23	42	21	57	37%
	Male	338	8	38	149	137	153	175	87%
Total		519	16	53	172	179	174	232	75%

4.3.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R 790 371 was allocated to the workplace skills plan and that 97% of the total amount was spent in the 2023/24 financial year:

Year	Total workplace skills plan budget	Total Allocated	Total Spend	% Spend
2018/19	R1 000 000	R1 000 000	R964 411	96%
2019/20	R972 629	R972 629	R629 570	65%
2020/21	R755 802	R755 802	R681 175	90%
2021/22	R964 129	R964 129	R629 194	65%
2022/23	R733 698	R733 698	R624 773	85%
2023/24	R790 371	R790 371	R766 285	97%



4.3.4 Employee Performance Rewards

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- The annual report for the financial year under review has been tabled and adopted by the municipal council;
 - an evaluation of performance in accordance with the provisions of regulation 23; and
 - approval of such evaluation by the municipal council as a reward for outstanding performance.
- The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of Section 57 employees that received performance rewards during the 2023/24 financial year.

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female			
	Male	1	1	100%
Asian	Female			
	Male			
Coloured	Female			
	Male	1	1	100%
White	Female			
	Male	2	2	100%
Disability	Female			
	Male			
Total		4	4	100%

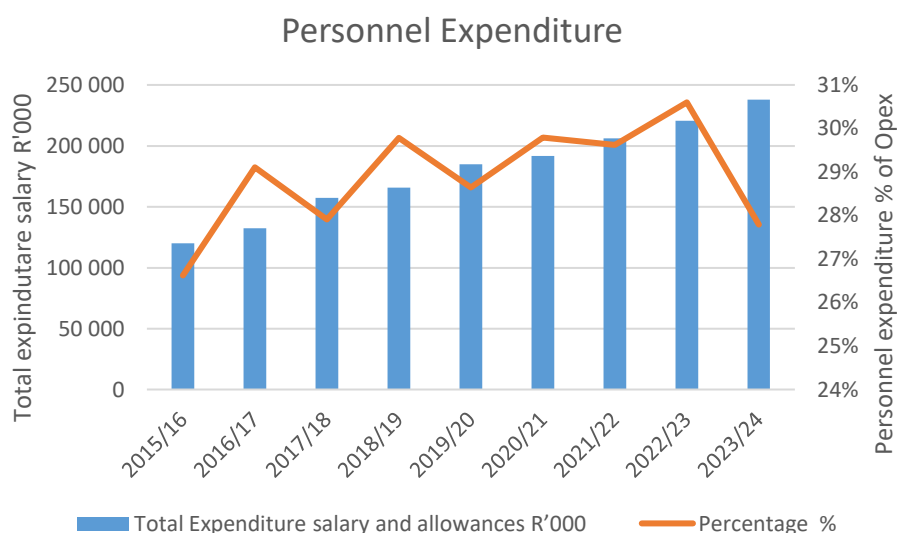
4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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.

4.4.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past four financial years and that the municipality is well below the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	%
2015/16	120 121	451 210	27%
2016/17	132 456	455 063	29%
2017/18	157 404	563 945	28%
2018/19	165 908	556 947	30%
2019/20	185 058	646 051	29%
2020/21	191 682	643 353	30%
2021/22	206 347	696 492	30%
2022/23	220 603	720 826	31%
2023/24	238 053	856 498	28%



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

Financial year	2021/22	2022/23	2023/24		
Description	Actual	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000	R'000
Councillors (Political Office Bearers plus Other)					
Allowance	7 856	8 319	9 277	9 276	9 007
Pension Contributions	1 071	1 384	1 524	1 524	1 339
Medical Aid Contributions	122	87	87	87	54
Motor vehicle allowance	391	227	0	0	184
Cell phone allowance	1 006	975	1 095	1 095	1 048
Housing allowance	15	0	0	0	0
Other benefits or allowances	14	74	96	85	45
In-kind benefits	0	0	0	0	0
Sub Total - Councillors	10 475	11 067	12 079	12 067	11 677
% increase/ (decrease)		6%			6%
Senior Managers of the Municipality					
Salary	3 901	4 125	4 652	4 652	4 082
Pension Contributions	331	334	379	379	349
Medical Aid Contributions	57	60	9	9	32
Motor vehicle allowance	990	991	1 008	1 008	1 316
Cell phone allowance	-2	365	369	369	365
Housing allowance	282	281	320	320	33
Performance Bonus	781	789	850	850	803
Other benefits or allowances	127	63	59	59	54
In-kind benefits	0	0	0	0	0
Sub Total - Senior Managers of Municipality	6 467	7 008	7 646	7 646	7 034
% increase/ (decrease)	19%	8%			0%
Other Municipal Staff					
Basic Salaries and Wages	125 380	129 336	146 266	149 913	143 682
Bonusses	9 382	9 750	11 347	11 347	10 737
Pension Contributions	19 100	20 399	23 298	23 298	22 036
Medical Aid Contributions	8 462	8 879	9 946	9 946	9 802
Motor vehicle allowance	5 922	6 366	7 112	7 133	6 758
Cell phone allowance	503	608	786	769	689
Housing allowance	1 130	1 172	1 350	1 350	1 166
Overtime	13 010	16 956	19 031	19 042	17 413
Standby Allowance	5 823	7 046	8 206	8 180	5 870
Other benefits or allowances	11 167	13 082	14 153	14 205	12 864
Sub Total - Other Municipal Staff	199 879	213 594	241 495	245 183	231 017
% increase/ (decrease)	3%	7%			8%
Total Municipality	216 821	231 669	261 220	264 896	249 728
% increase/ (decrease)	3%	7%			8%

4.5 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

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, developed an outcome based NQF Level 6 qualification 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 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:

Financial Competency Development: Progress Report				
Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	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))
Financial Officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	2	2	2	2
Any other financial officials	3	3	3	3
Supply Chain Management Officials				
Heads of supply chain management units	N/A	N/A	N/A	N/A
Manager Supply Chain Unit	1	1	1	1
Total	8	8	8	8

CHAPTER 5 – FINANCIAL PERFORMANCE

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 2023/24 financial year:

Financial Summary						
R' 000						
Description	22/23	23/24			Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	98 266	105 353	105 353	101 317	(3,83)	(3,83)
Service charges	439 882	517 215	532 215	531 782	2,82	(0,08)
Investment revenue	14 390	12 454	21 138	22 019	76,80	4,17
Transfers recognised - operational	140 527	158 793	184 922	152 438	(4,00)	(17,57)
Other own revenue	115 348	63 966	63 850	107 610	68,23	68,54
Total Revenue (excluding capital transfers and contributions)	808 413	857 781	907 478	915 166	6,69	0,85
Employee costs	220 604	258 264	261 979	246 467	(4,57)	(5,92)
Remuneration of councillors	11 067	12 079	12 073	11 680	(3,31)	(3,26)
Depreciation & asset impairment	33 563	54 369	54 369	34 133	(37,22)	(37,22)
Finance charges	18 311	9 535	9 535	6 094	(36,09)	(36,09)
Bulk purchases	279 960	360 544	360 143	324 086	(10,11)	(10,01)
Transfers and grants	2 208	2 253	3 016	2 928	30,00	(2,89)
Contracted Services	50 714	71 317	92 205	89 145	25,00	(3,32)
Impairment & Bad debt	54 997	64 475	64 475	(58 238)	(190,33)	(190,33)
Other expenditure	75 917	79 902	85 422	229 349	187,04	168,49
Total Expenditure	747 340	912 737	943 216	885 643	(2,97)	(6,10)
Surplus/(Deficit)	61 073	(54 955)	(35 738)	29 523	(153,72)	(182,61)
Transfers recognised - capital	67 395	46 921	48 088	38 780	(17,35)	(19,36)
Contributions recognised - capital & contributed assets	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	128 469	(8 035)	12 350	68 302	(950,11)	453,07
	-	-	-	-		
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	87 190	47 342	41 670	36 578	(22,74)	(12,22)
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	9 000	10 518	-	(100,00)	(100,00)
Internally generated funds	-	16 923	37 360	45 205	167,13	21,00
Total sources of capital funds	87 190	73 264	89 547	81 784	11,63	(8,67)
Financial position						
Total current assets	353 605	296 094	361 286	368 411	24,42	1,97
Total non current assets	1 099 045	1 185 439	1 106 913	1 148 921	(3,08)	3,80
Total current liabilities	171 424	154 205	204 669	157 154	1,91	(23,22)
Total non current liabilities	113 386	304 136	134 427	124 036	(59,22)	(7,73)
Community wealth/Equity	1 167 840	1 023 192	1 129 102	1 236 142	20,81	9,48

Financial Summary						
R' 000						
Description	22/23	23/24			Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Cash flows						
Net cash from (used) operating	159 242	(176 815)	71 824	36 400	(120,59)	(49,32)
Net cash from (used) investing	(76 525)	(68 014)	(75 717)	(77 165)	13,45	1,91
Net cash from (used) financing	(795)	(2 740)	(2 740)	1 207	(144,07)	(144,07)
Cash/cash equivalents at the year end	226 802	(20 279)	220 169	187 245	(1 023,33)	(14,95)
Cash backing/surplus reconciliation						
Cash and investments available	226 802	(20 279)	220 169	187 245	(1 023,33)	(14,95)
Application of cash and investments	159 856	98 443	70 803	162 251	64,82	129,16
Balance - surplus (shortfall)	66 946	(118 723)	149 366	24 993	(121,05)	(83,27)
Asset management						
Asset register summary (WDV)	1 099 045	1 185 439	1 106 913	1 148 921	(3,08)	3,80
Depreciation & asset impairment	33 563	54 369	54 369	34 133	(37,22)	(37,22)
Repairs and Maintenance	16 787	29 343	29 843	23 069	(21,38)	(22,70)
Free services						
Cost of Free Basic Services provided	28 596	32 941	32 941	33 538	1,81	1,81
Revenue cost of free services provided	31 424	36 601	36 601	36 854	0,69	0,69
Households below minimum service level						
Water:	Nil	Nil	Nil	Nil	Nil	Nil
Sanitation/sewerage:	Nil	Nil	Nil	Nil	Nil	Nil
Energy:	Nil	Nil	Nil	Nil	Nil	Nil
Refuse:	Nil	Nil	Nil	Nil	Nil	Nil
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						
T5.1.1						

Statements of Revenue Collection Performance by vote and by source

Appendix K

The table below shows a summary of performance against budgets:

Financial	Revenue excluding capital transfers			
Year	Budget	Actual	Diff.	Diff.
	(R'000)	(R'000)	(R'000)	%
22/23	735 767	808 413	72 646	9,87
23/24	907 478	915 166	7 688	0,85

Financial	Operating expenditure			
Year	Budget	Actual	Diff.	Diff.
	(R'000)	(R'000)	(R'000)	%
22/23	697 725	747 340	(49 615)	(7,11)
23/24	943 216	885 643	57 572	6,10

The table below indicates the Operational services performance for the 2023/24 financial year:

Financial Performance of Operational Services						
R '000						
Description	22/23	23/24			Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	53 420	51 425	54 485	74 201	(44,29)	(36,18)
Waste Water (Sanitation)	41 140	37 721	39 186	58 813	(55,92)	(50,09)
Electricity	312 104	398 930	400 790	364 654	8,59	9,02
Waste Management	58 234	72 714	73 095	69 546	4,36	4,86
Housing	4 820	11 667	35 904	39 249	(236,40)	(9,32)
Component A: sub-total	469 717	572 457	603 460	606 462	(5,94)	(0,50)
Waste Water (Storm water Drainage)	19	-	-	19	-	-
Roads	35 601	36 991	33 023	31 703	100,00	100,00
Transport	-	-	-	-	-	-
Component B: sub-total	35 620	36 991	33 023	31 722	100,00	100,00
Planning	12 196	14 622	15 128	13 508	100,00	100,00
Local Economic Development	1 912	2 147	2 081	1 826	100,00	100,00
Component C: sub-total	14 108	16 768	17 209	15 333	100,00	100,00
Community & Social Services	27 268	32 817	34 731	31 339	100,00	100,00
Environmental Protection	1 678	2 017	5 197	3 312	100,00	100,00
Health	-	-	-	-	-	-
Security and Safety	33 603	44 874	43 956	36 623	100,00	100,00
Sport and Recreation	33 311	39 592	38 985	37 311	100,00	100,00
Corporate Policy Offices	28 100	29 974	30 224	29 200	100,00	100,00
Finance and administration	96 360	123 778	121 793	84 815	100,00	100,00
Other	7 575	13 467	14 636	9 524	100,00	100,00
Component D: sub-total	227 894	286 520	289 523	232 126	100,00	100,00
Total Expenditure for the year	747 340	912 737	943 216	885 643	2,97	6,10

The bulk of the municipality's expenditure is spent on basic service delivery functions such as electricity, water, wastewater management and waste management.

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

Vote Description	22/23	23/24			Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	(R'000)				(%)	
Executive and Council						
Total Operational Revenue	33	31	31	28	0	0
Expenditure:						
Employees	(10 384)	(11 515)	(11 604)	(11 256)	2,24	2,99
Repairs and Maintenance	(4)	(7)	(3)	(3)	60,87	4,86
Other	(17 712)	(18 452)	(18 618)	(17 941)	2,77	3,63
Total Operational Expenditure	(28 100)	(29 974)	(30 224)	(29 200)	2,58	3,39
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(28 067)	(29 943)	(30 193)	(29 173)	2,57	3,38
Budget and Treasury Office						
Total Operational Revenue	131 131	133 121	141 684	139 339	(4,67)	1,65
Expenditure:						
Employees	(20 407)	(24 245)	(24 245)	(22 530)	7,07	7,07
Repairs and Maintenance	(22)	(361)	(261)	(24)	93,32	90,76
Other	(21 677)	(35 944)	(35 606)	(6 553)	81,77	81,59
Total Operational Expenditure	(42 106)	(60 550)	(60 112)	(29 108)	51,93	51,58
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	89 025	72 571	81 572	110 231	(51,90)	(35,13)
Corporate Services						
Total Operational Revenue	10 900	1 259	1 259	3 971	(215,41)	(215,41)
Expenditure:						
Employees	(26 611)	(30 162)	(30 197)	(26 894)	10,83	10,94
Repairs and Maintenance	(373)	(468)	(488)	(427)	8,63	12,49
Other	(27 269)	(32 598)	(30 996)	(28 386)	12,92	8,42
Total Operational Expenditure	(54 254)	(63 228)	(61 681)	(55 708)	11,89	9,68
Gains / (losses)	(668)	(6 237)	(6 237)	-	100,00	100,00
Net Operational (Service) Expenditure	(44 022)	(68 206)	(66 659)	(51 737)	24,15	22,39
Community and Social Services						
Total Operational Revenue	133 819	149 502	150 279	148 911	0,40	0,91
Expenditure:						
Employees	(24 273)	(27 340)	(28 201)	(26 972)	1,35	4,36
Repairs and Maintenance	(238)	(531)	(373)	(311)	41,42	16,57
Other	(2 757)	(4 946)	(6 158)	(4 056)	18,00	34,13
Total Operational Expenditure	(27 268)	(32 817)	(34 731)	(31 339)	4,50	9,77
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	106 552	116 685	115 548	117 572	(0,76)	(1,75)
Sport and Recreation						
Total Operational Revenue	12 144	7 251	7 251	9 256	(27,65)	(27,65)
Expenditure:						
Employees	(23 290)	(25 390)	(24 968)	(24 569)	3,24	1,60
Repairs and Maintenance	(401)	(561)	(900)	(471)	15,97	47,64
Other	(9 620)	(13 641)	(13 117)	(12 272)	10,04	6,45
Total Operational Expenditure	(33 311)	(39 592)	(38 985)	(37 311)	5,76	4,29
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(21 167)	(32 341)	(31 734)	(28 055)	13,25	11,59

Vote Description	22/23	23/24			Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	(R'000)				(%)	
Public Safety						
Total Operational Revenue	9 925	12 732	12 931	3 783	70,29	70,75
Expenditure:						
Employees	(24 117)	(27 744)	(27 748)	(28 138)	(1,42)	(1,41)
Repairs and Maintenance	(455)	(728)	(988)	(839)	(15,25)	15,16
Other	(9 031)	(16 403)	(15 220)	(7 647)	53,38	49,76
Total Operational Expenditure	(33 603)	(44 874)	(43 956)	(36 623)	18,39	16,68
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(23 677)	(32 142)	(31 025)	(32 840)	(2,17)	(5,85)
Housing						
Total Operational Revenue	482	6 269	31 114	42 365	(575,76)	(36,16)
Expenditure:						
Employees	(3 954)	(3 431)	(3 754)	(4 308)	(25,54)	(14,75)
Repairs and Maintenance	(270)	(335)	(562)	(403)	(20,17)	28,31
Other	(596)	(7 901)	(31 588)	(34 538)	(337,16)	(9,34)
Total Operational Expenditure	(4 820)	(11 667)	(35 904)	(39 249)	(236,40)	(9,32)
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(4 338)	(5 398)	(4 790)	3 117	157,74	165,07
Health						
Total Operational Revenue	-	-	-	-	-	-
Expenditure:						
Employees	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Operational Expenditure	-	-	-	-	-	-
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	-	-	-	-	-	-
Planning and Development						
Total Operational Revenue	3 669	2 993	3 021	4 662	(55,76)	(54,33)
Expenditure:						
Employees	(10 690)	(12 295)	(12 901)	(11 686)	4,95	9,42
Repairs and Maintenance	(102)	(80)	(80)	(77)	4,06	4,06
Other	(1 404)	(2 247)	(2 147)	(1 745)	22,33	18,69
Total Operational Expenditure	(12 196)	(14 622)	(15 128)	(13 508)	7,62	10,71
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(8 527)	(11 629)	(12 107)	(8 846)	23,93	26,94
Road Transport						
Total Operational Revenue	39 597	47 144	46 497	20 919	55,63	55,01
Expenditure:						
Employees	(17 615)	(20 178)	(21 271)	(19 971)	1,02	6,11
Repairs and Maintenance	(13 686)	(13 677)	(7 539)	(6 989)	48,90	7,30
Other	(9 521)	(9 260)	(10 446)	(10 856)	(17,24)	(3,93)
Total Operational Expenditure	(40 822)	(43 115)	(39 256)	(37 816)	12,29	3,67
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(1 225)	4 029	7 240	(16 897)	519,35	333,38
Environmental Protection						
Total Operational Revenue	1 386	10	2 502	1 587	(15 237,47)	36,58
Expenditure:						
Employees	(957)	(1 130)	(2 639)	(1 451)	(28,37)	45,02
Repairs and Maintenance	-	-	(30)	(0)	-	98,52
Other	(721)	(887)	(2 528)	(1 860)	(109,78)	26,41
Total Operational Expenditure	(1 678)	(2 017)	(5 197)	(3 312)	(64,18)	36,28
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(292)	(2 007)	(2 696)	(1 725)	14,04	36,00

Vote Description	22/23	23/24			Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	(R'000)				(%)	
Electricity						
Total Operational Revenue	315 576	402 787	399 396	373 655	7,23	6,44
Expenditure:						
Employees	(14 887)	(17 262)	(16 562)	(14 553)	15,70	12,13
Repairs and Maintenance	(1 776)	(3 456)	(3 736)	(3 396)	1,75	9,10
Other	(295 440)	(378 211)	(380 493)	(346 705)	8,33	8,88
Total Operational Expenditure	(312 104)	(398 930)	(400 790)	(364 654)	8,59	9,02
Gains / (losses)	(2)	-	-	-	-	-
Net Operational (Service) Expenditure	3 470	3 857	(1 395)	9 001	(133,36)	745,36
Water						
Total Operational Revenue	83 582	63 463	64 031	68 654	(8,18)	(7,22)
Expenditure:						
Employees	(10 016)	(11 841)	(11 841)	(9 835)	16,94	16,94
Repairs and Maintenance	(2 984)	(2 393)	(2 553)	(2 522)	(5,40)	1,21
Other	(40 420)	(37 191)	(40 091)	(61 844)	(66,29)	(54,26)
Total Operational Expenditure	(53 420)	(51 425)	(54 485)	(74 201)	(44,29)	(36,18)
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	30 163	12 038	9 546	(5 546)	146,07	158,10
Waste Water Management						
Total Operational Revenue	55 938	38 729	54 704	83 934	(116,72)	(53,43)
Expenditure:						
Employees	(10 974)	(12 055)	(12 055)	(11 232)	6,83	6,83
Repairs and Maintenance	(5 151)	(5 629)	(6 389)	(6 359)	(12,96)	0,47
Other	(25 831)	(20 285)	(21 985)	(42 476)	(109,40)	(93,21)
Total Operational Expenditure	(41 956)	(37 970)	(40 429)	(60 067)	(58,20)	(48,57)
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	13 982	759	14 275	23 867	(3 045,52)	(67,20)
Waste Management						
Total Operational Revenue	40 720	39 410	40 867	50 984	(29,37)	(24,76)
Expenditure:						
Employees	(20 105)	(22 029)	(22 345)	(20 827)	5,45	6,79
Repairs and Maintenance	(1 492)	(1 072)	(1 396)	(1 248)	(16,49)	10,55
Other	(36 637)	(49 614)	(49 354)	(47 470)	4,32	3,82
Total Operational Expenditure	(58 234)	(72 714)	(73 095)	(69 546)	4,36	4,86
Gains / (losses)	36 625	(1)	(1)	1 897	184 141,08	184 141,08
Net Operational (Service) Expenditure	19 111	(33 305)	(32 229)	(16 665)	49,96	48,29
Other						
Total Operational Revenue	-	-	-	-	-	-
Expenditure:						
Employees	(2 323)	(2 522)	(2 522)	(3 717)	(47,41)	(47,41)
Repairs and Maintenance	-	-	-	-	-	-
Other	(196)	(481)	(481)	(285)	40,71	40,71
Total Operational Expenditure	(2 518)	(3 002)	(3 002)	(4 002)	(33,31)	(33,31)
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(2 518)	(3 002)	(3 002)	(4 002)	(33,31)	(33,31)

5.3 GRANTS

5.3.1 Grant Performance

The table below indicates the projects implemented under MIG funding for the past 3 years:

Project Name	Budget (VAT Excl)			Comments
	2021/22	2022/23	2023/24	
Vredebes Streetlights	1 565 217			Completed
Vredebes Access Collector		13 194 263		Completed
Vredebes bulk water pipeline			1 596 590	Completed
Ceres Lyellstr sport project	3 022 707	6 340 995	2 424 826	Completed
Op-Die-Berg Reservoir		173 913	4 536 345	Completed
Tierhokskloof pipeline		820 000	649 671	Phased Project
Tulbagh Reservoir		449 565	224 498	Phased Project
Material Recovery Facility	16 559 903			Completed
Resealing Wolseley Roads			3 689 266	Phased Project
Waste Management Vehicles			7 179 885	Completed

The table below indicates the grant performance for the 2023/24 financial year:

Grant Performance							
R' 000							
Description	2021/22	22/23	23/24			2023/24 Variance	
	Actual	Actual	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants							
National Government:	165 194	174 914	174 182	169 442	164 936	2,72%	2,66%
Equitable share	106 666	121 668	135 729	135 729	135 729	0,00%	0,00%
Regional Bulk Infrastructure Grant	22 160	15 479	-	-	-	0,00%	0,00%
Finance Management Grant	1 550	1 550	1 550	1 550	1 550	0,00%	0,00%
Municipal Infrastructure Grant	23 707	23 980	30 073	28 916	24 293	3,85%	15,99%
Water Service Infrastructure Grant	-	9 143	-	-	-	0,00%	0,00%
Integrated National Electricity Program	8 597	778	3 391	-	-	100,00%	0,00%
Expanded Public Works	2 514	2 318	3 439	3 247	3 364	5,58%	-3,62%
Provincial Government:	18 225	27 051	27 040	51 614	51 594	-90,88%	0,04%
Regional Social Economic Project	1 619	394	-	174	200	0,00%	-14,94%
Capacity Building and Other	-	235	5 600	950	295	83,04%	68,95%
Housing	4 804	-	1 195	30 000	37 954	-2410,46%	-26,51%
CDW	38	273	132	132	71	0,00%	46,19%
Maintenance and Construction of Transport	11 764	24 201	20 113	20 113	12 879	0,00%	35,97%
Municipal Accreditation and Capacity Building	-	186	-	245	196	0,00%	20,16%
Municipal Energy Resilience Fund	-	1 761	-	-	-	0,00%	0,00%
District Municipality:	480	877	750	1 873	1 851	-149,73%	1,19%
Water & Sanitation Informal Area	-	-	250	-	-	100,00%	0,00%
Capacity Building	-	-	-	-	-	0,00%	0,00%
Infrastructure	188	812	500	1 700	1 700	-240,00%	0,01%
Safety Project	264	65	-	173	151	0,00%	12,79%
Covid 19	28	-	-	-	-	0,00%	0,00%
Other grant providers:	1 461	3 920	183	2 162	2 767	-1084,01%	-28,00%
Belgium	1 453	3 412	183	256	1 793	-40,20%	-600,48%
China	8	7	-	-	-	0,00%	0,00%
Perdekraal	-	174	-	673	373	0,00%	44,64%
Nedbank	-	326	-	1 233	602	0,00%	51,21%
Total Operating Transfers and Grants	185 360	206 762	202 155	225 091	221 148	-11,35%	1,75%

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

T5.3.1

The table below indicates the projects implemented under Human Settlements funding for the past 3 years:

Project Name	Budget (VAT Excl)			Comments
	2021/22	2022/23	2023/24	
Vredebes Top Structures			29 850 000	Phased Project (150)
Vredebes Serviced Sites H	4 125 138			Completed (529)

5.3.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies recognised	Total Operating Revenue	Percentage
	(R'000)		(%)
21/22	185 360	788 617	23,50%
22/23	206 762	838 902	24,65%
23/24	221 148	952 048	23,23%

Witzenberg Municipality is reliant on grants. Without the grants the Municipality would not have been able to upgrade infrastructure.

5.4 ASSET MANAGEMENT

The responsibility for asset management lies with both finance and the different functional/departmental managers. The Finance section is responsible for the record keeping and reporting on the assets, whereas the functional managers are responsible for the physical safeguarding of assets, the maintenance, acquisition and disposal of assets.

It is of utmost importance that these two functional areas communicate on a regular basis regarding all movement of assets. Especially in respect of the annual assets count, where information regarding the existence, condition and useful lives regarding assets is reviewed and reported on.

The implementation of GRAP (accounting standard for municipalities) remains a challenge to the Municipality due to the cost and time factors.

5.4.1 Treatment of the Three Largest Assets

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2023/24		
Asset 1		
Name	A - Capex Upgrade Van Breda Bridge	
Description	Upgrade of the Van Breda Bridge to improve transport facilities	
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain, with the support of the Line Manager & Project Manager, draft the required Tender Document and see to it that the procurement procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2022/23	2023/24
	R 28 071 481	R 18 133 474
Capital Implications	R 58 929 309	
Future Purpose of Asset	Improved Public Transport Facilities	
Describe Key Issues	Not applicable. Project completed.	
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

Asset 2		
Name	B - Capex Network Street	
Description	Various resealing of roads completed in the municipal area	
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain, with the support of the Line Manager & Project Manager, draft the required Tender Document and see to it that the procurement procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2022/23	2023/24
	1 985 246,63	13 473 500
Capital Implications	R 19 710 779	
Future Purpose of Asset	Improved Road Network	
Describe Key Issues	Major Capital investment required for Tulbagh Roads	
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

Asset 3		
Name	C - Capex Waste Management Vehicles - Yellow Fleet	
Description	The acquisition of fleet to improve waste management services	
Asset Type	Plant & Equipment	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain, with the support of the Line Manager & Project Manager, draft the required Tender Document and see to it that the procurement procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2022/23	2023/24
		7 129 204
Capital Implications	R 7 129 204	
Future Purpose of Asset	Transport of waste to Landfill Site and maintenance of the Landfill site	
Describe Key Issues	Increased future running cost as a result of longer distance to transport waste to Regional Site	
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

5.4.2 Repairs and Maintenance

Repair and Maintenance Expenditure: 2023/24				
	R' 000	R' 000	R' 000	%
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	29 298	25 297	23 069	13,66
T5.3.4				

The future expenditure on repairs and maintenance needs to be increased to ensure that assets are maintained in a condition that is conducive for service delivery.

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity Ratio

Description	Basis of calculation	2021/22	2022/23	2023/24
		Audited outcome	Audited outcome	Pre-audit outcome
Current Ratio	Current Assets/Current Liabilities	2,29	2,06	2,34
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,29	2,06	2,34
Liquidity Ratio	Monetary Assets/Current Liabilities	1,20	1,32	1,19

Current Ratio:

Financial year	Current assets	Current liabilities	Ratio
	(R)		
2021/22	276 036	120 617	2,29
2022/23	353 605	171 424	2,06
2023/24	368 411	157 154	2,34

Current Ratio adjusted for aged debtors:

Financial year	Current assets less debtors > 90 days	Current liabilities	Ratio
	(R)		
2021/22	276 036	120 617	2,29
2022/23	353 605	171 424	2,06
2023/24	368 411	157 154	2,34

Liquidity Ratio:

Financial year	Monetary Assets	Net current liabilities	Ratio
	(R)		
2021/22	144 880	120 617	1,20
2022/23	226 802	171 424	1,32
2023/24	187 245	157 154	1,19

The current ratio and the current ratio adjusted for aged debt are the same as the debtors per the statement of financial performance and have already been impaired (reduced with the doubtful debt).

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2021/22	2022/23	2023/24
		Audited outcome	Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2,9	4,2	3,0
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	152,7	426,1	0,0
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	113%	92%	67%

5.5.3 Creditors Management

Description	Basis of calculation	2021/22	2022/23	2023/24
		Audited outcome	Audited outcome	Pre-audit outcome
Creditors System Efficiency	Average creditor days	46	37	31

The creditors' management graph indicates the average days that the municipality takes to pay its creditors. The figure at year end is normally higher due to the higher-than-normal Eskom account resulting from seasonal tariffs charged by Eskom. This ratio is calculated by outstanding trade creditors divided by credit purchases.

5.5.4 Borrowing Management

Description	Basis of calculation	2021/22	2022/23	2023/24
		Audited outcome	Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,5%	0,2%	0,0%

5.5.5 Employee costs

Description	Basis of calculation	2021/22	2022/23	2023/24
		Audited outcome	Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	28,57%	27,29%	26,00%

The graph indicates that 27.8% of revenue excluding grant revenue are utilised to fund employee related cost. The ratio is well within the norm of 25 to 40 %.

5.5.6 Repairs & Maintenance

Description	Basis of calculation	2021/22	2022/23	2023/24
		Audited outcome	Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2,36%	4,26%	3,16%

The municipality need to accelerate the spending on maintenance of its assets.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 CAPITAL EXPENDITURE

R'000	Original Budget	Adjustment Budget	Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	73 264	89 547	81 784	-11,6%	8,7%
Operating Expenditure	912 737	943 216	885 643	3,0%	6,1%
Total expenditure	986 001	1 032 763	967 427	1,9%	6,3%

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2023/24 financial year:

Capital Expenditure - Funding Sources							R' 000
Details		Actual 2022/23	2023/24				
			Original Budget (OB)	Adjustment Budget (AB)	Actual	OB to AB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	–	9 000	10 518	–	(0,17)	1,00
	Public contributions and donations					–	–
	Grants and subsidies	87 190	47 342	41 670	36 578	0,12	0,12
	Other	–	16 923	37 360	45 205	(1,21)	(0,21)
Total		87 190	73 264	89 547	81 784	-22,22%	8,67%
Percentage of finance							
	External loans	0,0%	12,3%	11,7%	0,0%		
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%		
	Grants and subsidies	100,0%	64,6%	46,5%	44,7%		
	Other	0,0%	23,1%	41,7%	55,3%		
Capital expenditure							
	Water and sanitation	16 694	200	1 362	1 362	-581,19%	0,00%
	Electricity	4 827	3 491	4 437	4 357	-24,80%	1,80%
	Housing	–	–	–	–		
	Roads and storm water	42 520	24 513	28 449	27 918	-13,89%	1,87%
	Other	23 148	45 060	55 298	48 146	-6,85%	12,93%
Total		87 190	73 264	89 547	81 784	-11,63%	8,67%
Percentage of expenditure							
	Water and sanitation	19,1%	0,3%	1,5%	1,7%		
	Electricity	5,5%	4,8%	5,0%	5,3%		
	Housing	0,0%	0,0%	0,0%	0,0%		
	Roads and storm water	48,8%	33,5%	31,8%	34,1%		
	Other	26,5%	61,5%	61,8%	58,9%		

T5.6.1

5.8 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Projects with the highest capital expenditure in 2023/24:

Capital Expenditure of 5 largest projects*					
Name of Project	Current Year: 2023/24			Variance Current Year: 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Capex Upgrade Van Breda Bridge	24 513	18 690	18 133	26%	24%
B - Capex Network Street	–	13 474	13 473		
C - Capex Waste Management Vehicles - Yellow Fleet	5 048	7 214	7 129	-41%	-43%
D - Capex Op Die Berg Reservoir	2 681	4 785	4 767	-78%	-79%
E - Capex Vehicle Replacement Programme	2 000	4 536	4 076	-104%	-127%
* Projects with the highest capital expenditure in Year 1					
Name of Project - A	A - Capex Upgrade Van Breda Bridge				
Objective of Project	The Provision of Public Transport Facilities				
Delays	Increase in cost estimate requiring approval from Provincial Government. Heavy rains				
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained.Continuous commitment from Provincial Government to complete the project on time				
Anticipated citizen benefits	Improved Transport Facilities				
Name of Project - B	B - Capex Network Street				
Objective of Project	Resealing of Roads Network				
Delays	No delays				
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained. Conitnuous commitment from Department of Water Affairs and Farmer to complete the project				
Anticipated citizen benefits	Improved Road Network				
Name of Project - C	C - Capex Waste Management Vehicles - Yellow Fleet				
Objective of Project	The acquisition of fleet to improve waste management services				
Delays	No Delays				
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained. Community Education & Awareness in terms of Waste Management				
Anticipated citizen benefits	Improved Waste Management Services				
Name of Project - D	D - Capex Op Die Berg Reservoir				
Objective of Project	The provision of additional water storage capacity to ensure sustainable water				
Delays	No delays				
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained				
Anticipated citizen benefits	Improved Basic Services and Quality Of Life				
Name of Project - E	E - Capex Vehicle Replacement Programme				
Objective of Project	Improved vehicle transport to enable the effective and efficient deployment of resources				
Delays	No delays				
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained				
Anticipated citizen benefits	Improved turnaround time to service delivery issues as well as improved Traffic Safety				
T5.7.1					

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW

All the residents in the urban areas have access to minimum basic services. Some areas still need to be upgraded to waterborne sewerage systems. Housing delivery is still a challenge, although it is a function of the Provincial Government. Service delivery to informal areas needs to be improved, serviced plots might be the only solution.

5.9.1 Service Backlogs

Service Backlogs as at 2023/24				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	19 367	100%	0	0%
Sanitation	19 711	100%	0	0%
Electricity	14 678	100%	0	0%
Waste management	20 181	100%	0	0%
Housing (dwellings)	26 998	88%	3 024	11%
<i>Services only refer to urban areas. Housing refer to municipal wide as published in the 2023 Witzenberg Socio-Economic Profile (Western Cape Government)</i>				

Schools & clinics with access to basic services

Appendix P

Schools & clinics with access to basic services where other spheres of government are responsible for the provision.

Appendix Q

CAPITAL INVESTMENT FRAMEWORK

The past couple of financial years, capital investment was dominated by bulk infrastructure projects linked to especially the Vredebes subsidized housing project. Most of the required bulk infrastructure has been completed and construction of houses and servicing of sites has commenced. A limited number of top structures will be constructed in the next two years due to the incapacity of Eskom bulk supply electricity network to Witzenberg as well as a policy change from the National Department of Housing where the focus will be more on serviced sites. It was indicated that upgrading of the electricity supply lines would only commence by 2030. With regards to housing, 529 sites at Vredebes were completed in 2021/22, with the purpose to accommodate the informal settlement at Nduli which should be upgraded the year after. Major projects mainly include the construction of a storage dam in Tulbagh completed in 2022/23, and other network upgrading for water/sanitation and electricity services.

The construction of a new Material Recovery Facility where solid waste is recycled was completed in July 2022 followed by the construction of drop-off points and transfer stations in various towns. The upgrading of the Van Breda Bridge in Ceres was completed in 2023/24.

In terms of the Witzenberg Strategic Map, the bulk of the funding is allocated to the key performance area of Essential Services with the strategic objectives related to the provision of services receiving most of the capital funding.

Detailed three-year Capital Budget

New works & renewal programme

Appendix M

Full programme of capital projects

Appendix N

Alignment of projects to Wards

Appendix O

5.9.2 Municipal Infrastructure Grant (MIG)

Municipal Infrastructure Grant (MIG)* Expenditure 2023/24 on Service backlogs						
R' 000						
Details	Budget	Adjust- ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
Infrastructure - Road transport	-	3 715	3 689	100,00%	-0,70%	
Roads, Pavements & Bridges	-	3 715	3 689	100,00%	-0,70%	
Storm water	-	-	-			
Infrastructure - Electricity	-	-	-			
Generation	-	-	-			
Transmission & Reticulation	-	-	-			
Street Lighting	-	-	-			
Infrastructure - Water	16 301	7 032	7 007	-132,64%	-0,36%	
Dams & Reservoirs	5 381	4 780	4 761	-13,04%	-0,40%	
Water purification	-	-	-			
Reticulation	10 920	2 252	2 246	-386,13%	-0,26%	
Infrastructure - Sanitation	-	-	-			
Reticulation	-	-	-			
Sewerage purification	-	-	-			
Infrastructure - Other	-	-	-			
Waste Management	-	-	-			
Transportation	-	-	-			
Gas	-	-	-			
Other Specify:	5 483	9 610	9 554	42,61%	-0,59%	
Leyell Street Sport facilities	435	2 396	2 425	82,07%	1,19%	
Waste Management Vehicles - Yellow	5 048	7 214	7 129	29,20%	-1,19%	
	-	-	-			
	-	-	-			
Total	21 784	20 357	20 250	-7,57%	-0,53%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

T5.8.3

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

Cash flow budgeting and management is of the utmost importance to ensure sufficient cash to meet obligations.

5.10 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2022/23	Current Year: 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	527 430	561 001	675 613	600 517
Government - operating	130 463	156 768	183 104	128 513
Government - capital	67 395	55 289	50 797	39 321
Interest	32 945	33 583	48 207	48 344
Payments				
Suppliers and employees	(598 851)	(983 456)	(885 897)	(780 162)
Finance charges	(141)	-	-	(132)
Transfers and Grants	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	159 242	(176 815)	71 824	36 400
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	8 492	-	-	(922)
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	(85 017)	(68 014)	(75 717)	(76 243)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(76 525)	(68 014)	(75 717)	(77 165)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	610	-	-	275
Payments				
Repayment of borrowing	(1 405)	(2 740)	(2 740)	933
NET CASH FROM/(USED) FINANCING ACTIVITIES	(795)	(2 740)	(2 740)	1 207
NET INCREASE/ (DECREASE) IN CASH HELD	81 922	(247 570)	(6 633)	(39 557)
Cash/cash equivalents at the year begin:	144 880	226 802	226 802	226 802
Cash/cash equivalents at the year end:	226 802	(20 768)	220 169	187 245
Source: MBRR SA7				T5.9.1

5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	(R'000)					
2022/23	46 952	198 002	180 505	3 049	5 357	433 867
2023/24	54 881	163 537	158 575	2 309	5 445	384 747
Difference	7 929	(34 465)	(21 930)	(740)	87	(49 119)
% growth year on year	17%	-17%	-12%	-24%	2%	-11%

Note: Figures excludes provision for bad debt

5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2022/23	71 566	7 824	6 726	352 879	438 995
2023/24	113 093	8 491	7 139	261 152	389 876
Difference	41 527	667	413	(91 726)	(49 119)
% growth year on year	58%	9%	6%	-26%	-11%

Note: Figures excludes provision for bad debt

The Auditor-General of South Africa has, in its report on the 2023/24 financial statements of the Municipal Council, has emphasized the material impairment of R212 million of receivables from exchange transactions and R 53 million of receivables from non-exchange transactions. Included in the impairment for receivables from non-exchange transactions in an amount of R3 million in respect of traffic fines.

The gross outstanding service debtors in total decreased with 11 % in relation to the 2022/23 financial year. The decrease is due to prescribed debt and debt of indigent households written off.

The leading contributor to the outstanding debt is water at 24.2 %.

The effective implementation of the Credit Control Policy in areas where Eskom is a supplier of electricity is playing a major role in the escalation of the service debtors.

5.13 BORROWINGS AND INVESTMENT

5.13.1 Actual Borrowings

Instrument	2022/23	2023/24
	R'000	
Long Term Loans (annuity/reducing balance)	527	1 282
Long Term Loans (non(annuity)	0	0
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted by Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non-Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
Municipality Total	527	1 282

5.13.2 Municipal Investments

Witzenberg Municipality needs to increase the available investments to be financially more viable. This can only be achieved if the payment for rates and taxes improves.

Investment type	2022/23	2023/24
	R'000	R'000
Securities (National Government	-	-
Listed Corporate Bonds	-	-
Deposits (Bank	226 802	187 245
Deposits (Public Investment Commissioners	-	-
Deposits (Corporation for Public Deposits	-	-
Bankers Acceptance Certificates	-	-
Negotiable Certificates of Deposit (Banks	-	-
Guaranteed Endowment Policies (sinking)	-	-
Repurchase Agreements (Banks	-	-
Municipal Bonds	-	-
Other	-	-
Municipality Total	226 802	187 245

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 *SUPPLY CHAIN MANAGEMENT*

Witzenberg Municipality implemented policies and practices in compliance with the guidelines stipulated by the SCM Regulations 2005. No councillors are members of any committees handling supply chain processes.

5.15 *GRAP COMPLIANCE*

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

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2023/24

6.1 AUDITOR-GENERAL REPORTS 2022/23

Auditor-General Report on Financial Performance 2022/23	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R310,5 million (2021-22: R252,2 million) on receivables from exchange transactions amounting to R344,9 million (2020-21: R285, 7 million).	A report on the writing off of prescribed debt and the debt of indigent households has been prepared and will be submitted to council for consideration in 2024.
As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R49,6 million (2021-22: R49,5 million) on receivables from non-exchange transactions.	
<u>Restatement of corresponding figures</u>	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2022 have been restated as a result of errors discovered during 2022-23 in the financial statements of the municipality for the year ended 30 June 2023.	None

6.2 AUDITOR-GENERAL REPORTS 2023/24

Auditor-General Report on Financial Performance 2023/24	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R211,6 million (2022-23: R310,5 million) on receivables from exchange transactions of R334,9 million (2022-23: R392 million).	A report on installation of water management devices and other improvements in the application of the credit control policy will be submitted to council for consideration in 2025.
As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R53,3 million (2022-23: R49,6 million) on receivables from non-exchange transactions amounting to R62, 1 million (2022-23: R53, 1 million).	
<u>Restatement of corresponding figures</u>	
As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2023 have been restated because of errors in the financial statements of the municipality at, and for the year ended 30 June 2024.	None

LIST OF ABBREVIATIONS

AG	Auditor-General	MMC	Member of the Mayoral Committee
CAPEX	Capital Expenditure	MIG	Municipal Infrastructure Grant
CBP	Community Based Planning	MM	Municipal Manager
CFO	Chief Financial Officer	MRF	Material Recovery Facilities
DPLG	Department of Provincial and Local Government	MSA	Municipal Systems Act No. 32 of 2000
DWA	Department of Water Affairs	MTECH	Medium Term Expenditure Committee
EE	Employment Equity	NGO	Non-governmental organisation
GAMAP	Generally Accepted Municipal Accounting Practice	NT	National Treasury
GRAP	Generally Recognised Accounting Practice	OPEX	Operating expenditure
HR	Human Resources	PMS	Performance Management System
IDP	Integrated Development Plan	PPP	Public Private Partnership
IFRS	International Financial Reporting Standards	PT	Provincial Treasury
IMFO	Institute for Municipal Finance Officers	SALGA	South African Local Government Organisation
KPA	Key Performance Area	SAMDI	South African Management Development Institute
KPI	Key Performance Indicator	SCM	Supply Chain Management
LED	Local Economic Development	SDBIP	Service Delivery and Budget Implementation Plan
MAYCO	Executive Mayoral Committee	SDF	Spatial Development Framework
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)		

APPENDICES**APPENDIX A: Councillors; Committee Allocation and Council Attendance**

See also Chapter 2.1.1 of Annual Report

Period 1 July 2023 to 30 June 2024

Name of Councillor / Alderman	Capacity	Committee Allocation	% Attendance of Council Meetings 2023/24
T Abrahams	Councillor / Executive Mayor	Committee for Technical Services Executive Mayoral Committee	100%
K Adams	Mayco Member / Alderman	Councillor, Mayco; Committee for Housing Matters	100%
W Alexander	Councillor / Mayco member	Committee for Corporate and Financial Services	60%
P Daniels	Councillor / Mayco member	Committee for Community Development / Committee for Local Economic Development	100%
S de Bruin	Councillor	Committee for Housing Matters	94%
G Franse	Councillor	Committee for Technical Services; Committee for Community Development, MPAC	94%
JP Fredericks	Mayco Member / Councillor	Mayco; Committee for Corporate and Financial Services	100%
AL Gili	Councillor	Committee for Technical Services; Local Labour Forum	77%
LA Hardnek	Councillor / Mayco member	MPAC; Committee for Community Development	100%
P Heradien	Councillor	Committee for Corporate and Financial Services	100%
GG Laban	Councillor / Executive Deputy Mayor	Committee for Local Economic Development; Local Labour Forum / Committee for Community Development	62%
JS Mouton	Councillor / Mayco member	Committee for Technical Services	77%
JF Nel	Councillor / Executive Deputy Mayor	Committee for Community Development	100%
MJ Ndaba	Councillor	Comitee for Corporate and Financial Services / Committee for Local Economic Development	46%
N Nogcinisa	Councillor	Committee for Local Economic Development / Committee for Corporate and Financial Services / MPAC	77%
N Phatsoane	Councillor	Committee for Community Development / Committee for Housing Matters	77%
K Robyn	Executive Mayor / Councillor	Committee for Community Development	69%
EM Sidego	Mayco Member / Councillor / Speaker	Council; Mayco Ex-Officio	100%
HJ Smit	Executive Mayor / Alderman	Council; Mayco; Local Labour Forum	100%
D Swart	Councillor	Committee for Corporate and Financial Services / Committee for Housing Matters / Committee for Technical Services	100%
IL Swartz	Councillor / Mayco member	Committee for Housing Matters; MPAC	69%
JJ Visagie	Mayco Member / Alderman	Mayco; Committee for Technical Services	100%
K Yisa	Councillor	Committee for Community Development; MPAC	77%
J Zalie	Councillor / Mayco member	Committee for Corporate and Financial Services / Committee for Local Economic Development	54%

ANNUAL REPORT

Total attendance of Council Meetings

Period 1 July 2023 to 30 June 2024

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
2023/07/24	4	100%	None
2023/08/25	25	100%	None
2023/10/17	11	100%	None
2023/10/24	11	100%	None
2023/12/14	11	52%	48%
2023/12/20	11	61%	39%
2024/01/24	56	91%	9%
2024/03/20	3	96%	4%
2024/03/27	2	52%	48%
2024/04/12	27	96%	4%
2024/04/16	2	70%	30%
2024/05/16	16	74%	26%
2024/06/21	39	87%	13%

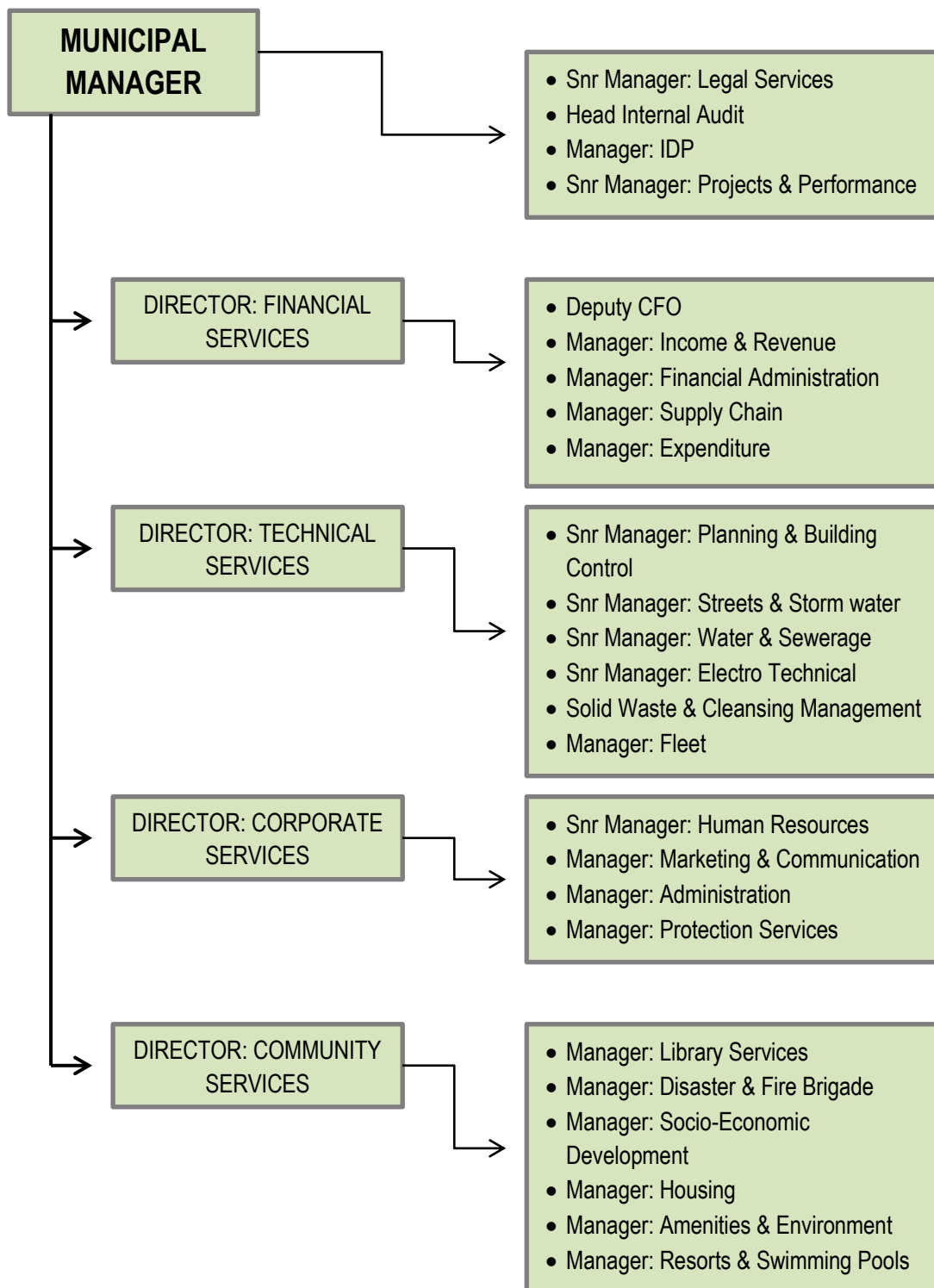
APPENDIX B

APPENDIX B: Committees & Committee Purposes

See also Chapter 2.1.1 of Annual Report

Name of Committee	Purpose	
Corporate and Financial Services	Administrative & Financial Support Services Traffic (finances) Information Technology IDP & Public Participation Labour Relations Human Resources Budget, Insurance, Assets & Valuations	Supply Chain Management Internal Audit Property Management Performance Management Archives Industrial Development
Housing Matters	Housing Management Needs determination Community Participation (Housing) Placement & Allocation	Project Management (Housing) Lease & Subsidy Administration Illegal Occupancy & Squatter Control
Local Economic Development, Tourism & Marketing	Local Economic Development Marketing Communication	Tourism Museums
Technical Services	Cleansing & Solid Waste Expanded Public Works & Infrastructure Electricity Mechanical Services Civil Services	Water & Sanitation Roads & Storm Water Project Management Town Planning & Land Use Building Control
Community Development	Protection Services Traffic Fire Fighting Disaster Management Social Services Child Care Facilities Elderly Support Community Safety Youth Development Night Shelter	Stray Animal Management Law Enforcement Library Services Municipal Facilities & Community Halls Parks & Sport Facilities Cemeteries Resorts & Swimming Pools Non-Governmental Organisations Socio-Economic Development Environmental Management Public Transport

APPENDIX C: Third Tier Administrative Structure



APPENDIX D: Functions of the Municipality

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	No (support)
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	No (support)
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No (only planning & operating licenses)
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes

ANNUAL REPORT

Municipal Function	Municipal Function: Yes / No
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDIX E: Ward Committee Governance & Functionality

Ward committee members are paid a monthly stipend and transport is provided, where necessary. This stipend is to aid ward committee members with attending meetings and functions where public participation, through the ward committee system, is required.

Venues have been established for the ward meetings and support personnel. The Community Liaison Officers and Community Development Workers are available for support, if necessary. Refreshments are provided at the ward committee meetings.

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

Ward Number	Location	Committee established: Yes / No	Number meetings held during the year	Committee functioning effectively: Yes / No
1	Nduli (Polo Cross Hall)	Yes	8	Yes
2	Wolseley (Montana Library)	Yes	9	Yes
3	Ceres (Rietvallei Library)	Yes	8	Yes
4	Prince Alfred's Hamlet (Kliprug Community Hall)	Yes	8	Yes
5	Ceres (John Steyn Library)	Yes	8	Yes
6	Bella Vista (Bella Vista Library)	Yes	8	Yes
7	Wolseley (Montana Library)	Yes	9	Yes
8	Op -Die-Berg (Op-die-Berg Aksent Office)	Yes	8	Yes
9	Op-die-Berg	Yes	9	Yes
10	Prince Alfred's Hamlet (Council Chambers)	Yes	9	Yes
11	Tulbagh (Council Chamber)	Yes	9	Yes
12	N'Duli (Community Hall)	Yes	8	Yes

ANNUAL REPORT

The table below provides information on each ward with regards to representatives and the capacity representing:

Ward	Sport & Culture	Health & Social	Safety	Youth	Education
1	Vuyisa Solly Yisa	Pontso Mona	Hazel Mancayi	Noluvo Zwelinjani	Cingiswa Tshuta
2	Sara Jacobs	Lucille Claasen	Jan Pietersen	George Fredericks	Audrey Longman
3	Carel Jacobs	Lorencia Jacobs	Mark Mentor	Mariaan Van Rooi	Helen Hendricks
4	Le-Marco Smit	Tegan Hails	Jane Haas	Willie Abrahams	Anneline Smit
5	Rudolf Nel	Ian Hercules	Terry Webb	Cornelia Moses	Ronnie Philander
6	Chantel Pietersen	Jonathan Fredericks	Abraham Crotz	Sara Krotz	Katinka Koopman
7	Rose January	Vacant	Filemon Philander	Sophia Thomas	Jannie J Van Wyngaardt
8	Liezel Tromp	Heinrich Swart	Salmon Jantjies	Sophia Zass	Celeste Jantjies
9	Thuliswa Mayekiso	Heyley Fransman	Bongeka Rini	Mncedisi Zwelinjani	Thomas Persens
10	Thabisani Kwinana	Victoria Mandazaya	Mandilakhe Zilinga	Jaqualine Moses	Leonard Baartman
11	Vacant	Gerald Davids	Vacant	Dinene Coetzee	Sittimio Louw
12	Lindy Gili	Lucia Gambushe	Humphry Ndwanya	Thembakazi Ncaphayi	Thembisa Mhlophe
Ward	Business Community	Women	Churches	Civics & Taxes	Disabled& Elderly
1	Eric Ndwanya	Xoliswa Mazomba	Nombulelo Sehlahla	Kenneth Mbangula	Buyiswa Stuurman
2	Doreen Lottering	Jaqueline Fortuin	Marilise Marthinus	Pauldine September	Petronela Moses
3	Petrus Wolfaart	Saartjie Franse	Violet Zekoe	Ronald Ross	Marinda Mankapan
4	Alma Goosen	Trudene Roman	Kamit Slinger	Moses Davids	Jacobus De Wee
5	Jonathan Higgins	Paulina Bitterbos	Pieter Fredericks	Charmain Palse	Andries Slinger
6	Pieter Farao	Sylvia Minaar	Willie Mars	Demetri Opperman	Geraldine Adams
7	Neville Jansen	Daleen Kinear	Vacant	Elizabeth Madani	Melodie T Bles
8	Anna Kywa	Elsie Olivier	Carlo Galant	Audrey Coetzee	Esmarelda Ockhuis
9	Nkosinathi Nonjola	Zukuswa Phuphuma	Ndelelo Shweni	Mzwanele Mrhwetyana	Manuel Meckensy
10	Zibongile Gqibisa	Bulelwa Dywasha	Hermanus Hartnek	Princess Thetyana	Carine Visagie
11	Dawid Meyer	Rosina Jooste	Sindiswa Bede	Norman Collins	Daniel Thomas
12	Vukile Manzi	Pamela Dumbisa	Mabhuti Silere	Mabandla Shasha	Lagina Balani

APPENDIX F: Service delivery performance at Ward level

Basic service provision per ward/town (within urban edge).

Wards	Town	Nr. of Accounts				*Informal Households	Housing Waiting List
		Water	Sanitation	Electricity	Refuse		
1,12	Nduli	1 438	1 358	2 382	1 346	1 122	1 506
3,5	Ceres	2 402	2 794	2 886	3 207		2 500
4,6	Bella Vista	2 686	2 637	2 668	2 580		
4,1	Hamlet	1 394	1 368	ESKOM	1 362	242	1 202
9	Op-Die-Berg	546	477	ESKOM	621		850
7,11	Tulbagh	1 943	1 851	2 687	1 740	2 634	994
2,7	Wolseley	2 578	2 553	2 568	2 630	2 642	1 302
TOTALS		12 987	13 038	13 191	13 486	6 640	8 354

*Informal Households – nr of households in informal areas (excluding backyarders)

Top four service delivery priorities per ward/town.

Wards	Town	Priority Name & Detail	Progress During 2023/24
1,12	Nduli	Housing Project safety	Regular patrols at new housing developments
		Sports grounds needs to be restored/ upgraded	On-going vandalism & theft prohibits restoration
		Electrical theft needs to be clamped down	Illegal connections remain high priority to be addressed through newly developed illegal electricity connection & theft strategy
		Taxi Violence	Public Transport Plan to address and continuous engagements with roleplayers.
		Provide street/security lights in unsafe areas	Periodic maintenance.
3,5	Ceres	Provide street/security lights in unsafe areas	Periodic maintenance.
		Weekends the Town Main Roads have too much traffic	Spatial Development Plan completed. In progress with precinct plan for R46 towards Nduli.
		Housing need	635 Serviced sites completed & top structures being developed at Vredebes
4,6	Bella Vista	Vandalizing of Municipal property	Increasing law enforcement & coordination with SAPS
		Business hub/mini CBD for Bella Vista	In process to develop container park at Bella Vista / Skoonvlei industry.
		Clamp down on illegal dumping of refuse.	New Waste Management Policy
4,1	Hamlet	Animal control in all areas	Increased law-enforcement
		Illegal occupation of land	Continued law enforcement and inspections
		Xhosa medium school for PA Hamlet area	Conveyed to Provincial Government
		Housing need	Development at Vredebes
9	Op-Die-Berg	Public transport	Negotiations needs to take place with Transport associations
		Restoration and securing of Skurweberg Sports grounds	Sports Master Plan Dev
		Illegal shops and shebeens need to be closed	Continued law enforcement & inspections
		Speed calming still a problem	Increased law enforcement
7,11	Tulbagh	More ablution facilities needed in Chris Hani area, and ASLA Camp	Upgrade of Informal Settlements project underway for Chris Hani
		Informal households utilising storm water as a means to dump their grey water & waste water, which contaminates river. Storm water network in Tulbagh needs to be maintained regularly	Formal housing to be included in housing pipeline to alleviate problem.
		Sewerage network in Chris Hani area needs to be maintained regularly	Periodic maintenance
		River Rehabilitation Programs	Negotiations needs to take place with illegal occupants on river banks
2,7	Wolseley	Illegal occupation of land	Continued law enforcement and inspections
		Restoration and securing of Pine Valley Sports grounds	Sports Master Plan Dev
		Back yard dwellers still a problem, housing need	Housing project planned for future, dependant on grant funding allocations.
		Illegal shops and shebeens need to be closed	Continued law enforcement and inspections

APPENDIX G: Audit Committee recommendations

Date of the PRAC meetings	Committee recommendations during 2023/24	Recommendations adopted
28-Jul-23	The Performance, Risk and Audit Committee resolved that: (a) that the Chief Risk Officer submits a list of action plans to be cleaned up with reasons to the Performance, Risk and Audit Committee for consideration.	Yes
28-Jul-23	The Performance, Risk and Audit Committee resolved that: (a) that Senior Management and the Head: Internal Audit discuss the matter of Combined Assurance Framework to determine what can be adopted and report back to the Performance, Risk and Audit Committee after that. (b) that notice be taken of the contents of Circular Mun No. 6/2023 from Provincial Treasury.	Yes
17-Nov-23	That the Performance, Risk and Audit Committee recommends to Council: (a) that prescribed debt to the value of R129,853,263.04 be written off. (b) that the indigent debt to the value of R43,765,510.01 be written off. (c) that the debt that was not recoverable in terms of Section 118(1) of the Municipal Systems Act to the value of R233,510.36 be written off. (d) that any interest or new debits raised on indigent accounts as per Section 2 and debt to be written off in terms of paragraph 118 of the Municipal Systems Act be written off as well. (e) that the Municipality's Credit Control and Debt Collection Policy be implemented in respect of all debt incurred after the write-off even if the household is indigent.	Yes
17-Nov-23	that the Performance, Risk and Audit Committee takes notice of the Second Biannual Report of the Performance, Risk and Audit Committee on Performance Management for 2022/2023 and forwards same to the Municipal Manager for tabling to Council and to be accepted after consideration.	Yes
03-Nov-23	(a) That the Chief Financial Officer provides more information with regard to the purpose of Bid 08/2/20/68: Provision of online electronic CIPC (Companies and Intellectual Properties Commission) and Credit Search Services at the next meeting That the Performance, Risk and Audit Committee recommends to Council: that notice be taken of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for June, July, August and September 2023 and, after consideration, same be accepted.	Yes
13-Dec-23	That the Performance, Risk and Audit Committee recommends to Council: that notice be taken of the AGSA Audit Report for 2022/2023.	Yes
13-Dec-23	That the Performance, Risk and Audit Committee recommends to Council: that notice be taken of the Annual Financial Statements for 2022/2023 (after COMAF's) and same be considered.	Yes

Audit Committee recommendations on Fraud & Financial Misconduct for 2023/24

Minutes: Performance, Risk & Audit Committee Meeting, 9 September 2022 & 24 April 2023

that notice was taken that there were no disciplinary cases regarding fraud and corruption for the period 1 July 2022 to 30 June 2023.

APPENDIX H: Long Term Contracts and Public Private Partnerships

No long-term contract was entered into by the end of June 2023/24. No Public Private Partnership was entered into by end of June 2023/24.

APPENDIX I: Service delivery performance of entities & service providers

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 to or for the benefit of the local community.
-  External service provider 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 municipal services to or for the benefit of the local community on behalf of the municipality and thus, this report contains no information in this regard. All other contract appointments are regularly monitored in terms of Section 51(3) of the Supply Chain Management Policy which stipulates that vendor performance must be monitored as follows:

-  Each project manager shall monitor the supplier's compliance and performance to the set of specifications.
-  If the supplier fails to perform in accordance with the specification requirements, the project manager must report such failure to the supplier in writing immediately upon becoming aware of such non-compliance for them to correct the situation.

The above information will be kept and made available for future evaluation purposes, contract negotiations and regular feedback to vendors.

If vendors fail to deliver in terms of paragraph 23(1)(a) of the General conditions of the contract, the municipality reserves the right to make use of remedies at its disposal in terms of applicable law.

APPENDIX J: Disclosure on Financial Interests

Schedule 1, Section 7 as well as Schedule 2, Section 5A of the Municipal Systems Act states that when a councillor is elected or appointed or a person appointed in terms of section 56 or a municipal manager, he or she must within 60 days declare in writing to the municipal manager or the chairperson of the municipal council the following financial interests held:

-  shares and securities in any company;
-  membership of any close corporation;
-  interest in any trust;
-  directorships;
-  partnerships;

ANNUAL REPORT

-  other financial interests in any business undertaking
-  employment and remuneration;
-  interest in property;
-  pension; and
-  subsidies, grants and sponsorships by any organisation.

Any change in the nature or detail of the financial interests of any councillor or official must be declared in writing to the municipal manager or to the chairperson of the municipal council annually. The municipal Council must determine which of the financial interests referred in the above-mentioned list must be made public, whilst balancing the need for confidentiality and disclosure in the public interest.

The following table lists the disclosure of financial interests of the administrative and strategic role players of the municipality which were deemed to be disclosed for public interest:

Disclosures of Financial Interests - 1 July 2023 – 30 June 2024		
Name	Description of Financial interests*	
Executive Mayor		
Cllr T Abrahams	Employment and Remuneration	Witzenberg Municipality and BOCMA: Board Member: Stipend
	Property	7 Fortuin Street and 1 Cloete Street
	Shares & securities in any company	Sasol; MTN and Peninsula Hotel
	Interest in any trust	Abrahams Family Trust
	Pension	Old Mutual
Member of Mayoral Committee / Executive Committee		
Cllr JF Nel	Employment and Remuneration	Witzenberg Municipality
	Property	4 Vos Street, Ceres
	Pension	Government Pension
Alderman K Adams	Employment and Remuneration	Witzenberg Municipality
	Property	853 Vrede Street, Bella Vista
	Pension	Consolidated Retirement Fund
Cllr HJ Smit	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr P Daniels	Employment and Remuneration	Witzenberg Municipality
	Property	31 7 th Avenue Wolseley
	Pension	Consolidated Retirement Fund
Cllr JP Fredericks	Employment and Remuneration	Witzenberg Municipality
	Directorship	Dakaf's Costruction
	Pension	Cape Joint Retirement Fund and GERF
	Property	8 Zahn Street, Tulbagh (Rent) (Beneficiary - Executor)
	Other financial interest in any business	Tavern and Café (Tulbagh) (Executor)
Councillor		
Cllr W Alexander	Employment and Remuneration	Witzenberg Municipality
	Pension	Cape Joint Retirement Fund
Alderlady EM Sidego	Employment and Remuneration	Witzenberg Municipality
	Pension	Cape Joint Retirement Fund
	Shares & securities in any company	SANLAM
	Property	9 Michael Street, Tulbagh

ANNUAL REPORT

Alderman JJ Visagie	Employment and Remuneration	Witzenberg Municipality
	Pension	Cape Joint Retirement Fund
	Property	1 Skuinsbaai Crescent, Prince Alfred's Hamlet
Alderman D Swart	Employment and Remuneration	Witzenberg Municipality and Cape Winelands District Municipality
	Property	27 Umzimaai Avenue, Ceres
	Pension	Consolidated Retirement Fund
Cllr GG Laban	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr NJ Ndaba	Shares and securities in any	Eyethuintaba Farm Project
	Directorships	Eyethuintaba Farm Project
	Membership of any close cooperation	Yes, Emdweni development project base in Eastern Cape
	Partnership	Partnership with Donkerbos Estate ate Eyethuintaba
	Employment and Remuneration	Donkerbos Landgoed and Witzenberg Municipality
	Pension	Consolidated Retirement Fund
	Property	Entsimekweni Village, Eastern Cape (2 Houses)
Cllr JS Mouton	Employment and Remuneration	Witzenberg Municipality
	Directorship	Home Base Trade 63
	Pension	Consolidated Retirement Fund
Cllr N Phatsoane	Employment and Remuneration	Witzenberg Municipality
		Cape Winelands District Municipality
	Pension	Consolidated Retirement Fund
Cllr J Zalie	Employment and Remuneration	Witzenberg Municipality
	Other financial interest in any business	JB's Place
	Shares & securities in any company	Partnership in family business
	Partnership	Partnership in family business
	Property	156 Madani Street, Wolseley
Cllr IL Zwartz	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr P Heradien	Shares and Securities in any company	Mardorpet (PTY)
	Directorship	Mardorpet (PTY)
	Employment and Remuneration	Witzenberg Municipality
	Property	44 Lyell Street Ceres; 42 Lyell Street Ceres
	Pension	Cobalt Pension Fund (ABSA)
Cllr A Gili	Employment and Remuneration	Witzenberg Municipality and Kasi Vibes Entertainment
	Pension	Consolidated Retirement Fund
Cllr R Robyn	Employment and Remuneration	Witzenberg Municipality
	Property	19 Wiehan Street, Prince Alfred's Hamlet
	Pension	Consolidated Retirement Fund
Cllr S de Bruin	Employment and Remuneration	Witzenberg Municipality / Du Toit Group
	Shares	Crispy Coolers
	Pension	Consolidated Retirement Fund / Verso / Du Toit
Cllr G Franse	Employment and Remuneration	Witzenberg Municipality
	Property	354 River Crescent, Op-die-Berg, Koue Bokkeveld

ANNUAL REPORT

	Pension	Consolidated Retirement Fund
Cllr LA Hardnek	Employment and Remuneration	Witzenberg Municipality
	Membership of any close cooperation	Lilly's Catering and Hiring Service
	Other financial interest in any business	Lilly's Catering and Hiring Service
	Property	283 Marina Street, Ceres
		284 Marina Street, Ceres
		23 Starking Street, Ceres
	Pension	GEPF and Consolidated Retirement Fund
		SASSA – Old Age
Cllr K Yisa	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr N Nogcinisa	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
	Property	4 Ashley Kriel Street, Prince Alfred's Hamlet
	Subsidies, grants and sponsorships by any organisation	Child Support Gant
Chief Accounting Officer		
Mr D Nasson	Shares and security in any Company	Old Mutual
	Property	Residential
Chief Financial Officer		
Mr C Kritzinger	25% Interest in property	Residential
	50 % Interest in property	Residential
	50 % Interest in property	Residential
Directors		
Mr JF Barnard	Property	Residential & Small Holding
Mr M Mpeluza	Property	Residential
<i>* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A</i>		

APPENDIX K: Statements of Revenue Collection Performance by vote & source

Revenue collection by vote

The table below indicates the Revenue collection performance by vote:

Revenue per Vote	22/23	23/24			23/24 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000	R'000	R'000	R'000	%	%
Vote1 - Executive and Council	R33	R31	R31	R28	(10.65)	(10.65)
Vote2 - Budget and Treasury Office	R168 037	R133 121	R141 684	R141 237	6.10	(0.32)
Vote3 - Corporate Services	R25 436	R18 452	R18 651	R28 320	53.48	51.84
Vote4 - Civil services	R533 846	R589 650	R603 610	R596 087	1.09	(1.25)
Vote5 - Community and Social Services	R148 456	R163 448	R191 590	R200 600	22.73	4.70
Total Revenue by Vote	R875 808	R904 702	R955 565	R966 270	6.81	1.12

Revenue collection by Source

The table below indicates the Revenue collection performance by source for the 2023/24 financial year:

Source	22/23	23/24			23/24 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000	R'000	R'000	R'000	%	%
Property rates	R98 266	R105 507	R105 507	R101 317	(3.97)	(3.97)
Property rates - penalties & collection charges	R2 822	R3 566	R3 566	R4 091	14.73	14.73
Service Charges - electricity revenue	R311 865	R398 201	R398 201	R371 022	(6.83)	(6.83)
Service Charges - water revenue	R45 356	R52 012	R52 012	R48 337	(7.07)	(7.07)
Service Charges - sanitation revenue	R57 692	R43 352	R58 352	R84 582	95.11	44.95
Service Charges - refuse revenue	R38 680	R40 429	R40 429	R42 659	5.51	5.51
Less: Revenue Forgone	-R22 394	-R28 037	-R28 037	-R25 976	(7.35)	(7.35)
Rentals of facilities and equipment	R4 786	R4 648	R4 648	R5 038	8.39	8.39
Interest earned - external investments	R14 390	R12 434	R21 117	R22 019	77.09	4.27
Interest earned - outstanding debtors	R22 715	R23 550	R23 550	R28 557	21.27	21.27
Fines	R8 857	R11 194	R11 194	R20 634	84.33	84.33
Licences and permits	R1 145	R2 327	R2 327	R1 183	(49.18)	(49.18)
Agency services	R4 611	R4 461	R4 461	R4 739	6.23	6.23
Transfers recognised - operational	R127 007	R151 018	R152 462	R141 212	(6.49)	(7.38)
Other revenue	R45 813	R33 120	R57 688	R73 375	121.54	27.19
Gains	R46 802	R0		R4 791	-	-
Total Revenue (excluding capital transfers and contributions)	R808 413	R857 781	R907 478	R927 580	8.14	2.22
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

APPENDIX L: Conditional Grants excluding MIG

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjustments	Actual	Variance		Major conditions applied by donor (continue below if necessary)
		Budget		Budget	Adjustment s	
					Budget	
Finance Management Grant	1 550	1 550	1 550	0,00%	0,00%	Financial Management
Integrated National Electricity Program	3 391	-	-	100,00%	0,00%	Electricity connections
Expanded Public Works	3 439	3 247	3 364	2,17%	-3,62%	Job creation
Regional Social Economic Project	-	174	200	0,00%	-14,94%	Social Economic Project
Capacity Building and Other	5 600	950	295	94,73%	68,95%	Capacity Building
Housing	1 195	30 000	37 954	-3076,06%	-26,51%	Housing
CDW	132	132	71	46,19%	46,19%	Community Development Workers
Maintenance and Construction of Transport Infrastructure	20 113	20 113	12 879	35,97%	35,97%	Upgrade Van Breda Bridge
Municipal Accreditation and Capacity Building Grant	-	245	196	0,00%	20,16%	Capacity Building
Water & Sanitation - Informal area	250	-	-	100,00%	0,00%	Services for informal areas
Infrastructure	500	1 700	1 700	-239,96%	0,01%	Grant for Tulbagh Raw Water Dam
Safety Project	-	173	151	0,00%	12,79%	Safety upgrades
Belgium	183	256	1 793	-882,05%	-600,48%	Local economic development
Perdekraal	-	673	373	0,00%	44,64%	Nature conservation
Nedbank	-	1 233	602	0,00%	51,21%	Nature conservation
Total	36 353	60 446	61 127	-68,15%	-1,13%	

APPENDIX M: New Capital works & renewal programme

APPENDIX N: Full programme of capital projects

APPENDIX O: Alignment of projects to wards

The following tables show the individual budgeted projects as allocated per ward (as included in the 2023/24 adjusted SDBIP):

Key Performance Area: 1. ESSENTIAL SERVICES

Strategic Objective: 1.1 SUSTAINABLE PROVISION & MAINTENANCE OF BASIC INFRASTRUCTURE

Department	Description	Funding Source	Ward	Budget 2023 2024	Budget 2024 2025	Budget 2025 2026	Budget 2026 2027	Budget 2027 2028
Dir Tech	Office Equipment (Director)	CRR	All	39 000	30 000	30 000	30 000	30 000
Electricity Adminis	MV Substation Equipment	CRR	All	1 500 000	1 500 000		1 500 000	
Electricity Adminis	Upgrade on electrical network renewable	CRR	All	1 000 000				
Electricity Adminis	Upgrade of LV Network Cables	CRR	All	500 000	1 000 000		1 000 000	
Electricity Adminis	MV Network Equipment	CRR	All	900 000	1 000 000		1 000 000	
Electricity Adminis	Upgrade of MV Cables	CRR	All	1 000 000	600 000	1 500 000	1 500 000	
Electricity Adminis	Tools & Equipment	CRR	All		150 000	250 000	200 000	
Electricity Adminis	Electrical Network Refurbishment	CRR	All	1 000 000	1 500 000		1 500 000	
Electricity Adminis	Fencing Tulbagh Deport	CRR	11	2 556 470				
Roads	Network streets	CRR	All	5 000 000		2 500 000		2 500 000
Roads	Rehabilitation - Streets Tulbagh	CRR	11			3 500 000		
Roads	Tools & Equipment	CRR	All	100 000	50 000		100 000	
Roads	NMT Sidewalks Ceres	CRR	3,5		500 000			
Roads	Tulbagh, Rossouwstr upgrade	MIG	11		107 177	9 074 783		
Roads	Tulbagh upgrade roads north of Steintal	MIG	11		8 260 870			
Roads	Tulbagh upgrade roads north of Steintal	CRR	11	200 000				
Roads	Road maintenance & upgrade	MIG	All				12 000 000	15 000 000
Roads	Upgrade pavements	CWDM	3,5	500 000				
Roads	Resealing Roads Wolseley	MIG	2,7	1 000				
Sewerage	Aerator replacement programme	CRR	All		500 000		700 000	
Sewerage	Refurbishment WWTW	CRR	All		750 000		1 000 000	
Sewerage	Sewer Pumps-replacement	CRR	All		250 000		500 000	500 000
Sewerage	Sewer Network Replacement	CRR	All	699 968	2 000 000		2 000 000	2 000 000
Sewerage	Security upgrades	CRR	All		300 000		116 000	116 000
Sewerage	Plant & Equipment	CRR	All				344 000	
Sewerage	Upgrade WWTW Wolseley	WSIG	7					
Sewerage	Upgrade WWTW Wolseley (Own Contribu	CRR	7					
Sewerage	Generators	Prov Grant	All	413 043				
Sewerage	Generators	CRR	All	2 440 856				
Solid Waste Dispo	Transfer stations & related infrastructure (	CRR	3				5 817 400	
Solid Waste Dispo	Fencing Landfill site	Loan	4,10	4 517 500				
Solid Waste Dispo	Fencing Landfill site	CRR	4,10	177 051				
Solid Waste Rem	Drop-offs Transfer stations Tulb/PAH/BV	Loan	All	1 081 686				
Solid Waste Rem	Drop-offs Transfer stations	Grant	All	1 200 000				
Solid Waste Rem	Furniture & Office equipment	Belgium	All	256 457				
Solid Waste Rem	Waste Management Vehicles	MIG	All	7 414 650				
Storm Water	Network - Storm Water Upgrading	CRR	All		450 000			
Water Distribution	Infrastructure Management System	CRR	All		200 000			
Water Distribution	Plant & Equipment	CRR	All	200 000	50 000			
Water Distribution	Security upgrades	CRR	All		450 000			
Water Distribution	Network- Water Pipes & Valve Replaceme	CRR	All	100 000	2 000 000		2 000 000	2 000 000
Water Distribution	Tulbagh Dam	RBIG	7, 11					
Water Distribution	Grey Water System	CRR	All		500 000	1 000 000		
Water Distribution	Op-Die-Berg Reservoir	MIG	8	4 979 284				
Water Distribution	Op-Die-Berg Reservoir	CRR	8	198 731				
Water Distribution	Tulbagh Reservoir	MIG	7,11	2 448 391	4 526 320			
Water Distribution	Tierhokskloof bulk pipeline	MIG	2,7	1 364 261	2 100 000			
Water Distribution	Tierhokskloof bulk pipeline (own contributi	CRR	2,7		2 956 522			
Water Distribution	Tulbagh Dam (own contribution)	CRR	7,11	3 012 651				
Water Distribution	Nduli: Upgrade & replace water pipe line a	MIG	5		3 913 043			
Water Distribution	Plant & Equipment	Priv Ent	All	24 000				

ANNUAL REPORT

Strategic Objective: 1.2 PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS THROUGH IMPROVED SERVICES

Department	Description	Funding Source	Ward	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027	Budget 2027_2028
Electricity Adminis	Electrical Network Housing Project	INEP	All		869 565	869 565		
Electricity Adminis	Vredebes 150 houses electrification	CRR	5	1 037 246				
Roads	Nduli Infill Internal Roads	IHHSDG	1,12					
Roads	Vredebes Access Collector	CRR	5	724 203				
Sewerage	Nduli Infill Internal Sewerage	IHHSDG	1,12					
Sewerage	Toilets for informal settlements	Prov Grant	7	956 522				
Sewerage	Tulbagh bulk sewer lowcost housing	MIG	7,11			10 434 783		
Storm Water	Nduli Infill Internal Storm water	IHHSDG	1,12					
Water Distribution	Vredebes Bulk internal water pipeline	MIG	5	1 632 001	907 372			
Water Distribution	Nduli Infill Internal Water	IHHSDG	1,12					

Key Performance Area: 2. GOOD GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation and Development

Department	Description	Funding Source	Ward	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027	Budget 2027_2028
Administrative & C	Furniture & Equipment	CRR	All					
Administrative & Corporate Support		CRR	All			500 000		
Dir Corp	Office Equipment	CRR	All	51 000	50 000	500 000		
Administrative & C	Furniture & Equipment	CRR	All	35 000				
Administrative & C	Furniture & Equipment	CRR	All	31 600				
Information Techn	IT Equipment	CRR	All			650 000	215 000	
Information Techn	IT Equipment	CRR	All			2 500 000		
Municipal Manag	Office Equipment	CRR	All		30 000			
Fleet Managemen	Vehicle Replacement Program	CRR	All	4 655 279		400 000		
Fleet Managemen	Vehicle Replacement Program	Belgium	All			300 000		
Fleet Managemen	Tools & Equipment	CRR	All					
Fleet Managemen	Workshop Building Upgrade	CRR	3			300 000		

Strategic Objective: 2.2 Ensure Financial Stability

Department	Description	Funding Source	Ward	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027	Budget 2027_2028
Dir Fin	Office Equipment	CRR	All		30 000			
Finance	Furniture & equipment	Equitable Share	All				40 000	
Finance	Furniture & equipment	CRR	All				711 157	
Finance	Computer Equipment	CRR	All	372 238			50 000	
Finance	Computer Equipment	Grant	All	15 000			75 000	
Finance	Computer Equipment	Grant	All	15 000				
Finance	Furniture & equipment	CRR	All	30 000				
Finance	Furniture & equipment	CRR	All					

Strategic Objective: 2.3 Maintain and strengthen relations

Department	Description	Funding Source	Ward	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027	Budget 2027_2028
Communication	Access Control - Furniture and Equipment	CRR	All	100 000		1 000 000		
Communication	Signage & Billboards	CRR	All					
Communication	Camera equipment	CRR	All	20 000	20 000			

ANNUAL REPORT

Key Performance Area: 3. COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and Maintain Facilities and Environment that make citizens feel at home

Department	Description	Funding Source	Ward	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027	Budget 2027_2028
Cemeteries	Expanding of Cemetery	CRR	All		300 000			
Cemeteries	New regional cemetery	MIG	All		4 956 522			
Community Halls	Townhalls Equipment	CRR	All					
Community Parks	Chainsaws	CRR	All		90 000		100 000	
Community Parks	Brushcutters	CRR	All		120 000		120 000	
Community Parks	Irrigation equipment for parks	CRR	All			500 000		
Community Parks	Truck 1.3 ton	CRR	All			1 350 000		
Community Parks	Landscaping of parks	CRR	All		300 000	500 000		
Community Parks	Parks equipment	CRR	All	100 000		600 000		
Community Parks	Tools & equipment	CRR	All					
Fire Fighting & Pr	Capex Fire Fighting Equipment	CRR	All		350 000	150 000	400 000	
Fire Fighting & Pr	Rescue equipment	Prov Grant	All	856 522		350 000		
Libraries	Library Nduli	CRR	1,12	2 000 000				
Swimming Pools	Swimming Pool Nduli	CRR	1,12			30 000		
Sport Grounds &	Ablution facilities at Hamlet (Breestr) sport	RSEP	4,10				695 652	
Sport Grounds &	Containers 3x3m	CRR	All		100 000	500 000		
Sport Grounds &	Ceres upgrade Of Leyell Str Sport Facilitie	MIG	3	2 517 544				
Sport Grounds &	Vredebes sportsgrounds	MIG	5				15 000 000	12 000 000
Sport Grounds &	Tulbagh sports facilities upgrade	MIG	7,11			3 913 043		
Sport Grounds &	Kliprug sportfield change rooms	CRR	4					
Sport Grounds &	Upgrade sportsgrounds	CRR	All	427 000		400 000	600 000	
Sport Grounds &	Resurface netball courts	CRR	All		200 000	250 000		
Sport Grounds &	Upgrade Sportsgrounds	Prov Grant	4	585 217				
Sport Grounds &	Equipment	CRR	All					
Dir Comm	Office Equipment	CRR	All	140 000	30 000			
Traffic	Security Cameras	Prov Grant	All	172 879				
Traffic	Vehicle Replacement Programme	CRR	All			500 000	240 000	
Traffic	Test Centre Equipment	CRR	All	650 000				
Electricity Streetli	Upgrade of Streetlights	CRR	All	500 000	350 000	500 000	400 000	
Roads	Traffic Calming	CRR	All		200 000	50 000		
Roads	Tulbagh Taxi Rank (Ph1)	RSEP	11	173 913				

Key Performance Area: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.1 Support the poor and vulnerable through programmes and policies

Department	Description	Funding Source	Ward	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027	Budget 2027_2028
Housing	Fencing of Trichardistr Flats	CRR	3	132 198				
Social	Electronic Indigent System	Prov Grant	All	275 442				
Social	Electronic Indigent System	CRR	All	340 000				

Strategic Objective: 4.2 Create an enabling environment to support local economy

Department	Description	Funding Source	Ward	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027	Budget 2027_2028
LED	Upgrade of Busy Bee building Tulbagh	CRR	7,11	800 000				
LED	Market shelter Wolseley	CWDM	2,7	100 000				
Resorts	Chalet Furniture	CRR	3		450 000			
Electricity Adminis	Upgrade Ceres Substation	Loan	3,5	4 918 314				
Roads	Upgrade Van Breda Bridge	Prov Grant	3,5	11 905 394				
Roads	Upgrade Van Breda bridge (own contribut	CRR	3,5	4 602 169				

APPENDIX P: Schools & clinics with access to basic services

There are no service connection backlogs to schools and clinics within urban areas where Witzenberg Municipality are responsible for services. The situation of service connections in rural areas are however unknown.

APPENDIX Q, R, S, T

APPENDIX Q: Schools & clinics with access to basic services where other spheres of government are responsible for the provision

This Appendix relates to all service backlogs experienced by the community where another sphere of government is responsible for providing the service, this information is provided to assist the national and provincial departments improve planning, budgeting and implementation.

Information can however not be provided as the type of service, backlog & backlog criteria are unknown to the municipality.

APPENDIX R: Declaration of Loans and Grants Made by the Municipality

No loans or grants were granted by the municipality.

APPENDIX S: Declaration of Returns not Made in due Time under MFMA s71

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year.

The Chief Financial Officer states that these data sets have been returned according to the reporting requirements/ with no exceptions for the 2023/24 financial year.


 Signed (Chief Financial Officer)
 C Kritzinger

30 October 2024

APPENDIX T: National and Provincial Outcome for local government

This Appendix covers information not addressed in any of the other areas of the Annual Report, relating to municipal powers and functions that can be used by the National and Provincial Spheres to monitor and evaluate service delivery performance. This should indicate the progress to date, numbers and percentage achieved.

All major service delivery functions are measured through key performance indicators as reported on under Chapter 3.1.7.

2024



Annual Financial Statements

30 June 2024



WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Index

<i>Contents</i>	<i>Page</i>
General Information	1
Approval of the Financial Statements	3
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Reportable Segments	9
Statement of comparison of budget and actual amounts	10 - 13
Accounting Policies	14 - 31
Notes to the Financial Statements	32 - 75

APPENDICES - Unaudited

A	Schedule of External Loans	76
B	Segmental Statement of Financial Performance - Municipal Votes	77
C	Segmental Statement of Financial Performance	78
D	Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	79

WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

NATURE OF BUSINESS

Witzenberg Municipality is a local municipality performing the functions as set out in Part B of Schedules 4 & 5 of the Constitution of the Republic of South Africa. (Act No. 108 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998), with demarcation code WC 022.

JURISDICTION

The Witzenberg Municipality includes the following areas:

Ceres
Op-die-Berg
Prince Alfred's Hamlet
Tulbagh
Wolseley

MUNICIPAL MANAGER

D Nasson

CHIEF FINANCIAL OFFICER

HJ Kritzinger

REGISTERED OFFICE

50 Voortrekker Street, Ceres, 6835

AUDITORS

Auditor-General South Africa

PRINCIPAL BANKERS

ABSA Bank
Standard Bank, Ceres
First National Bank

WITZENBERG MUNICIPALITY

RELEVANT LEGISLATION

The Constitution of the Republic of South Africa
Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act (Act no 89 of 1991)
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004), as amended
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Municipal Regulations on Standard Chart of Accounts
Municipal Budget and Reporting Regulations
SALBC Leave Regulations
Remuneration of Public Office Bearers Act
Workman's Compensation Act

WITZENBERG MUNICIPALITY

COUNCILLORS OF THE WITZENBERG MUNICIPALITY

Position	Surname	Party	Seat type	Date From	Date To
Executive Mayor	Alderman Smit, HJ *	DA	Ward 5	22/11/2021	17/10/2023
Executive Mayor	Robyn KA	GOOD	PR	17/10/2023	14/12/2023
Executive Mayor	Abrahams TE	DA	PR	14/12/2023	Present
Deputy Executive Mayor	Laban, G *	WA	PR	24/07/2023	18/04/2024
Deputy Executive Mayor	Nel JF	ICOSA	PR	18/04/2024	Present
Speaker	Sidego, EM *	DA	Ward 11	24/05/2022	17/10/2023
Speaker	Heradien, P *	ICOSA	PR	17/10/2023	14/12/2023
Speaker	Sidego, EM *	DA	Ward 11	14/12/2023	Present
Mayoral Committee Member	Alderman Visagie, JJ *	DA	Ward 4	02/12/2021	17/10/2023
Mayoral Committee Member	Fredericks JP	VF+	PR	02/12/2021	17/10/2023
Mayoral Committee Member	Daniels, P	DA	Ward 2	10/07/2023	17/10/2023
Mayoral Committee Member	Alderman Adams, K *	DA	Ward 6	10/06/2022	17/10/2023
Mayoral Committee Member	Swartz IL	EFF	PR	17/10/2023	14/12/2023
Mayoral Committee Member	Alexander WJ	PA	PR	17/10/2023	14/12/2023
Mayoral Committee Member	Mouton JS	ANC	PR	17/10/2023	14/12/2023
Mayoral Committee Member	Zalie J	ANC	Ward 7	17/10/2023	14/12/2023
Mayoral Committee Member	Alderman Smit, HJ *	DA	Ward 5	14/12/2023	Present
Mayoral Committee Member	Alderman Adams, K *	DA	Ward 6	14/12/2023	Present
Mayoral Committee Member	Fredericks JP	VF+	PR	14/12/2023	Present
Mayoral Committee Member	Daniels, P	DA	Ward 2	14/12/2023	Present
MPAC Chairperson	Hardnek LA	WP	PR	23/02/2022	Present
Councillor	Alderman Smit, HJ *	DA	Ward 5	17/10/2023	14/12/2023
Councillor	Alderman Adams, K *	DA	Ward 6	17/10/2023	14/12/2023
Councillor	Alderman Visagie, JJ *	DA	Ward 4	17/10/2023	Present
Councillor	Sidego, EM *	DA	Ward 11	17/10/2023	14/12/2023
Councillor	Fredericks JP	VF+	PR	17/10/2023	14/12/2023
Councillor	Laban, G *	WA	PR	09/11/2021	24/07/2023
Councillor	Laban, G *	WA	PR	18/04/2024	Present
Councillor	Heradien, P *	ICOSA	PR	09/11/2021	17/10/2023
Councillor	Heradien, P *	ICOSA	PR	14/12/2023	19/12/2023
Councillor	Phatsoane, N *	ANC	PR	09/11/2021	Present
Councillor	Swart, D *	DA	Ward 3	09/11/2021	Present
Councillor	Ndaba MJ	ANC	Ward 9	09/11/2021	Present
Councillor	Mouton JS	ANC	PR	09/11/2021	17/10/2023
Councillor	Mouton JS	ANC	PR	14/12/2023	Present
Councillor	Gili AL	ANC	Ward 1	09/11/2021	Present
Councillor	Zalie J	ANC	Ward 7	09/11/2021	17/10/2023
Councillor	Zalie J	ANC	Ward 7	14/12/2023	Present
Councillor	Yisa K	ANC	Ward 12	09/11/2021	Present
Councillor	Nogcinisa N	ANC	PR	09/11/2021	Present
Councillor	Franse GJ	DA	Ward 8	09/11/2021	Present
Councillor	De Bruin S	DA	Ward 10	09/11/2021	Present
Councillor	Swartz IL	EFF	PR	09/11/2021	17/10/2023
Councillor	Swartz IL	EFF	PR	14/12/2023	Present

WITZENBERG MUNICIPALITY

COUNCILLORS OF THE WITZENBERG MUNICIPALITY CONTINUED

Councillor	Cloete JJ	PA	PR	09/11/2021	04/09/2023
Councillor	Daniels, P	DA	Ward 2	21/04/2022	10/07/2023
Councillor	Daniels, P	DA	Ward 2	17/10/2023	14/12/2023
Councillor	Robyn KA	GOOD	PR	02/06/2023	17/10/2023
Councillor	Robyn KA	GOOD	PR	14/12/2023	Present
Councillor	Abrahams TE	DA	PR	10/07/2023	14/12/2023
Councillor	Alexander WJ	PA	PR	18/09/2023	17/10/2023
Councillor	Alexander WJ	PA	PR	14/12/2023	Present
Councillor	Nel JF	ICOSA	PR	19/12/2023	18/04/2024

Councillors indicated with an * were re-elected during the November 2021 elections.

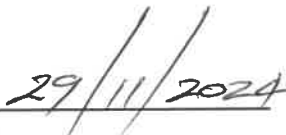
APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in the notes of these annual financial statements 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.



D NASSON
Accounting Officer



Date

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2024 R	Restated 2023 R
ASSETS			
Current Assets		380,735,284	353,604,859
Cash and Cash Equivalents	2	187,244,734	226,801,723
Trade and other Receivables from Exchange Transactions	3	123,373,108	81,514,811
Receivables from non-exchange transactions	4	31,639,044	19,423,931
Inventory	5	27,361,611	16,829,525
Unpaid Conditional Government Grants and Receipts	6	11,116,787	9,034,870
Non-Current Assets		1,149,836,262	1,099,045,295
Property, Plant and Equipment	8	1,106,308,855	1,054,811,289
Intangible Assets	9	1,057,688	1,355,569
Investment Property	10	41,919,719	42,328,437
Heritage assets	11	550,000	550,000
Total Assets		1,530,571,546	1,452,650,154
LIABILITIES			
Current Liabilities		143,974,895	171,423,813
Trade and Other Payables Exchange Transactions	12	85,602,703	103,354,463
Consumer Deposits	13	9,739,379	12,158,284
Vat Payable	7	4,566,285	5,467,964
Provisions	14	3,630,749	3,446,295
Current Employee benefits	15	31,980,319	30,617,652
Unspent Conditional Government Grants and Receipts	6	4,861,951	13,535,211
Unspent Public Contributions	16	2,311,887	2,316,495
Current Portion of Borrowings	17	1,281,622	527,449
Non-Current Liabilities		124,035,689	113,386,481
Non-Current Provisions	18	52,330,759	45,969,231
Employee benefits	19	71,704,930	67,417,250
Total Liabilities		268,010,584	284,810,294
Net Assets		1,262,560,962	1,167,839,860
Capital Replacement Reserve	20	11,166,357	12,539,508
Accumulated Surplus		1,251,394,605	1,155,300,352
Total Net Assets and Liabilities		1,530,571,546	1,452,650,154

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

		2023/2024	2022/2023	2022/2023	2022/2023
	Notes	(Actual)	(Restated)	Correction	(Previously
		R	R	of error	reported)
				R	R
REVENUE					
Revenue from Non-exchange Transactions		321,434,096	321,636,831	(10,356,969)	331,993,802
Taxation Revenue		108,398,811	103,712,510	1	103,712,511
Property rates	21	101,316,650	98,265,911	1	98,265,912
Property Rates - penalties imposed and collection charges		4,091,476	2,821,620	-	2,821,620
Availability Charges		2,990,685	2,624,979	-	2,624,979
Transfer Revenue		213,035,285	217,924,321	(10,356,970)	228,281,291
Fines, Penalties and Forfeits		20,634,347	8,856,622	-	8,856,622
Licences or Permits		1,182,781	1,145,124	-	1,145,124
Surcharges and Taxes		9,121,659	10,100,465	120,953	9,979,512
Government Grants and Subsidies - Capital	22	38,779,842	67,395,390	(196,323)	67,591,713
Government Grants and Subsidies - Operating	22	141,212,199	127,007,108	(10,281,600)	137,288,708
Public Contributions and Donations		2,104,457	3,419,612	-	3,419,612
Revenue from Exchange Transactions		644,925,367	554,171,617	22,299,548	531,872,069
Service Charges	23	528,791,552	437,257,041	-	437,257,041
Rental from Fixed Assets		5,038,019	4,785,785	-	4,785,785
Interest earned - External investments		22,018,748	14,390,399	-	14,390,399
Interest Income on Overdue Accounts		28,557,417	22,715,389	-	22,715,389
Agency Services	24	4,738,934	4,611,149	-	4,611,149
Operational Revenue	25	2,576,922	8,628,291	1,050,000	7,578,291
Sales of Goods and Rendering of services	26	14,952,920	14,981,692	9,145,217	5,836,475
Construction contracts		33,460,159	-	-	-
Gain on Adjustment of Provision		1,986,710	36,906,815	12,104,331	24,802,484
Gain on Actuarial Valuations	18	2,803,986	9,895,056	-	9,895,056
Total Revenue		966,359,463	875,808,448	11,942,579	863,865,871
EXPENDITURE					
Employee related costs	27	238,876,962	220,603,630	177	220,603,453
Remuneration of Councillors	28	11,679,538	11,067,396	-	11,067,396
Debt impairment gain/loss	29	(72,354,971)	54,996,576	-	54,996,576
Inventory Consumed		23,244,557	18,510,540	6,330	18,504,210
Depreciation and Amortisation	30	34,132,830	33,563,087	1,659,914	31,903,173
Finance Charges	31	13,827,042	18,310,597	14,639	18,295,958
Bulk Purchases	32	324,085,574	279,960,011	-	279,960,011
Contracted Services	33	89,144,618	50,714,064	25,063	50,689,001
Transfers and Subsidies: Operational Expenditure	34	2,928,366	2,207,898	-	2,207,898
Operational Cost	35	44,699,367	44,386,299	5,167	44,381,132
Rent on Land		38,769	43,479	-	43,479
Operating Leases		1,106,870	1,024,885	-	1,024,885
Bad Debts Written Off		159,168,262	9,945,876	-	9,945,876
Loss on disposal of assets		946,676	838,215	-	838,215
Impairment loss	36	110,098	1,167,269	-	1,167,269
Inventories: Write-down		3,802	-	-	-
Total Expenditure		871,638,360	747,339,822	1,711,290	745,628,532
NET SURPLUS / (LOSS) FOR THE YEAR		94,721,103	128,468,626	10,231,289	118,237,339

WITZENBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
Balance at 1 JULY 2022		12,539,508	1,026,431,060	1,038,970,568
Correction of error	37.10	-	400,664	400,664
Restated Balance at 1 JULY 2022		12,539,508	1,026,831,724	1,039,371,232
Transfers to/from Accumulated		-	-	-
Property, Plant and Equipment purchased		-	-	-
Net Surplus for the year previously reported		-	118,237,339	118,237,339
Correction of error			10,231,289	10,231,289
Balance at 30 JUNE 2023		12,539,508	1,155,300,352	1,167,839,860
Transfers to/from Accumulated		43,832,167	(43,832,167)	-
Property, Plant and Equipment purchased		(45,205,317)	45,205,317	-
Net Surplus for the year		-	94,721,103	94,721,103
Balance at 30 JUNE 2024		11,166,358	1,251,394,605	1,262,560,963

WITZENBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2023/2024 R	Restated 2022/2023 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates and other Taxes		102,509,333	101,069,529
Sales of goods and services		494,504,686	426,360,916
Government Grants		171,336,713	197,858,434
Interest		48,344,009	32,945,425
Payments			
Employee and Councillor costs		(250,644,332)	(230,379,160)
Suppliers		(529,507,451)	(368,472,204)
Finance charges		(132,222)	(140,627)
Cash generated by operations	39	36,410,736	159,242,313
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	8	(75,911,673)	(84,944,369)
Purchase of Intangible Assets	9	(330,870)	(72,384)
Proceeds on Disposal of Property, Plant and Equipment		-	8,491,700
Net Cash from Investing Activities		(76,242,543)	(76,525,053)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		-	(1,404,850)
Increase in Consumer Deposits		274,818	609,675
Net Cash from Financing Activities		274,818	(795,175)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(39,556,989)	81,922,085
Cash and Cash Equivalents at the beginning of the year		226,801,723	144,879,638
Cash and Cash Equivalents at the end of the year	2	187,244,734	226,801,723
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(39,556,989)	81,922,085

WITZENBERG MUNICIPALITY

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration	Total
	R	R	R	R	R
Segment Revenue					
External revenue from non-exchange transactions	164,825,675	20,660,793	20,026,757	111,829,396	317,342,620
External revenue from exchange transactions	51,501,156	6,506,677	529,078,544	2,472,129	589,558,506
Interest revenue	313,343	-	28,122,238	26,232,061	54,667,642
Revenue from transactions with other segments	-	-	-	-	-
Total Revenue	216,640,173	27,167,470	577,227,539	140,533,586	961,568,768
Segment Expenditure					
Employee related costs	83,986,027	33,108,010	56,446,640	65,336,284	238,876,962
Remuneration of Councillors	-	-	-	11,684,674	11,684,674
Bulk Purchases	19,500	-	324,066,074	-	324,085,574
Depreciation and Amortisation	4,746,794	8,460,257	16,054,273	4,871,506	34,132,830
Impairment and Bad debt	3,952,287	-	92,604,428	-9,743,424	86,813,290
Other Expenditure	51,817,465	13,058,171	63,630,585	46,478,233	174,984,453
Internal charges	5,001,391	138,523	-8,190,779	3,050,866	0
Total Expenditure	149,523,463	54,764,961	544,611,221	121,678,138	870,577,783
Gains & Losses	-	-28,427	1,283,709	2,474,837	3,730,120
Surplus/deficit for the year	67,116,710	(27,625,917)	33,900,027	21,330,285	94,721,104

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration	Total
	R	R	R	R	R
Segment Revenue					
External revenue from non-exchange transactions	138,624,284	37,899,408	31,427,246	110,864,273	318,815,211
External revenue from exchange transactions	17,642,587	6,752,714	441,895,725	3,972,931	470,263,958
Interest revenue	103,259	-	22,493,452	17,330,697	39,927,408
Revenue from transactions with other segments	-	-	0	-	0
Total Revenue	156,370,130	44,652,123	495,816,422	132,167,902	829,006,577
Segment Expenditure					
Employee related costs	75,634,038	29,262,312	55,982,698	59,724,580	220,603,628
Remuneration of Councillors	-	-	-	11,320,701	11,320,701
Bulk Purchases	9,310	-	279,950,701	-	279,960,011
Depreciation and Amortisation	4,888,191	8,270,599	15,961,751	4,442,546	33,563,087
Impairment and Bad debt	4,992,731	-	55,391,281	4,558,441	64,942,453
Other Expenditure	13,477,196	17,181,890	57,712,571	46,572,800	134,944,457
Internal charges	6,713,506	123,736	-9,473,519	2,636,277	0
Total Expenditure	105,714,971	54,838,538	455,525,484	129,255,344	745,334,337
Gains & Losses	-	-	35,927,904	8,868,483	44,796,387
Surplus/deficit for the year	50,655,159	(10,186,415)	76,218,843	11,781,041	128,468,628

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

The four key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;
- Governance and Administration which includes executive and council, finance and administration and internal audit.

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor financial performance geographically and does not at present have reliable separate financial information.

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	Actual 2023/2024 R	Approved budget 2023/2024 R	Adjustments 2023/2024 R	Final budget 2023/2024 R	Difference between final budget and actual
ASSETS					
Current Assets	380,735,284	296,094,171	65,191,667	361,285,838	5%
Cash	187,244,734	199,596,900	20,207,234	219,804,134	-15%
Consumer debtors	155,012,152	44,956,959	29,554,721	74,511,680	108%
Other debtors	11,116,787	45,607,940	(6,388,837)	39,219,103	-72%
Inventory	27,361,611	4,483,912	2,791,760	7,275,672	276%
VAT	-	995,749	17,770,319	18,766,068	-100%
Other current assets		452,711	1,256,470	1,709,181	-100%
Non-Current Assets	1,149,836,262	1,185,439,153	(78,526,139)	1,106,913,014	4%
Investment Property	41,919,719	41,358,375	(6,794)	41,351,581	1%
Property, Plant and Equipment	1,106,308,855	1,141,745,629	(78,835,652)	1,062,909,977	4%
Heritage Assets	550,000	550,000	-	550,000	
Intangible Assets	1,057,688	1,785,149	316,307	2,101,456	-50%
Total Assets	1,530,571,546	1,481,533,324	(13,334,472)	1,468,198,852	4%
LIABILITIES					
Current Liabilities	143,974,895	154,205,452	50,463,866	204,669,318	-30%
Borrowings	1,281,622	2,050,293	(1,381,591)	668,702	92%
Consumer Deposits	9,739,379	11,548,609	609,675	12,158,284	-20%
Trade and Other Payable Exchange Transactions	92,776,541	92,015,705	11,275,603	103,291,308	-10%
Trade and other payables from non-exchange transactions		7,163,152	(3,281,792)	3,881,360	-100%
Provisions	35,611,068	37,979,001	1,793,004	39,772,005	-10%
VAT	4,566,285	3,448,692	41,448,967	44,897,659	-90%
Non-Current Liabilities	124,035,689	304,135,690	(169,708,477)	134,427,213	-8%
Borrowings	-	9,474,915	(10,628,454)	(1,153,539)	-100%
Provisions	124,035,689	294,660,775	(159,080,023)	135,580,752	-9%
Total Liabilities	268,010,584	458,341,142	(119,244,611)	339,096,531	-21%
Net Assets	1,262,560,962	1,023,192,182	105,910,139	1,129,102,321	12%
Accumulated Surplus	1,251,394,605	1,010,652,674	105,910,139	1,116,562,813	12%
Reserve	11,166,357	12,539,508	-	12,539,508	-11%
Total Net Assets and Liabilities	1,530,571,546	1,481,533,324	(13,334,472)	1,468,198,852	4%

The MSCOA chart of accounts are used for all financial transactions. The compilation of budget information from the MSCOA data strings continues to remain a challenge. The adjustments as per the above report is mainly in respect of corrections made to the budgeted statement of financial position.

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	Actual 2023/2024 R	Approved budget 2023/2024 R	Adjustments 2023/2024 R	Final budget 2023/2024 R	Difference between final budget and actual
Operating Revenue					
Property rates	101,316,650	105,352,774	-	105,352,774	-4%
Service charges - electricity revenue	371,995,811	399,102,173	-	399,102,173	-7%
Service charges - water revenue	49,080,938	53,000,000	-	53,000,000	-7%
Service charges - sanitation revenue	76,097,584	33,059,123	15,000,000	48,059,123	58%
Service charges - refuse revenue	34,607,904	32,053,921	-	32,053,921	8%
Rental from Fixed Assets	5,038,019	4,647,901	-	4,647,901	8%
Interest earned - External investments	22,018,748	12,454,296	8,683,521	21,137,817	4%
Interest Income on Overdue Accounts	32,648,893	27,069,048	-	27,069,048	21%
Fines, Penalties and Forfeits	20,634,347	11,194,097	(1)	11,194,096	84%
Licences or Permits	1,182,781	2,327,171	-	2,327,171	-49%
Agency Services	4,738,934	4,461,156	-	4,461,156	6%
Transfers and Subsidies	152,438,315	158,793,100	26,128,703	184,921,803	-18%
Other revenue	50,990,001	14,266,607	-116,081	14,150,526	260%
Gains	4,790,696	-	-	-	0%
Total Revenue (excluding capital transfers and contributions)	927,579,621	857,781,367	49,696,142	907,477,509	2%
Operating Expenditure by Nature					
Employee related costs	247,405,452	258,263,828	3,715,122	261,978,950	6%
Remuneration of Councillors	11,679,538	12,079,347	(6,139)	12,073,208	3%
Impairment	-72,354,971	64,474,852	-	64,474,852	212%
Depreciation and Amortisation	34,132,830	54,368,569	-	54,368,569	37%
Finance Charges	5,298,552	9,535,039	-	9,535,039	44%
Bulk Purchases	324,085,574	360,544,315	(400,931)	360,143,384	10%
Other materials	23,244,557	18,512,439	6,411,559	24,923,998	7%
Contracted Services	89,144,618	71,316,516	20,888,086	92,204,602	3%
Transfers and Subsidies: Operational Expenditure	2,928,366	2,252,543	762,965	3,015,508	3%
Other Expenditure	205,013,267	55,150,921	(891,777)	54,259,144	-278%
Losses	1,060,576	6,238,403	-	6,238,403	83%
Total expenditure	871,638,359	912,736,772	30,478,885	943,215,657	8%
Surplus/(Deficit)	55,941,262	(54,955,405)	19,217,257	(35,738,148)	-257%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	38,779,842	46,920,869	1,167,063	48,087,932	19%
Surplus/ (Deficit) for the year	94,721,104	(8,034,536)	20,384,320	12,349,784	667%
Operating expenditure by vote					
Budget and Treasury Office	31,419,429	69,134,692	(466,720)	68,667,972	54%
Civil services	596,392,689	609,598,189	3,534,712	613,132,901	3%
Community and social services	113,832,304	88,721,501	29,500,257	118,221,758	4%
Corporate Services	101,719,782	116,838,949	(2,355,091)	114,483,858	11%
Executive and Council	28,274,155	28,443,441	265,727	28,709,168	2%
Total operating expenditure by vote	871,638,359	912,736,772	30,478,885	943,215,657	8%

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	Actual 2023/2024 R	Approved budget 2023/2024 R	Adjustments 2023/2024 R	Final budget 2023/2024 R	Difference between final budget and actual
Capital expenditure by vote					
Budget and Treasury Office	403,028	180,000	228,238	408,238	1%
Civil services	70,603,898	65,620,100	12,006,912	77,627,012	9%
Community and social services	4,378,088	3,757,783	707,152	4,464,935	2%
Corporate Services	6,398,593	3,706,522	3,340,545	7,047,067	9%
Total capital expenditure	81,783,607	73,264,405	16,282,847	89,547,252	9%
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property Rates and other Taxes	102,509,333	91,169,861	-	91,169,861	12%
Service charges	494,504,686	469,831,584	114,611,263	584,442,847	-15%
Government Grants	171,336,713	212,057,000	21,844,149	233,901,149	-27%
Interest	48,344,009	33,582,526	14,624,339	48,206,865	0%
Payments					
Suppliers and employees	(780,151,783)	(983,456,261)	97,559,415	(885,896,846)	12%
Finance charges	(132,222)	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	36,410,736	(176,815,290)	248,639,166	71,823,876	49%
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments					
Capital assets	(76,242,543)	(68,014,405)	(7,702,149)	(75,716,554)	-1%
NET CASH FROM/(USED) INVESTING ACTIVITIES	(76,242,543)	(68,014,405)	(7,702,149)	(75,716,554)	-1%
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Increase (decrease) in consumer deposits	274,818	0	0	0	-
Payments					
Repayment of borrowing	0	(2,740,000)	0	(2,740,000)	100%
NET CASH FROM/(USED) FINANCING ACTIVITIES	274,818	(2,740,000)	-	(2,740,000)	110%



WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

Explanation of Material Statement of Financial Position Variances

Cash	-15%	Repayment of incorrect Grant Received
Consumer Debtors	108%	Increase in demand for industrial effluent services .
Other Debtors	-72%	Improvement in spending of grants
Inventory	276%	Increase in electrical inventory levels to mitigate exposure to lead times
Property, Plant and Equipment	4%	Underspensing of Capital Budget
Trade and Other Payable Exchange Transactions	-10%	Effective management of Payables and Accruals
VAT	-90%	Decreased consumption of municipal services due to load shedding
Borrowings	-100%	Budgeted loans not taken up in current financial year.
Provisions	-9%	Recalculation of rehabilitation cost of landfill sites

Explanation of Material Statement of Financial Performance Variances

Service charges - electricity revenue	-7%	Decreased consumption due to load shedding
---------------------------------------	-----	--

Explanation of Material Cash Flow Statement Variances

Service charges	-15%	Decline in debt collection
Receipts- Government Grant	-27%	Expenditure not incurred for all grant funding received.
Financing activities	110%	Budgeted loans not taken up in current financial year.

Reconciliation of budget surplus with the surplus in the statement of financial performance

Net surplus per the statement of financial performance		94,721,103
Adjusted for:		
Property rates	Decrease in anticipated revenue due to interim valuations not realised.	4,036,124
Service charges - sanitation revenue	Increase in demand for industrial effluent services.	(28,038,461)
Interest Income on Overdue Accounts	Increase in outstanding debt.	(5,579,845)
Fines, Penalties and Forfeits	Employment of additional traffic officers, increased fines issued.	(9,440,251)
Government Grants and Subsidies - Capital	Expenditure not incurred for all grant funding received.	9,308,090
Government Grants and Subsidies - Operating	Allocation for RDP houses now in other revenue and not grants.	32,483,488
Other revenue	Allocation for RDP houses now in other revenue and not grants.	(36,839,475)
Employee related costs	Vacancies not filled.	(14,573,498)
Impairment	Reversal of impairment for debt written off.	(136,829,823)
Depreciation and Amortisation	Depreciation less than expected - recalculation of rehabilitation cost.	(20,235,739)
Finance Charges	Adjustment in Provisions.	(4,236,487)
Bulk Purchases	Bulk purchases less than expected due to load shedding.	(36,057,810)
Contracted Services	Decrease in usage of consultants.	(3,059,984)
Other Expenditure	Irrecoverable Debts written off.	150,754,123
Gain	Gain on landfill and post employee benefits provisions.	(4,790,696)
Service charges - electricity revenue	Decreased consumption due to load shedding.	27,106,362
Losses	Budgeted actuarial loss on provisions not realised.	(5,177,827)
Licences or Permits	Decrease in number of Licences and permits issued.	1,144,390
Service charges - refuse revenue	Increase in debits raised for dumping at landfill site.	(2,553,983)
Other Items		209,984
Budgeted Surplus/ (Deficit) for the year		<u>12,349,784</u>

Explanation of Material Cash Flow Variances

Property Rates and other Taxes	12%	Implementation of new general valuation resulting in increased revenue
Service charges	-15%	Decrease in collection percentage
Suppliers and employees	12%	Vacant positions not filled

The budget is approved on an accrual basis by vote classification as required by the Municipal Finance Management Act. The basis used for this comparison is by nature classification as required by General Recognised Accounting Practices. The approved budget covers the same period as the financial statements, from 1 July to 30 June.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

The changes between the approved and final budget are a consequence of reallocations within the budget and of other factors allowable in terms of the Municipal Finance Management Act

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. 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 effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3.

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

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. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is 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 have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made based on 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. In general, materiality is determined as 1% of total expenditure.

1.6. RESERVES

Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

1.7. LEASES

1.7.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.7.2. Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The 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 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. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.8. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.9. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Economic Entity has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grant is receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.10. PROVISIONS

1.10.1. GENERAL PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits 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. 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 (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

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.

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.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. 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 shall be reversed.

1.10.2. REHABILITATION OF LANDFILL SITES PROVISIONS

Provision is made in terms of the licensing stipulations of the landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined based on a recent independent study. The cost factors derived from the study by a firm of consulting engineers have discounted to present value at prime interest rate.

1.11. EMPLOYEE BENEFITS

1.11.1. Post-Retirement Medical obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are 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 in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was 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 fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against 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 charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.2. 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 periodically 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 charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.3. Accrued Leave Pay

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 year end and on the total remuneration package of the employee.

1.11.4. Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

1.11.5. Performance bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.11.6. Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity 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 charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.11.7. Ex gratia Gratuities

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.8. Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions.
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay because of the unused entitlement that has accumulated at the reporting date.

The municipality provides long-service awards to eligible employees, after completion of every five years' service and the liability thereof is based on an actuarial valuation. The projected unit credit method has been used to value the obligation.

1.12. PROPERTY, PLANT AND EQUIPMENT**1.12.1. Initial Recognition**

Property, plant and equipment are tangible non-current assets (including infrastructure 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. Items of property, plant and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

equipment are initially recognised as assets on acquisition date and are initially recorded at cost. 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.

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.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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 assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.12.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and 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 associated with the asset.

1.12.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. 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 management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with 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
Infrastructure		Other	
Roads and Paving	5-100	Airports	20
Electricity	4-46	Buildings	30-100
Water	15-150	Computer equipment	3-30
Sanitation	10-75	Furniture and equipment	3-30
Other	10-15	Landfill sites	10-15
		Markets	30
Community		Other	3-30
Recreational Facilities	5-30	Other vehicles	2-67
Sport fields & Stadia	10-20	Plant and Equipment	3-32
Halls	5-100	Specialist vehicles	6-38
Libraries	10-30		
Parks and gardens	10-30		
Other assets	5-30		
Cemeteries	5-30		
Finance lease assets			
Office equipment	3-5		

Property, plant and equipment 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 charged to 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 impairment is recognised in the Statement of Financial Performance.

1.12.4. De-recognition

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.

1.12.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional arrangement as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The municipality updated the Land and Buildings acquired before 30 June 2008 to the fair value as determined by an independent valuator. For Other Assets the depreciation replacement cost method was used to establish the deemed cost as on 1 July 2008.

1.13. INTANGIBLE ASSETS

1.13.1. Initial Recognition

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

An asset meets the identifiable criterion in the definition of an intangible asset when it:

is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The municipality recognises an intangible asset in its Statement of Financial Position 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.

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

the municipality intends to complete the intangible asset for use or sale;
it is technically feasible to complete the intangible asset;
the municipality has the resources to complete the project; and
it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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 was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.13.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. 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 subject to an annual impairment test.

1.13.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, 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:

Intangible Assets	Years
Computer Software	5
Computer Software Licenses	5

1.13.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.14. INVESTMENT PROPERTY**1.14.1. Initial Recognition**

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

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, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

1.14.2. Subsequent Measurement – Cost Model

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

1.14.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. 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 management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	99 - 100

1.14.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15. HERITAGE ASSETS**1.15.1. Initial Recognition**

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and

- the cost or fair value of the asset can be measured reliably.

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

1.15.2. Subsequent Measurement

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.

The class of heritage assets are carried at its cost less any accumulated impairment losses.

1.15.3. Impairment

Where the carrying amount of an item of heritage asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of heritage asset have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

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 the impairment is recognised in the Statement of Financial Performance.

1.15.4. De-recognition

The carrying amount of a heritage asset is derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.16. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.16.1. Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.16.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

Depreciation replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

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.

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

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. 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 (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.17. COMMITMENTS

Commitments are future payments and expenditure to be incurred on contracts that have been entered into at the reporting date and where there are unperformed obligations. The commitments include capital items only.

Committed expenditure approved and contracted for at reporting date is where the expenditure has been approved and the contract has been awarded.

Committed expenditure approved but not yet contracted for at reporting date is where the expenditure has been approved but the contract has yet to be awarded or is awaiting finalisation.

1.18. INVENTORIES

1.18.1. Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. 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. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

The cost of purified water comprises cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Housing inventory is low cost houses still in process of construction or completed and not yet transferred. These houses are entirely funded by the National Department of Human Settlements, through the Western Cape Department of Human Settlements.

In terms of GRAP standards a municipality can either be regarded to be the "developer", "principal" or "agent" when executing the delivery of houses.

When the municipality is acting as the "developer" or "principal" all costs are recognized as inventory up to the point of transfer to the allocated beneficiaries, where after the cost is expensed through the statement of financial performance.

When the municipality is acting as the "agent" all transfers received by the Western Cape Department of Human Settlements is recorded initially as a liability in the statement of financial position. Any payments or costs pertaining to human settlement housing activities are debited against the liability.

1.18.2. Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, 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. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. 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 carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.19. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.20. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange transactions and non-exchange transactions).

1.20.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument 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.

1.20.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.20.2.1. Receivables

Receivables are classified as loans and receivables, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the outstanding amount based on the interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.20.2.2. Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, 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.

1.20.2.3. Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.20.2.4. Non-Current Investments

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.20.3. De-recognition of Financial Instruments**1.20.3.1. Financial Assets**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

the rights to receive cash flows from the asset have expired; or
the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.20.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.20.4. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only 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

1.21. REVENUE

1.21.1. 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.

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 proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised when issued.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

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.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

The charging of revenue in the public sector is frequently regulated by legislation, regulation, or similar means. Due to the statutory nature of this revenue, the amount of revenue charged may be subject to a review, objection, or appeal process which may result in changes to revenue already recognised. These adjustments to revenue can result in changes in accounting estimates or errors which will be disclosed in terms of applicable GRAP standard.

1.21.2. Revenue from Exchange Transactions

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

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when 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.

Revenue from the sale of electricity prepaid meter vouchers is recognised eight days after the sale of the relevant voucher.

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 recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) 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. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

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.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable.

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 imputed rate of interest is the more clearly determinable of either:

The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred.

When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.21.3. Grants, Transfers and Donations (Non-Exchange 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 raised 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 without any conditions attached are recognised as revenue when the asset is recognised.

1.22. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker, members of the Mayoral Committee and ordinary councillors.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.23. 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 in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24. 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 excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. 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 in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. CONTINGENT LIABILITIES

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 entity. 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.

Management judgement is required when recognising and measuring contingent liabilities.

1.27. PRESENTATION OF BUDGET INFORMATION

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements, has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements. The budget is approved on an accrual basis by vote classification as required by the Municipal Finance Management Act. The basis used for this comparison is by nature classification as required by General Recognised Accounting Practices. The approved budget covers the same period as the financial statements, from 1 July to 30 June. NO other entities is included in the budget.

1.28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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:

Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations, long service awards and ex-gratia gratuities 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.

Impairment of Receivables

The calculation in respect of the impairment of debtors 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.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.29. 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 as part of receivables or payables in the Statement of Financial Position.

1.30. JOINT VENTURES

In respect of the municipalities' interest in jointly controlled assets, the municipality includes in its accounting records and recognises in its financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with other ventures in relation to the joint venture;
- any revenue from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

1.31. AMENDED DISCLOSURE POLICY

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. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

1.32 AGENCY FEES AND PAYABLES

An agent is an entity that has been directed by 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.

The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives commission on the collection of monies. The municipality acts as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year.

Only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recognised by the municipality.

Liabilities arising from principal-agent arrangements are included as part of payables in the Statement of Financial Position.

1.33 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.

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.

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.

Impairment and collectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

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.

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.

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.

Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the outstanding amount based on the interest rate of the asset. Interest is not levied on Fines issued. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

1.34 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.35 CONSTRUCTION CONTRACTS AND RECEIVABLES

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a 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 Western Cape Department of Human Settlements. The municipality assesses the terms and conditions of each contract concluded with the Western Cape Department of Human Settlements to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, the municipality considers whether it is a contractor.

The binding arrangements entered into with the Western Cape 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.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised 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 work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as inventory until the houses are handed over when the municipality retains the risks and rewards associated with ownership of the low cost houses. On handover of the houses, the cost per house handed over is recognised as an expense in the period in which it was handed over.

The expenses are recognised in the period they are incurred when the municipality does not retain the risks and rewards associated with ownership of the low-cost houses during the construction period.

1.36 Standards, amendments to standard and interpretation issued but not yet effective

In the current year the municipality has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective. The following GRAP standards have been issued but are not yet effective during the current reporting period and the municipality did not early adopt these GRAP standards or interpretation.

GRAP 104 (Revised 2019) - Financial Instruments: The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

GRAP 103 on Heritage assets (amended): The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

Management has considered all the above mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance, budget statement or cash flow of the municipality.

1.37 Non-living Resources

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, are not recognised as assets in the financial statements of the Municipality. Non-Living resources are disclosed in terms of the applicable GRAP standard in the notes to the annual financial statements

1.38 Segment Reporting

Definition

A segment is an activity—

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

Identification

Segments are identified by the way in which information is reported to management for purposes of assessing performance as well as allocating resources to the various activities undertaken. Monthly management accounts and/or budget documentation usually reflect the segments reported to management.

It is prudent to note the following:

- activities performed by administrative units and functional departments which do not on its own give rise to future economic benefits or service potential, are not regarded as segments.
- post-employment benefit plans are expressly excluded from the scope of the standard of GRAP on segment reporting (i.e. GRAP 18), and thus is not regarded as a segment.

Measurement

The measure reported to management for the purpose of making decisions regarding the allocation of resources to a segment and assessing its performance, is the amount of each segment item reported in the financial statements. Amounts are allocated to reported segment surplus or deficit, assets or liabilities on a reasonable basis. When allocating revenue and expenses, only adjustments and eliminations included in the measures of the segment's surplus or deficit used by management, are reported for that segment. Only assets and liabilities included in the measures of the segment's assets and liabilities used by management, are reported for that segment. In cases where only one measure is used by management to assess segment performance and to allocate resources, segment surplus or deficit as well as segment assets and liabilities are reported in terms of that measure. In cases where more than one measure is used by management to assess segment performance and to allocate resources, segment surplus or deficit as well as segment assets and liabilities are reported in terms of what management believes are consistent with those used in measuring the corresponding amounts in the entity's financial statements.

Significant Judgements:

The municipality is structured in terms of core functions mandated in legislation. Information regarding progress in the performance of mandated functions, is reported to management for the purpose of evaluating segment performance and the allocation of resources to various activities in lieu of

strategic objectives. Where more than one set of segments has been identified, management may report such information separately or as a matrix. In addition, management may choose to adopt a primary and secondary reporting structure with limited disclosures made about secondary segments.

The segment information has been prepared on the accrual basis of accounting in accordance with the historical cost convention, unless specified otherwise.

General information - Organisation and aggregation of segments

GRAP 18 permits the aggregation of two or more segments into a single segment where segments have similar economic characteristics and share a majority of the following:

- a) the nature of the goods and/or services delivered;
- b) the type or class of customer or consumer to which goods and services are delivered;
- c) the methods used to distribute the goods or provide the services; or
- d) the nature of the regulatory environment that applies to the segment.

In accordance with section 153 of the Constitution of South Africa, the municipality's administration, budget and planning processes are structured to give priority to the basic needs of the community, as well as to promote the social and economic development of the community. Management has thus decided to organise segments around the nature of goods and/or services delivered in accordance with the objects of local government as stipulated in section 152(1) of the Constitution. *General information - Goods and/or services delivered per segment* The goods and/or services delivered per segment are aligned with the local government matters listed in Schedules 4B and 5B of the Constitution. Where the number of reportable segments identified had increased to more than ten, management applied judgement regarding the practical limit of reportable segments.

The below indicates the final reportable segments-

- Community and public safety
- Economic and environmental services
- Trading Services

Entity wide disclosures - Geographical information

The geographical information relevant for decision making purposes is not included as part of the reportable segment information as the information is not reported and available in geographical format within the municipal jurisdiction.

Restatement of segment reporting figures of earlier periods There have been no changes to the structure of the internal organization that resulted in the composition of reportable segments to change. Thus there was no need for segment reporting figures of earlier periods to be restated.

Transitional provisions

As per government gazette 41595 dated 26th April 2018, the standard of GRAP on Segment reporting became effective for municipalities from 1st April 2020. The standard of GRAP on Segment reporting has been fully complied with, apart from any transitional provisions that management may have decided to take advantage of as indicated below.

- On initial adoption of GRAP 18, comparative segment information need not be presented.
- The requirements of GRAP 18 does not apply to items that have not been recognised and/or measured in accordance with the other standards of GRAP as a result of transitional provisions under those Standards.

1.39 EXPENSES

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2

CASH AND CASH EQUIVALENTS

Assets

	2024 R	2023 R
Cash at Bank (Current Account)	187,235,262	226,792,468
Cash on Hand	9,472	9,255
Total Cash and Cash Equivalents - Assets	187,244,734	226,801,723

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Cash book balance at beginning of year	226,792,468	144,870,308
Cash book balance at end of year	187,235,262	226,792,468

The municipality has the following bank accounts:

Primary Bank Account: First National Bank - Account Number 62748215979

Bank statement balance at beginning of year	226,125,084	144,482,216
Bank statement balance at end of year	185,423,957	226,125,084

ABSA Bank Limited - Account Number 350000011

Bank statement balance at beginning of year	359,019	584,503
Bank statement balance at end of year	88,854	359,019

3

TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Electricity	68,708,576	50,520,002
Water	94,828,531	147,482,345
Property Rental Debtors	2,309,457	3,049,451
Waste Management	59,184,847	88,678,672
Waste Water Management	99,389,832	91,826,289
Service Charges	1,150,217	1,493,629
Prepayments and Advances	3,187,720	2,757,056
Contracts	5,128,890	5,128,890
Land Sale Debtors	1,106,706	1,106,706
Total Receivables from Exchange Transactions	334,994,777	392,043,040
Less: Provision for Impairment	(211,621,669)	(310,528,230)
Total Net Receivables from Exchange Transactions	123,373,108	81,514,811

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.

Included in receivables is the following accrued income (estimated consumption from the last meter reading to 30 June):

Accrued Income Electricity (Including VAT)	32,281,230	25,055,681
Accrued Income Water (Including VAT)	4,739,628	5,123,764
Accrued Income Waste Water (Including VAT)	39,790,216	14,208,517
Accrued Income Waste Management (Including VAT)	297,505	-

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing

Accrued Income Electricity	32,281,230	25,055,681
Current (0 - 30 days)	21,837,397	14,664,995
31 - 60 Days	2,269,338	1,142,768
61 - 90 Days	1,480,603	981,422
+ 90 Days	10,840,007	8,675,136
Total	68,708,576	50,520,002

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3

TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED

	2024 R	2023 R
<u>(Water): Ageing</u>		
Accrued Income Water	4,739,628	5,123,764
Current (0 - 30 days)	4,241,233	3,399,302
31 - 60 Days	1,967,389	2,475,554
61 - 90 Days	1,969,155	2,138,063
+ 90 Days	81,911,127	134,345,662
Total	94,828,532	147,482,345
<u>(Housing): Ageing</u>		
Current (0 - 30 days)	90,815	67,042
31 - 60 Days	65,262	55,821
61 - 90 Days	49,583	45,399
+ 90 Days	2,103,797	2,881,190
Total	2,309,457	3,049,451
<u>(Waste Management): Ageing</u>		
Accrued Income Waste Management	297,505	-
Current (0 - 30 days)	3,016,552	2,989,209
31 - 60 Days	1,566,418	1,779,503
61 - 90 Days	1,511,436	1,649,547
+ 90 Days	52,792,937	82,260,414
Total	59,184,848	88,678,673
<u>(Waste Water): Ageing</u>		
Accrued Income Waste Water	39,790,216	14,208,517
Current (0 - 30 days)	2,539,511	2,366,340
31 - 60 Days	1,614,930	1,381,153
61 - 90 Days	1,351,028	1,217,082
+ 90 Days	54,094,147	72,653,198
Total	99,389,833	91,826,289
<u>(Service Charges): Ageing</u>		
Current (0 - 30 days)	7,879	6,579
31 - 60 Days	16,087	19,568
61 - 90 Days	23,378	13,322
+ 90 Days	1,102,874	1,454,160
Total	1,150,217	1,493,629
<u>(Prepayments and Advances): Ageing</u>		
+ 90 Days	3,187,720	2,757,056
Total	3,187,720	2,757,056
<u>(Contract): Ageing</u>		
+ 90 Days	5,128,890	5,128,890
Total	5,128,890	5,128,890
<u>(Land Sales): Ageing</u>		
+ 90 Days	1,106,706	1,106,706
Total	1,106,706	1,106,706
<u>(Total): Ageing</u>		
Accrued Income	77,108,580	44,387,962
Current (0 - 30 days)	31,733,387	23,493,466
31 - 60 Days	7,499,424	6,854,367
61 - 90 Days	6,385,183	6,044,835
+ 90 Days	212,268,204	311,262,411
Total	334,994,778	392,043,042
Reconciliation Provision for Impairment		
Opening Balance	(310,528,229)	(250,470,971)
Recognised	(74,442,878)	(61,208,885)
Reversal (Write-off)	173,349,439	1,151,627
Balance at end of year	(211,621,668)	(310,528,229)

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2024	2023
	R	R
Property Rates		
Outstanding balance	54,881,440	46,952,464
Provision for impairment	(43,309,400)	(36,766,151)
Carrying Value	<u>11,572,040</u>	<u>10,186,313</u>
Electricity Availability		
Outstanding balance	2,506,530	2,147,543
Provision for impairment	(2,382,081)	(2,049,009)
Carrying Value	<u>124,450</u>	<u>98,534</u>
Water Availability		
Outstanding balance	2,298,110	2,008,924
Provision for impairment	(2,203,236)	(1,904,199)
Carrying Value	<u>94,874</u>	<u>104,725</u>
Waste Management Availability		
Outstanding balance	1,102,068	974,684
Provision for impairment	(1,055,844)	(883,696)
Carrying Value	<u>46,224</u>	<u>90,987</u>
Waste Water Availability		
Outstanding balance	1,351,875	1,214,384
Provision for impairment	(1,290,678)	(1,148,506)
Carrying Value	<u>61,197</u>	<u>65,878</u>
Fines		
Outstanding balance	21,640,260	14,020,210
Provision for impairment	(3,138,950)	(6,851,900)
Carrying Value	<u>18,501,310</u>	<u>7,168,310</u>
Other Receivables	1,238,949	1,709,182
Deposits	224,615	224,615
Other receivables	1,014,334	1,484,567
Total Net Receivables from Non-Exchange Transactions	<u>31,639,044</u>	<u>19,423,931</u>
Ageing of Receivables from Non-Exchange Transactions:		
(Rates): Ageing		
Current (0 - 30 days)	4,251,207	3,684,642
31 - 60 Days	991,836	970,095
61 - 90 Days	754,212	681,491
+ 90 Days	48,884,186	41,616,215
Total	<u>54,881,440</u>	<u>46,952,442</u>
<u>(Electricity Availability): Ageing</u>		
Current (0 - 30 days)	85,579	73,845
31 - 60 Days	57,247	48,860
61 - 90 Days	51,928	43,870
+ 90 Days	2,311,777	1,980,968
Total	<u>2,506,530</u>	<u>2,147,543</u>
<u>(Water Availability): Ageing</u>		
Current (0 - 30 days)	67,333	68,835
31 - 60 Days	39,613	46,123
61 - 90 Days	36,674	42,191
+ 90 Days	2,154,489	1,851,774
Total	<u>2,298,110</u>	<u>2,008,924</u>
<u>(Waste Management Availability): Ageing</u>		
Current (0 - 30 days)	40,376	56,499
31 - 60 Days	22,943	40,841
61 - 90 Days	20,893	39,025
+ 90 Days	1,017,856	838,318
Total	<u>1,102,068</u>	<u>974,684</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS CONTINUED	2024 R	2023 R
<u>(Waste Water Availability): Ageing</u>		
Current (0 - 30 days)	43,166	44,455
31 - 60 Days	25,685	28,986
61 - 90 Days	23,341	26,349
+ 90 Days	1,259,683	1,114,594
Total	1,351,875	1,214,384
<u>(Total): Ageing</u>		
Current (0 - 30 days)	4,487,660	3,928,277
31 - 60 Days	1,137,324	1,134,905
61 - 90 Days	887,047	832,926
+ 90 Days	55,627,990	47,401,869
Total	62,140,022	53,297,977
Reconciliation Provision for Impairment		
Opening Balance	(49,603,460)	(49,575,967)
Recognised	(12,457,793)	(8,762,143)
Reversal (Write-off)	8,681,065	8,734,650
Balance at end of year	(53,380,188)	(49,603,460)

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

5

INVENTORY

Consumables	2,590,811	2,503,966
Materials and Supplies	24,754,889	13,976,757
Water	15,911	348,802
Total Inventory	27,361,611	16,829,525
Inventory written down due to losses as identified during the annual stores counts.	3,802	-
Inventory recognised as an expense during the year	19,497,310	16,089,360

No inventories is pledged as security for liabilities

No inventory is carried at fair value less cost to sell.

No inventory was written down to net realisable value.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

6	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2024 R	2023 R
	Unspent Grants	4,861,951	13,535,211
	National Government Grants	1,202,087	5,741,406
	Provincial Government Grants	265,421	3,424,478
	District Municipality	3,394,443	4,369,327
	Less: Grants spend but not yet received	11,116,787	9,034,870
	National Government Grants	198,128	858,317
	Provincial Government Grants	10,834,594	8,146,274
	District Municipality	84,065	30,279
	Total Conditional Grants and Receipts	(6,254,836)	4,500,341
	Please refer to Note 22 for more information on specific grants.		
7	STATUTORY RECEIVABLES		
	Statutory receivables of the municipality are classified as follows in accordance with the principles of GRAP 108,		
	As of 30 June 2024, total statutory receivables of R 71955415 (2023: R 55504710) were impaired and provided for.		
	The amount of the allowance for impairment was R 46448350 as of 30 June 2024 (2023: R43618051).		
	Reconciliation of statutory receivables		
	Gross balance of statutory receivables	71,955,415	55,504,710
	Provision for impairment	(46,448,350)	(43,618,051)
	Netto statutory receivables	25,507,065	11,886,659
	Gross balance		
	Fines	21,640,260	14,020,210
	Property rates	54,881,440	46,952,464
	VAT	(4,566,285)	(5,467,964)
	Total	71,955,415	55,504,710
	Reconciliation of Provision for impairment		
	Opening Balance	(49,603,460)	(49,575,967)
	Recognised	(12,457,793)	(8,762,143)
	Reversal (Write-off)	8,681,065	8,734,650
	Balance at end of year	(53,380,188)	(49,603,460)
	The total amount of the Provision for impairment consists of:		
	Fines	(3,138,950)	(6,851,900)
	Property rates	(43,309,400)	(36,766,151)
	Total	(46,448,350)	(43,618,051)
	Net balance		
	Fines	18,501,310	7,168,310
	Property rates	11,572,040	10,186,313
	VAT	(4,566,285)	(5,467,964)
	Total	25,507,065	11,886,659
	Interest charged	4,091,476	2,821,620
	Property Rates: Ageing		
	Current (0 - 30 days)	4,251,207	3,684,642
	31 - 60 Days	991,836	970,095
	61 - 90 Days	754,212	681,491
	+ 90 Days	48,884,186	41,616,215
	Total	54,881,440	46,952,442
	Statutory receivables arises from the following legislation:		
	Property Rates- Municipal Property Rates Act (Act no 60 of 2014)		
	Fines- Criminal Procedures Act (Act no 51 of 1977)		
	Value Added Tax Act (Act no 89 of 1991)		
	No receivables from statutory receivables were pledged as security.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

7

STATUTORY RECEIVABLES CONTINUED

2024
R2023
R

Credit quality of statutory receivables

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 non-exchange receivables on initial recognition is not deemed necessary.

There are no statutory receivables which were restricted.

Property rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last valuation came into effect on 1 July 2023. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also new buildings.

Basic rate

Residential	0.600c/R	1.054c/R
Commercial	1.650c/R	1.903c/R
Industrial	1.650c/R	1.903c/R
Bona Fide Agricultural	0.150c/R	0.151c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

- Residential - The first R150 000 on the valuation is exempted.

Balances past due not impaired:

	2024 %	2024 R	2023 %	2023 R
<u>Non-Exchange Receivables</u>				
Fines	85.49%	18,501,310	51.13%	7,168,310
Property rates	21.09%	11,572,040	21.69%	10,186,313
VAT	100.00%	(4,566,285)	100.00%	(5,467,964)
	<u>35.45%</u>	<u>25,507,065</u>	<u>21.42%</u>	<u>11,886,659</u>

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2024 %	2024 R	2023 %	2023 R
<u>Non-Exchange Receivables</u>				
Fines	6.76%	3,138,950	15.71%	6,851,900
Property rates	93.24%	43,309,400	84.29%	36,766,151
	<u>100.00%</u>	<u>46,448,350</u>	<u>100.00%</u>	<u>43,618,051</u>

The provision for bad debts could be allocated between the different categories of debtors as follows:

	2024 %	2024 R	2023 %	2023 R
Residential	67.61%	43,835,208	61.48%	26,815,380
Commercial	28.44%	18,440,414	33.67%	14,684,206
Other	3.95%	2,560,129	4.86%	2,118,466
	<u>100.00%</u>	<u>64,835,750</u>	<u>100.00%</u>	<u>43,618,051</u>

VAT PAYABLE

	2024 R	2023 R
VAT Payable	21,797,907	15,580,883
	<u>21,797,907</u>	<u>15,580,883</u>

VAT RECEIVABLE

VAT input in suspense	17,231,622	10,112,919
	<u>17,231,622</u>	<u>10,112,919</u>

NET VAT RECEIVABLE/(PAYABLE)

(4,566,285) (5,467,964)

VAT is receivable/payable on the cash basis.

8 PROPERTY, PLANT AND EQUIPMENT

8.1 30 JUNE 2024

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community Assets R	Leased Assets R	Other Assets R	Total R
Carrying value at 1 July 2023	74,012,280	82,389,361	763,082,704	76,242,322	503,692	46,362,258	1,042,592,617
Cost	74,012,280	98,341,878	1,003,267,271	95,001,698	3,345,298	106,591,269	1,380,559,694
Accumulated Impairment	-	(361,350)	(2,907,658)	(1,085,670)	-	(809,940)	(5,164,618)
Accumulated Depreciation	-	(15,591,167)	(237,276,909)	(17,673,706)	(2,841,606)	(59,419,071)	(332,802,459)
Acquisitions	-	17,003	55,905,210	3,306,265	1,460,108	22,224,260	82,912,846
Transfers	-	-	(839,346)	311,241	-	(101,403)	(629,508)
Cost	-	-	(839,346)	311,241	-	(101,403)	(629,508)
Impairment	-	-	-	-	-	200,581	200,581
Impairment	-	-	-	-	-	(77,972)	(77,972)
Reversals	-	-	-	-	-	278,553	278,553
Depreciation	-	(1,133,578)	(23,129,381)	(2,554,866)	(679,002)	(5,912,605)	(33,409,432)
Carrying value of disposals	-	(30,950)	(32,126)	-	(10,972)	(566,905)	(640,953)
Cost	-	(352,235)	(640,475)	-	(3,345,298)	(1,461,362)	(5,799,370)
Accumulated Impairment	-	278,553	-	-	-	(278,553)	-
Accumulated Depreciation	-	42,731	608,349	-	3,334,326	1,173,011	5,158,417
Carrying value at 30 June 2024	74,012,280	81,241,836	794,987,061	77,304,962	1,273,826	62,206,186	1,091,026,151
Cost	74,012,280	98,006,646	1,057,692,660	98,619,204	1,460,108	127,252,764	1,457,043,662
Accumulated Impairments	-	(82,796)	(2,907,658)	(1,085,670)	-	(887,913)	(4,964,037)
Accumulated Depreciation	-	(16,682,014)	(259,797,941)	(20,228,572)	(186,282)	(64,158,665)	(361,053,474)

CHANGE IN ACCOUNTING ESTIMATES

Change in Useful lives

The municipality has reassessed the useful lives of Property plant and equipment and Intangible Asset which resulted in changes in depreciation and amortisation charges. The effect of the change in accounting estimate has resulted in the following movements for the current and future periods on the affected capital assets:

	2024 R	2025 R	2026 R	2027 R
<u>Movement in depreciation and amortisation</u>				
Before change in estimate	-	-	-	-
After change in estimate	780,148	780,148	780,148	780,148
Net effect	780,148	780,148	780,148	780,148

CAPITALISED RESTORATION COST

2024

Net Carrying amount at 1 July

12,218,671

Cost

61,235,271

Accumulated Depreciation

(49,016,599)

Adjustment for the period

3,366,362

Depreciation for the year

(302,330)

Net Carrying amount at 30 June

15,282,703

Cost

64,601,632

Accumulated Depreciation

(49,318,930)

Total Property, Plant and Equipment

1,106,308,854

8.1.1	Work in Progress included in the Carrying Value of Property Plant & Equipment	Land R	Buildings R	Infrastructure R	Community Assets R	Leased Assets R	Other Assets R	Total R
	Original Cost		575,838	21,584,111	1,107,275		1,000,000	24,267,224

Total
R

8.1.2 Expenditure incurred for repairs and maintaining property plant and equipment

23,172,254

8.1.3 No assets are pledged as security

8.1.4 No assets were in construction or development and consequently halted.

8.1.5 No assets took significantly long to complete.

PROPERTY, PLANT AND EQUIPMENT CONTINUED

8.2 30 JUNE 2023

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2022	74,218,280	84,009,075	707,375,313	72,973,007	880,728	51,122,459	990,578,862
Cost	74,218,280	98,778,878	925,198,970	89,328,819	3,345,298	104,543,062	1,295,413,307
Accumulated Impairment	-	(361,350)	(2,383,480)	(1,085,670)	-	(697,179)	(4,527,679)
Accumulated Depreciation	-	(14,408,453)	(215,440,177)	(15,270,142)	(2,464,570)	(52,723,424)	(300,306,766)
Acquisitions	-	-	76,929,364	6,782,808	-	2,846,062	86,558,234
Transfers	-	-	1,547,848	(1,257,765)	-	(999,563)	(709,480)
Cost	-	-	1,547,848	(1,109,929)	-	(814,056)	(376,137)
Accumulated Impairment	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	(147,836)	-	(185,507)	(333,343)
Impairment	-	-	(524,178)	-	-	(170,799)	(694,977)
Impairment	-	-	(524,178)	-	-	(170,799)	(694,977)
Reversals	-	-	-	-	-	-	-
Depreciation	-	(1,245,369)	(21,891,073)	(2,255,728)	(377,037)	(6,564,034)	(32,333,241)
Carrying value of disposals	(206,000)	(374,344)	(282,186)	-	-	55,749	(806,781)
Cost	(206,000)	(437,000)	(336,527)	-	-	(56,182)	(1,035,709)
Accumulated Impairment	-	-	-	-	-	58,038	58,038
Accumulated Depreciation	-	62,656	54,341	-	-	53,893	170,890
Carrying value at 30 June 2023	74,012,280	82,389,362	763,155,088	76,242,322	503,691	46,289,874	1,042,592,617
Cost	74,012,280	98,341,878	1,003,339,655	95,001,698	3,345,298	106,518,886	1,380,559,695
Accumulated Impairments	-	(361,350)	(2,907,658)	(1,085,670)	-	(809,940)	(5,164,618)
Accumulated Depreciation	-	(15,591,166)	(237,276,909)	(17,673,706)	(2,841,607)	(59,419,072)	(332,802,460)

CAPITALISED RESTORATION COST

Net Carrying amount at 1 July

35,106,752

Cost

80,422,274

Accumulated Depreciation

(45,315,522)

Adjustment for the period

(22,010,560)

Depreciation for the year

(877,520)

Net Carrying amount at 30 June

12,218,671

Cost

58,411,713

Accumulated Depreciation

(46,193,042)

Total Property, Plant and Equipment

1,054,811,288

8.2.1 Work in Progress included in the Carrying Value of Property Plant & Equipment

	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Original Cost		558,835	62,491,229	1,297,630	-	-	64,347,694

Total

R

8.2.2 Expenditure incurred for repairs and maintaining property plant and equipment

27,039,159

8.2.3 No assets are pledged as security

8.2.4 No assets were in construction or development and consequently halted.

8.2.5 No assets took significantly long to complete.



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

9

INTANGIBLE ASSETS

2024
R2023
R

Computer Software

Net Carrying amount at 1 July

1,355,569

1,359,152

Cost

2,941,080

5,760,942

Accumulated Amortisation

(1,585,511)

(4,401,790)

Acquisitions

330,870

72,384

Amortisation

(12,349)

(75,967)

Disposals/Transfers Out

547,012

2,892,246

Disposals

(1,163,414)

(2,892,246)

Net Carrying amount at 30 June

1,057,688

1,355,569

Cost

2,108,536

2,941,080

Accumulated Amortisation

(1,050,848)

(1,585,511)

Work in Progress included in the Carrying Value of Asset

330,870

No intangible assets are pledged as security

No intangible assets were in construction or development and consequently halted.

No intangible assets took significantly long to complete.

10

INVESTMENT PROPERTY

Net Carrying amount at 1 July

42,328,437

43,077,087

Cost

46,980,339

46,980,339

Accumulated Depreciation

(4,179,611)

(3,903,252)

Accumulated Impairment

(472,291)

-

Transfers to/from Cost

-

-

Transfers to/from Accumulated Depreciation

-

-

Depreciation for the year

(408,718)

(276,359)

Impairment

-

(472,291)

Net Carrying amount at 30 June

41,919,719

42,328,437

Cost

46,980,339

46,980,339

Accumulated Depreciation

(4,588,329)

(4,179,611)

Accumulated Impairment

(472,291)

(472,291)

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Revenue derived from the rental of investment property

3,340,182

3,414,238

Repair and maintenance expenditure incurred on properties generating revenue

186,762

201,865

Total Operating expenditure incurred on properties generating revenue

13,821,547

12,105,989

Operating expenditure incurred on properties not generating revenue

975,546

927,181

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024 R	2023 R
11	HERITAGE ASSETS		
	Net Carrying amount at 1 July	550,000	550,000
	Cost	550,000	550,000
	Net Carrying amount at 30 June	550,000	550,000
	Cost	550,000	550,000
	Heritage assets are carried at its cost less any accumulated impairment losses		
	No repairs and maintenance were effected on the heritage assets.		
	None of the heritage assets are pledge as security.		
12	TRADE AND OTHER PAYABLES EXCHANGE TRANSACTIONS		
	Payables and Accruals	14,382,900	40,895,529
	Control, Clearing and Interface	473,325	336,670
	Electricity Bulk Purchase	43,777,206	39,158,873
	Unallocated Deposits	1,082,349	1,189,657
	Retentions	13,632,275	12,861,128
	Agency Fees Payable	(1,126)	(376)
	Advance Payments	10,280,765	6,924,297
	Employee cost and councillor remuneration	1,975,009	1,988,685
	Total Trade Payables	85,602,703	103,354,463
	Payables are being recognised net of any discounts.		
	Payables are being paid within 30 days as prescribed by the MFMA. 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 payables on initial recognition is not deemed necessary.		
	The carrying value of trade and other payables approximates its fair value.		
13	CONSUMER DEPOSITS		
	Water and Electricity	8,018,410	7,594,161
	Rental Properties	406,885	972,083
	Wayleave	133,817	-
	Posters	30,906	28,514
	Building Plans	1,149,361	3,563,526
	Total Consumer Deposits	9,739,379	12,158,284
	The fair value of consumer deposits approximates their carrying value. Interest is not paid on these amounts.		
14	CURRENT PROVISIONS		
	Current Portion of Rehabilitation of Landfill-sites - Note 18	3,630,749	3,446,295
	Total Provisions	3,630,749	3,446,295

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

15	CURRENT EMPLOYEE BENEFITS	2024 R	2023 R
	Current Portion of Post Employment Health Care Benefits- Note 19	3,050,995	2,588,000
	Current Portion of Long-Service Provisions - Note 19	1,704,000	1,956,000
	Current Portion of Ex-gratia Pension Provisions - Note 19	7,100	6,460
	Staff Leave	20,423,714	19,652,655
	Performance Bonuses	803,207	777,548
	Staff Bonuses	5,991,303	5,636,989
	Total Current Employee Benefits	31,980,319	30,617,652

The movement in current employee benefits are reconciled as follows:

Staff Leave

Opening Balance	19,652,655	18,927,318
Contribution for the year	2,522,067	1,893,035
Expenditure incurred	(1,751,008)	(1,167,698)
Balance at end of year	20,423,714	19,652,655

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.

Performance Bonuses

Opening Balance	777,548	743,747
Contribution for the year	803,207	788,704
Expenditure incurred	(777,548)	(754,904)
Balance at end of year	803,207	777,547

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of their performance.

Staff Bonuses

Opening Balance	5,636,989	5,393,148
Contribution for the year	10,639,544	9,750,369
Expenditure incurred	(10,285,229)	(9,506,528)
Balance at end of year	5,991,304	5,636,989

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle.

16 UNSPENT PUBLIC CONTRIBUTIONS

Essen Belgium	3,684	1,116,991
Perdekraal	1,171,804	414,101
Nedbank	1,136,399	785,403
Total Unspent Public Contributions	2,311,887	2,316,495

Reconciliation of public contributions

China - Water meters

Opening balance	-	7,183
Conditions met - Transferred to revenue	-	(7,183)
Closing balance	-	-

3580 Water meters were donated by the Chinese Government to the Witzenberg Municipality. The purpose of the donation is to provide water connections to poor households.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
UNSPENT PUBLIC CONTRIBUTIONS CONTINUED		
<u>Essen Belgium</u>		
Opening balance	1,116,990	3,179,030
Receipts	679,910	1,350,389
Conditions met - Transferred to revenue	(1,793,216)	(3,412,428)
Closing balance	3,684	1,116,991

A twinning agreement exists between Essen in Belgium and the Witzenberg Municipality. The purpose of the agreement is youth development and crèches.

Perdekraal

Opening balance	414,101	-
Receipts	1,130,300	588,300
Conditions met - Transferred to revenue	(372,597)	(174,199)
Closing balance	1,171,804	414,101

Funds donated for alien conservation

Nedbank

Opening balance	785,403	-
Receipts	952,545	1,111,303
Conditions met - Transferred to revenue	(601,549)	(325,900)
Closing balance	1,136,399	785,403

Funds donated for the rehabilitation and restoration of rivers.

17

BORROWINGS

Finance Lease Liability	1,281,622	527,449
	1,281,622	527,449
Less Current portion of Non-current	(1,281,622)	(527,449)
Finance Lease Liability	(1,281,622)	(527,449)

The obligations under annuity loans are scheduled below:

**Minimum
annuity payments**

Amounts payable under annuity loans:

Annuity loans at amortised cost is calculated at an average 12.47% interest rate, with a final maturity date of 30 June 2024.

The obligations under finance leases are scheduled below:

**Minimum
lease payments**

Amounts payable under finance leases:

Payable within one year	-	547,662
	-	547,662
Less: Future finance obligations	-	(20,212)
Present value of lease obligations	-	527,450

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

18

NON-CURRENT PROVISIONS

	2024 R	2023 R
Provision for Rehabilitation of Landfill-sites	52,330,759	45,969,231
Total Non-current Provisions	52,330,759	45,969,231
<u>Landfill Sites</u>		
Opening Balance	49,415,526	98,557,432
Unwinding of Interest	5,166,330	9,775,470
Adjustment for the period	1,379,652	(58,917,376)
Total provision 30 June	55,961,508	49,415,526
Less: Transfer of Current Portion to Current Provisions - Note 14	(3,630,749)	(3,446,295)
Balance 30 June	52,330,759	45,969,231
Discount rate	5.25 - 12.49 %	6.13 - 11.75 %
Inflation Rate	5.02%	5.17%

The Rehabilitation cost of all landfill sites was prepared by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. An appropriate discount rate was used to determine the present value of the future landfill rehabilitation liability. The total obligation at year-end can be attributed to the following sites:

2024			
Location	Estimated Decommission Date	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Ceres	2003	4,184,795	4,038,151
Prince Alfred's Hamlet	2045	71,240,342	67,594,259
Op-die- Berg	2034	10,533,459	10,001,054
Tulbagh	2035	33,067,977	31,377,930
Wolseley	2043	41,996,226	39,868,880
		161,022,799	152,880,274

2023			
Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Ceres	2003	4,363,482	4,256,490
Prince Alfred's Hamlet	2045	226,499,965	285,223,128
Op-die- Berg	2034	20,306,976	12,818,000
Tulbagh	2035	65,677,557	66,182,285
Wolseley	2043	119,728,149	123,480,115
		436,576,129	491,960,018

19

EMPLOYEE BENEFITS

Post-employment Health Care Benefits	59,764,000	57,306,000
Long Service Awards	11,921,000	10,090,000
Ex-Gratia Pension Benefits	19,930	21,250
Total Non-current Employee Benefit Liabilities	71,704,930	67,417,250

Post-employment Health Care Benefits

Opening Balance	59,894,000	61,635,000
Contribution for the year	1,981,000	2,107,000
Interest Cost	7,283,000	7,136,000
Expenditure for the year	(2,375,737)	(2,285,339)
Actuarial Loss/(Gain)	(3,967,268)	(8,698,661)
Total post retirement Health Care benefits 30 June	62,814,995	59,894,000
Less: Transfer of Current Portion - Note 15	(3,050,995)	(2,588,000)
Balance 30 June	59,764,000	57,306,000

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

19	EMPLOYEE BENEFITS CONTINUED	2024 R	2023 R
	<u>Long Service Awards</u>		
	Opening Balance	12,046,000	12,176,763
	Contribution for the year	913,000	963,000
	Interest Cost	1,243,000	1,262,000
	Expenditure for the year	(1,739,612)	(1,158,579)
	Actuarial Loss/(Gain)	1,162,612	(1,197,184)
	Total long service 30 June	13,625,000	12,046,000
	Less: Transfer of Current Portion - Note 15	(1,704,000)	(1,956,000)
	Balance 30 June	11,921,000	10,090,000
	<u>Ex-Gratia Pension</u>		
	Opening Balance	27,710	33,618
	Interest Cost	2,490	2,800
	Expenditure for the year	(3,840)	(9,498)
	Actuarial Loss/(Gain)	670	790
	Total Ex-Gratia 30 June	27,030	27,710
	Less: Transfer of Current Portion - Note 15	(7,100)	(6,460)
	Balance 30 June	19,930	21,250
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
	Balance 1 July	71,967,710	73,845,381
	Contribution for the year	2,894,000	3,070,000
	Interest cost	8,528,490	8,400,800
	Expenditure for the year	(4,119,189)	(3,453,416)
	Actuarial Loss/(Gain)	(2,803,986)	(9,895,055)
	Total employee benefits 30 June	76,467,025	71,967,710
	Less: Transfer of Current Portion - Note 15	(4,762,095)	(4,550,460)
	Balance 30 June	71,704,930	67,417,250

The actuarial valuation was performed, as at 30 June 2024, by Chanan Weiss from ARCH Actuarial Consulting CC (Registration 1998/023194/23), using the projected unit credit method. ARCH Actuarial Consulting CC is not connected to the municipality.

19.1 Post-employment Health Care Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	247	238
In-service (employee) non-members	254	253
Continuation members (e.g. Retirees, widows, orphans)	48	51
Total Members	549	542

The liability in respect of past service has been estimated to be as follows:

In-service (employee) members	32,852,000	30,550,000
In-service (employee) non-members	3,062,000	2,863,000
Continuation members	26,869,000	26,481,000
Total Liability	62,783,000	59,894,000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2022 R	2021 R	2020 R
In-service (employee) members	32,044,000	30,183,000	26,345,000
In-service (employee) non-members	2,585,000	2,345,000	
Continuation members	27,006,000	30,738,000	28,373,000
Total Liability	61,635,000	63,266,000	54,718,000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
Keyhealth.
LA Health
Hosmed and
Samwumed.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

19.1 EMPLOYEE BENEFITS CONTINUED

2024

2023

The employees of the municipality and their dependants are currently entitled to a subsidy of 70% of the medical scheme contributions after they retire or in the case of death. This percentage is reduced if an employee did not complete a required service period before retirement. Widow(er)s and orphans of in-service members are entitled to a subsidy of 60% of the contribution payable. Upon a member's death-in retirement, the surviving dependants will continue to receive the same benefits.

The post-employment subsidies are not limited to a maximum Rand value/subsidy and as a result the following risks should be noted:

- Inflation: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- Longevity: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.
- Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- Future changes in legislation: The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.

Key actuarial assumptions used:

i) Rate of interest

Discount rate	12.20%	12.42%
Health Care Cost Inflation Rate	7.69%	8.03%
Net Effective Discount Rate	4.19%	4.06%

The discount rate are derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

ii) Mortality rates

The PA 90 ultimate table was used by the actuaries.

iii) Normal retirement age

The normal retirement ages are 65 (for males) and 65 (for females). It has been assumed that male in-service members will retire at age 62 and female in-service members will retire at age 59, on average, which then implicitly allows for expected rates of ill-health and early retirement.

Continuation of membership at retirement	70%	70%
Proportion assumed married at retirement	60%	60%
Proportion of eligible current non-member employees joining the scheme by retirement	15%	15%

The amounts recognised in the Statement of Financial Position are as follows:

	2024 R	2023 R
Present value of fund obligations	62,814,995	59,894,000
Net liability/(asset)	62,814,995	59,894,000

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	59,894,000	61,635,000
Total expenses	6,888,263	6,957,661
Current service cost	1,981,000	2,107,000
Interest Cost	7,283,000	7,136,000
Benefits Paid	(2,375,737)	(2,285,339)
Amendments	-	-
Actuarial (gains)/losses	(3,967,268)	(8,698,661)
Present value of fund obligation at the end of the year	62,814,995	59,894,000

Less: Transfer of Current Portion - Note 15

Balance 30 June

(3,050,995)	(2,588,000)
59,764,000	57,306,000

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

EMPLOYEE BENEFITS CONTINUED

Sensitivity Analysis on the Accrued Liability at 30 June 2024

Assumption	members liability	members liability	Total liability (R'000)
Central Assumptions	35,914,000	26,869,000	62,783,000

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members	Continuation members	Total liability (R'000)	% change
Central assumptions		35,914,000	26,869,000	62,783,000	
Health care inflation	1%	38,215,000	28,811,000	67,026,000	7
Health care inflation	-1%	32,746,000	25,000,000	57,746,000	-8
Mortality rate	20%	34,551,000	25,163,000	59,714,000	-5
Mortality rate	-20%	37,486,000	28,971,000	66,457,000	6

19.2 Long Service Awards

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses. 501 491

i) Rate of interest

Discount rate	11.05%	11.20%
General Salary Inflation (long-term)	6.20%	6.52%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4.56%	4.39%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	13,625,000	12,046,000
Net liability	13,625,000	12,046,000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2022 R	2021 R	2020 R
Present value of fund obligations	12,176,763	12,156,000	10,253,000
Net liability	12,176,763	12,156,000	10,253,000

	2024 R	2023 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	12,046,000	12,176,763
Total expenses	416,388	1,066,421
Current service cost	913,000	963,000
Interest Cost	1,243,000	1,262,000
Benefits Paid	(1,739,612)	(1,158,579)
Actuarial (gains)/losses	1,162,612	(1,197,184)
Present value of fund obligation at the end of the year	13,625,000	12,046,000
Less: Transfer of Current Portion - Note 15	(1,704,000)	(1,956,000)
Balance 30 June	11,921,000	10,090,000

Sensitivity Analysis on the Accrued Liability at 30 June 2024

Assumption	Change	Liability	% change
Central assumptions		13,625,000	
General salary inflation	1.00%	14,362,000	5%
General salary inflation	-1.00%	12,949,000	-5%
Withdrawal rates	20%	13,108,000	-4%
Withdrawal rates	-20%	14,185,000	4%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

EMPLOYEE BENEFITS CONTINUED

2024

2023

19.3 Ex-Gratia Pension Benefits

The Ex-Gratia Pension Benefits plans are defined benefit plans.

As at year end, the following number of employees were eligible for Ex-Gratia Pension Benefits.

13

14

i) Rate of interest

Discount rate

9.79%

10.14%

2024
R2023
R

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations

27,030

27,710

Net liability**27,030****27,710**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

2022
R2021
R2020
R

Present value of fund obligations

33,618

32,082

62,213

Net liability**33,618****32,082****62,213**

EMPLOYEE BENEFITS CONTINUED

2024
R2023
R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year

27,710

33,618

Total expenses

(1,350)

(6,698)

Interest Cost

2,490

2,800

Benefits Paid

(3,840)

(9,498)

Actuarial (gains)/losses

670

790

Present value of fund obligation at the end of the year

27,030

27,710

Less: Transfer of Current Portion - Note

(7,100)

(6,460)

Balance 30 June**19,930****21,250**

Sensitivity Analysis on the Accrued Liability at 30 June 2024

Assumption

Change

(R'000)

% change

Central assumptions

27,030

Discount rates

+1%

26,430

-5.0%

Discount rates

-1%

29,070

5.0%

Average retirement age

+1 year

25,550

-8.0%

Average retirement age

11 year

29,750

7.0%

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

EMPLOYEE BENEFITS CONTINUED

2024
R

2023
R

19.4 Retirement funds

CAPE JOINT PENSION FUND

The contribution rate of the defined benefit scheme is 27%; 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2023 disclosed an actuarial valuation amounting to R1 338 791 000 (30 June 2022: R1 391 841 000), with a surplus of R226 285 000 (2022: R144 158 000), with a funding level of 120.3% (30 June 2022: 111.6%).

Contributions paid recognised in the Statement of Financial Performance

445,247

415,032

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

The fund is a DB plan, and its last statutory valuation at 1 July 2021 revealed a deficit of R2,08 million and a funding level of 85.5%, having deteriorated since its previous statutory valuation at 1 July 2018, which indicated a deficit of R601,2 million and a funding level of 96%. That was prior to the approval of a scheme of arrangement (SOA) between the fund and all participating employers. The SOA requires all participating employers to contribute an additional 2% per annum over the next five to six years to restore the fund to financial soundness. Due to its further deterioration as a result of poor investment returns over the valuation period, the fund is required under section 18 of the Pension Funds Act to submit an updated SOA to the Financial Sector Conduct Authority (FSCA) to outline how the funding position will be addressed and restored.

Contributions paid recognised in the Statement of Financial Performance

312,527

282,900

DEFINED CONTRIBUTION FUNDS

Council contributes to: the Government Employees Pension Fund; Municipal Council Pension Fund; National Fund for Municipal Workers (IMATU); and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is 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.

Contributions paid recognised in the Statement of Financial Performance

Cape Joint Retirement Fund

30,201,649

27,684,024

Municipal Councillors Pension Fund

140,993

195,206

Municipal Workers Retirement Fund:

115,890

155,234

SAMWU National Provident Fund

4,395,265

4,442,493

34,853,797

32,476,957

The valuation results are dependent on the expected average retirement ages (EARAs) instead of the normal retirement age (NRAs).

Witzenberg's own recent employee-retirement history will be too small a sample to be solely relied on in setting these assumptions. Nevertheless, this recent experience seems to be in line with the EARAs used in the 2020 valuation.

If there is concern that the change in NRA for females will affect their EARA, then we recommend that the retirement-experience be monitored for several years after the change.

Consolidated Retirement Fund (Previously Cape Joint Retirement Fund):

The most recent statutory valuation performed as at 30 June 2023 revealed that the assets of the fund amounted to R42 710 035 000 (30 June 2022: R36 502 914 000), with funding levels of 120.1% and 100.2% (30 June 2022: 131.6% and 100.4%) for the Pensions Account and the Share Account respectively. The contribution rate paid by the members (7,50%/9%) and the municipalities (19,50%/18%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024 R	2023 R
20	NET ASSET RESERVES		
	Capital Replacement Reserve	11,166,357	12,539,508
	Total Net Asset Reserves	11,166,357	12,539,508
21	PROPERTY RATES		
	<u>Actual</u>		
	Rates Levied	112,194,626	107,295,940
	Business	19,963,699	28,595,800
	Rural	25,294,570	17,769,583
	Industrial Properties	11,521,095	11,481,496
	Residential Properties	35,901,266	33,021,595
	Public Service Purposes	16,820,067	14,265,001
	Vacant Land	2,240,512	2,162,465
	Public Service Infrastructure	453,417	-
	Less: Revenue Forgone	(10,877,976)	(9,030,029)
	Total Assessment Rates	101,316,650	98,265,911
	<u>Valuations - 1 JULY</u>		
	Land and Buildings		
	Residential Property	6,491,034,100	4,199,874,800
	Commercial Property	1,545,653,500	1,025,883,200
	Industrial Property	715,373,000	615,645,000
	Informal Property	42,216,400	36,977,000
	Agricultural Purposes	13,201,202,100	12,778,278,420
	State - National/ Provincial Services	1,020,100,200	836,766,800
	Public Service Infrastructure	27,481,000	10,040,500
	Vacant Property	64,173,000	157,014,100
	Total Valuation	23,107,233,300	19,660,479,820

Assessment Rates are levied on the value of land and improvements. The valuation is performed every 4-6 years. The last valuation came into effect on 1 July 2023. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Rates:

Residential	0.600c/R	1.054c/R
Commercial	1.650c/R	1.903c/R
Industrial	1.650c/R	1.903c/R
Bona Fide Agricultural	0.150c/R	0.151c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R150 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

22	TRANSFERS AND SUBSIDIES	2024 R	2023 R
	Unconditional Grants	135,729,000	121,667,821
	Equitable Share	135,729,000	121,667,821
	Conditional Grants	44,263,041	72,734,677
	Grants and donations	44,263,041	72,734,677
	Total Government Grants and Subsidies	179,992,041	194,402,498
	Government Grants and Subsidies - Capital	38,779,842	67,395,390
	Government Grants and Subsidies - Operating	141,212,199	127,007,108
		179,992,041	194,402,498

Please refer to appendix D for more detailed disclosure of Government Grants and Subsidies.

The Municipality does not expect any significant changes to the level of grants.

22.1 Equitable share

Grants received	135,729,000	121,667,821
Conditions met - Operating	(135,729,000)	(121,667,821)
Conditions still to be met/(Grant expenditure to be recovered)	-	-

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.

22.2 Local Government Financial Management Grant (FMG)

Opening balance	45	-
Grants received	1,550,000	1,550,000
Conditions met - Operating	(1,550,045)	(1,549,955)
Conditions still to be met/(Grant expenditure to be recovered)	-	45

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

22.3 Expanded Public Works Programme

Opening balance	(80,676)	-
Grants received	3,247,000	2,237,000
Conditions met - Operating	(3,364,452)	(2,317,676)
Conditions still to be met/(Grant expenditure to be recovered)	(198,128)	(80,676)

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GOVERNMENT GRANTS AND SUBSIDIES CONTINUED		2024 R	2023 R
22.4	Municipal Infrastructure Grant (MIG)		
	Opening balance	1,111,284	1,273,038
	Grants received	24,309,000	25,091,000
	Conditions met - Operating	-	(954,000)
	Conditions met - Capital	(24,292,562)	(23,025,716)
	Write off / Transfers	(1,068,126)	(1,273,038)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>59,596</u>	<u>1,111,284</u>
	The grant was used to upgrade infrastructure in previously disadvantaged areas.		
22.5	Regional Bulk Infrastructure Grant (RBIG)		
	Opening balance	1,600,377	(2,160,011)
	Grants received	-	19,239,000
	Conditions met - Capital	-	(15,478,612)
	Write off / Transfers	(1,051,722)	-
	Conditions still to be met/(Grant expenditure to be recovered)	<u>548,655</u>	<u>1,600,377</u>
	The grant was used to upgrade infrastructure in previously disadvantaged areas.		
22.6	Housing Grants		
	Opening balance	-	2,993,067
	Grants received	33,460,159	-
	Conditions met - Operating	(37,953,798)	-
	Write off / Transfers	-	(2,993,067)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>(4,493,639)</u>	<u>-</u>
	Housing grants was utilised for the development of erven and the erection of top structures.		
22.7	Integrated National Electrification Grant		
	Opening balance	(777,641)	3,873,783
	Grants received	900,000	-
	Conditions met - Capital	-	(777,641)
	Write off / Transfers	-	(3,873,783)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>122,359</u>	<u>(777,641)</u>
	The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
22.8	Library services		
	Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>-</u>
	The allocation received for the library services are no longer regarded as a Grant received, but is regarded as Sale of Goods and rendering of services, please refer to the correction of error notes.		
22.9	Other Grants		
	Opening balance	4,963,445	800,635
	Grants received	20,771,075	46,960,001
	Conditions met - Operating	(6,448,501)	(7,601,762)
	Conditions met - Capital	(15,028,718)	(34,549,389)
	Write off / Transfers	(4,239,093)	(646,038)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>18,208</u>	<u>4,963,447</u>
	Various grants were received from other spheres of government of which the material ones are: RBIG R9.3 million and Essen R2.2 million, etc.		
22.10	Total Grants		
	Opening balance	6,816,834	6,780,512
	Grants received	219,966,234	216,744,822
	Conditions met - Operating	(185,045,796)	(134,091,214)
	Conditions met - Capital	(39,321,280)	(73,831,358)
	Write off / Transfers	(6,358,941)	(8,785,926)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>(3,942,949)</u>	<u>6,816,836</u>
	<u>Disclosed as follows:</u>		
	Unspent Conditional Government Grants and Receipts	4,861,951	13,535,211
	Unspent Public Contributions	2,311,887	2,316,495
	Unpaid Conditional Government Grants and Receipts	(11,116,787)	(9,034,870)
		<u>(3,942,949)</u>	<u>6,816,836</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

23	SERVICE CHARGES	2024 R	2023 R
	Electricity	378,800,500	315,186,370
	Water	48,726,580	48,092,820
	Refuse removal	42,658,528	38,680,258
	Sewerage and Sanitation Charges	84,582,439	57,691,958
		554,768,047	459,651,406
	Less: Revenue Forgone	(25,976,495)	(22,394,365)
	Total Service Charges	528,791,552	437,257,041

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

24 AGENCY SERVICES

Agent for the Western Cape Department of Transport and Public Works

The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives and commission on the collection of monies. The municipality act as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There were no changes in the terms and condition of the arrangement for the reporting year. The amounts as per note is inclusive of VAT - The amount retained as per the statement of financial performance is exclusive of VAT

Reconciliation of amounts payable to the WC Department of Transport and Public Works

Opening Balance	411,713	343,176
Funds collected	31,461,835	30,733,537
Retained	(5,401,997)	(5,200,774)
Paid	(26,091,562)	(25,464,226)
Payable to principal	379,988	411,713

Agent for the National Department of Justice

The municipality act as agent for the National Department of Justice, where it collects contempt of court fines imposed for non-appearance in court of traffic fine offenders. The amounts collected are trivial. The municipality does not derive any revenue from this function.

Reconciliation of amounts payable to the Department of Justice

Opening Balance	77,701	78,601
Funds collected	195,000	190,500
Retained	-	-
Paid	(257,100)	(191,400)
Payable to principal	15,601	77,701

Principal arrangements: Financial Services

Agent for the Witzenberg Municipality: Ontec Systems (Pty) Ltd

The municipality has a service provider Ontec who acts as agent for the municipality with the sale of prepaid electricity and water. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. No penalties are payable if the contract with the agent is terminated.

Commission received by the agent	1,441,714	-
----------------------------------	------------------	---

Agent for the Witzenberg Municipality: Syntell (Pty) Ltd

The municipality has a service provider Syntell who acts as agent for the municipality with the sale of prepaid electricity and water. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. No penalties are payable if the contract with the agent is terminated

Commission received by the agent	386,400	2,517,962
----------------------------------	----------------	------------------

Agent for the Witzenberg Municipality: Easy Pay (Pty) Ltd

The municipality has a service provider EasyPay who acts as agent for the municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Commission received by the agent	224,724	245,076
----------------------------------	----------------	----------------

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Agent for the Witzenberg Municipality: South African Post Office Ltd (Pay a Bill)

The municipality has a service provider South African Post Office Ltd (Pay-a-bill) who acts as agent for the municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Commission received by the agent	<u>1,840</u>	<u>5,114</u>
----------------------------------	--------------	--------------

Agent for the Witzenberg Municipality: Pay AT Services (Pty) Ltd

The municipality has a service provider Pay-at who acts as agent for the municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Commission received by the agent	<u>223,605</u>	<u>237,452</u>
----------------------------------	----------------	----------------

25

OPERATIONAL REVENUE

Insurance Refund	1,045,097	2,823,204
Collection Charges	(713)	(1,958)
Breakages and Losses Recovered	4,334	3,831
Merchandising, Jobbing and Contracts	85,616	4,511,430
Other	1,442,588	1,291,782
Total Operational Revenue	<u>2,576,922</u>	<u>8,628,289</u>

26

SALES OF GOODS AND RENDERING OF SERVICES

Application Fees for Land Usage	100,139	157,410
Building Plan Approval	1,210,267	1,558,811
Camping Fees	2,732,095	2,733,295
Cemetery and Burial	142,264	178,086
Development Charges	469,143	484,559
Entrance Fees	562,533	485,053
Library Service	9,340,870	9,145,217
Other	395,610	239,261
Total Sales of Goods and Rendering of services	<u>14,952,921</u>	<u>14,981,692</u>

27

EMPLOYEE RELATED COSTS

Salaries and Wages	150,170,505	135,690,150
Bargaining Council Levy	75,462	71,863
Bonuses	11,442,751	10,539,073
Contributions For Pensions	22,385,217	20,732,849
Contributions For Medical Aids	9,834,039	8,938,750
Contributions For UIF	1,170,980	1,103,232
Group Life Insurance	4,737,984	4,715,982
Housing Benefits and Allowances	1,199,705	1,453,878
Leave Reserve	2,522,067	1,893,035
Long service awards	913,000	963,000
Overtime	17,339,446	16,955,701
Standby Allowance	5,927,235	7,046,126
Post Employment Health Care Benefits	1,981,000	2,107,000
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	9,177,571	8,392,991
Total Employee Related Costs	<u>238,876,962</u>	<u>220,603,630</u>

KEY MANAGEMENT PERSONNEL

The Municipal Manager and Directors are appointed on fixed term contracts.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

27

EMPLOYEE RELATED COSTS CONTINUED

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager

	2024 R	2023 R
Annual Remuneration	1,315,913	1,291,947
Performance Bonus	225,221	218,663
Travelling Allowance	108,000	108,000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	258,503	274,435
Travelling Expenses	-	4,804
Other Allowance	91,200	92,041
Total	1,998,837	1,989,889

Remuneration of the Director Technical Services

Annual Remuneration	827,560	862,382
Performance Bonus	184,109	178,747
Travelling Allowance	549,117	510,814
Contributions to UIF, Medical, Pension Funds and Bargaining Council	2,395	3,093
Travelling Expenses	43,429	42,062
Other Allowance	91,200	91,200
Total	1,697,810	1,688,298

Remuneration of the Director Corporate Services

Annual Remuneration	1,186,207	1,182,728
Performance Bonus	184,109	178,747
Travelling Allowance	192,000	192,000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	2,395	3,093
Travelling Expenses	8,346	10,666
Leave encashment	178,849	-
Other Allowance	135,543	142,019
Total	1,887,450	1,709,253

Remuneration of the Director Financial Services

Annual Remuneration	752,310	787,934
Performance Bonus	184,109	178,747
Travelling Allowance	466,534	180,000
Housing Allowance	33,239	281,470
Contributions to UIF, Medical, Pension Funds and Bargaining Council	126,989	125,468
Travelling Expenses	36,785	27,438
Other Allowance	91,200	
Total	1,691,166	1,581,057

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

28

REMUNERATION OF COUNCILLORS

	2024 R	2023 R
Executive Mayor		
Annual Remuneration	862,993	716,805
Pension fund contributions	39,303	129,025
Medical aid contributions	18,824	60,084
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	58,396	89,965
Total	979,517	995,879
Deputy Mayor		
Annual Remuneration	560,895	557,284
Pension fund contributions	100,961	94,863
Medical aid contributions	10,416	-
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	78,463	46,415
Total	750,735	698,563
Speaker		
Annual Remuneration	638,121	614,445
Pension fund contributions	109,881	109,399
Medical aid contributions	6,893	19,357
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	59,108	54,152
Total	814,003	797,353
Mayoral Committee Members (4)		
Annual Remuneration	2,275,509	2,305,139
Pension fund contributions	378,896	334,514
Medical aid contributions	2,892	-
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	313,921	389,245
Total	2,971,218	3,028,897
Section 79 Committee Chairman		
Annual Remuneration	384,398	319,869
Pension fund contributions	62,753	57,576
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	49,587	51,949
Total	496,738	429,394
Ordinary Councillors (15)		
Annual Remuneration	4,285,515	3,805,732
Pension fund contributions	646,769	659,035
Medical aid contributions	14,648	7,934
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	716,793	644,610
Total	5,663,725	5,117,310
Total Councillors' Remuneration	11,675,937	11,067,396
In-kind Benefits		

The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Executive Mayor, Speaker and all the Mayoral committee members are provided with secretarial support and an office at the cost of the Council.

Each councillor received a regulation 11 (cell phone allowance) and 12 (mobile data bundles) benefit. However the regulation 12 benefits is utilised for the contract procured by the municipality for data and regulation 11 is paid to the councillor to obtain their own contract.

Where applicable, councillor who qualify also received an regulation 10 (Out of pocket expenses) payment.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		R	R
29	PROVISION FOR IMPAIRMENT		
	Receivables from exchange transactions: Contributions - Note 3	97,217,740	56,120,710
	Receivables from exchange transactions: Reversals - Note 3	(173,349,439)	(1,151,627)
	Receivables from non-exchange transactions: Contributions - Note 4	12,457,793	8,762,143
	Receivables from non-exchange transactions: Reversals - Note 4	(8,681,065)	(8,734,650)
	Total Contribution to Debt Impairment	<u>(72,354,970)</u>	<u>54,996,576</u>
30	DEPRECIATION AND AMORTISATION		
	Property Plant and Equipment	33,409,433	32,333,241
	Investment Property	408,718	276,359
	Intangible Assets	12,349	75,967
	Capitalised restoration cost	302,330	877,520
	Total Depreciation and Amortisation	<u>34,132,830</u>	<u>33,563,087</u>
31	FINANCE CHARGES		
	Borrowing	-	78,556
	Finance leases	132,222	55,771
	Ex-Gratia Pension	2,490	2,800
	Post Employment Health Care Benefits	7,283,000	7,136,000
	Long service awards	1,243,000	1,262,000
	Non-current Provision	5,166,330	9,775,470
	Total finance charges	<u>13,827,042</u>	<u>18,310,597</u>
32	BULK PURCHASES		
	Electricity	324,085,574	279,960,011
	Total Bulk Purchases	<u>324,085,574</u>	<u>279,960,011</u>
33	CONTRACTED SERVICES		
	Construction Cost	33,460,159	-
	Tracing agents and debt collection	25,608	15,510
	Legal Cost	958,028	279,016
	Electrical	4,614,757	2,295,569
	Maintenance: Building and Facilities	574,596	646,604
	Traffic Fines Management	67,249	123,667
	Maintenance of Unspecified Assets	3,564,368	3,154,037
	Business and Advisory	2,332,011	4,387,866
	Security Services	23,674,140	14,399,039
	Infrastructure and Planning	15,467,854	21,761,514
	Other	4,405,849	3,651,242
		<u>89,144,619</u>	<u>50,714,064</u>
	The construction cost is the building of RDP houses funded by Province		
34	TRANSFERS AND SUBSIDIES: OPERATIONAL EXPENDITURE		
	Sport	112,707	10,000
	Public Schools	269,003	91,500
	Bursaries (Non-Employee)	671,454	460,675
	Bursaries (Employee)	50,765	-
	Witzenberg Security Forum	726,737	745,723
	Tourism	1,097,700	900,000
	Total Transfers and Subsidies: Operational Expenditure	<u>2,928,366</u>	<u>2,207,898</u>

The transfer to Eskom is for upgrading of the electricity network feeding the Ceres area to increase the available electricity.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		R	R
35	OPERATIONAL COST		
	Advertising, Publicity and Marketing	772,797	1,099,134
	Bank Charges, Facility and Card Fees	413,813	771,696
	Commission	2,136,024	2,613,571
	Communication	3,126,915	3,269,507
	External Audit Fees	3,754,262	3,775,793
	External Computer Service	3,716,100	3,751,681
	Hire Charges	4,969,829	4,241,660
	Insurance Underwriting	1,831,181	3,177,631
	Learnerships and Internships	768,373	814,506
	Levies Paid - Water Resource Management Charges	1,862,537	405,491
	Licences	620,491	397,508
	Printing, Publications and Books	343,857	345,045
	Professional Bodies, Membership and Subscription	2,714,140	2,020,626
	Remuneration to Ward Committee	1,373,000	1,385,000
	Signage	1,109,022	646,560
	Workmen's Compensation Fund	2,101,537	2,070,566
	Transport Provided as Part of Departmental Activities	55,759	39,343
	Travel and Subsistence	897,087	1,000,084
	Uniform and Protective Clothing	1,373,993	1,443,365
	Wet Fuel	10,246,671	10,629,617
	Other	511,978	487,915
	Total Operational cost	<u>44,699,366</u>	<u>44,386,299</u>
36	(IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT		
	Investment Property	-	472,291
	Property Plant & Equipment	110,098	694,977
	Total Impairments	<u>110,098</u>	<u>1,167,268</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

37	CORRECTION OF ERROR IN TERMS OF GRAP 3	2023 R
37.01	Inventory	
	Balance previously reported	11,534,198
	Correction of major spare parts Note 37.03	559,052
	Inventory incorrectly recognised as Work in Progress	4,736,275
	Balance now reported	16,829,525
37.02	Statutory Receivables: VAT	
	Balance previously reported	11,338,540
	Correction VAT on Library services 2021/2022	(6,173,609)
	Correction VAT on Library services 2022/2023	(321,783)
	Correction of VAT claimed on Traffic Services	(36,736)
	Reconciliation of input VAT	(10,274,378)
	Balance now reported	(5,467,965)
37.03	Property, Plant and Equipment	
	Balance previously reported	1,031,639,722
	Correction of major spare parts Note 37.01	(559,052)
	Reclassification of Asset Categories to align to Asset Register_Infrastructure Cost-Transferred	82,348
	Reclassification of Asset Categories to align to Asset Register_Community Assets Cost- Transferred	(414)
	Reclassification of Asset Categories to align to Asset Register_Other Assets Cost- Transferred	(67,363)
	Reclassification of Asset Categories to align to Asset Register_Infrastructure Acc Dep-Transferred	260,734
	Reclassification of Asset Categories to align to Asset Register_Community Assets Acc Dep- Transferred	(147,836)
	Reclassification of Asset Categories to align to Asset Register_Other Assets Acc Dep- Transferred	(185,507)
	Reclassification of Asset Categories to align to Asset Register_Other Assets Acc Imp- Transferred	58,038
	2021-22_Incorrect Reversal of Depreciation Asset Disposed_Infrastructure Acc Dep	(190,713)
	2021-22_Incorrect Reversal of Depreciation Asset Disposed_Other Assets Acc Dep	(105,635)
	Incorrect Disposal of Other assets	(29,003)
	Incorrect Depreciation Charge_Other Assets	548
	Depreciation _ Review Of Remaining Useful ives 2022-2023 _Other Assets	(621,178)
	Depreciation _ Review Of Remaining Useful ives 2022-2023_Infrastructure	(158,970)
	Adjustment to Accumulated Depreciation as a result of Review_Other Assets	3,105,417
	Adjustment to Accumulated Depreciation as a result of Review_Infrastructure	794,769
	Deemed disposals of historic transfers done (Land)	(2,268,841)
	Deemed disposals of historic transfers done (Buildings)	(2,887,170)
	Recognition of Land & Buildings not previously recognised (Land)	4,713,055
	Recognition of Land & Buildings not previously recognised (Buildings)	5,379,945
	Recognition of Land & Buildings not previously recognised (Community Assets)	8,516,000
	Recalculation of Asset and Provision for rehabilitation of landfill sites before 30 June 2022	363,574
	Recalculation of Asset and Provision for rehabilitation of landfill sites 2022/2023 financial year	11,855,098
	Inventory incorrectly recognised as PPE	(4,736,275)
	Balance now reported	1,054,811,290
37.04	Work in Progress included in the Carrying Value of Property Plant & Equipment	
	Balance previously reported	70,804,769
	Inventory incorrectly recognised as Work in Progress	(4,736,275)
	Recognition of Major Spare parts	(1,720,800)
	Balance now reported	64,347,694
37.05	Intangible Assets	
	Balance previously reported	2,111,695
	2021-22_Incorrect Reversal of Depreciation Asset Disposed_Intangibles Acc Amortisation	(765,107)
	Depreciation _ Review Of Remaining Useful lives 2022-2023_Intangibles	(2,245)
	Adjustment to Accumulated Depreciation as a result of Review_Intangibles	11,226
	Balance now reported	1,355,569
37.06	Investment Property	
	Balance previously reported	42,093,437
	Deemed disposals of historic transfers done (Investment Property)	(392,000)
	Recognition of Land & Buildings not previously recognised (Investment Property)	627,000
	Balance now reported	42,328,437
37.07	Current Provisions	
	Balance previously reported	-
	Reclassification from non-current Provision	3,446,295
	Balance now reported	3,446,295

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

	2023 R
37.08 Non-Current Provisions	
Balance previously reported	48,748,187
Recalculation of Asset and Provision for rehabilitation of landfill sites before 30 June 2022	24,413
Recalculation of Asset and Provision for rehabilitation of landfill sites 2022/2023 financial year	642,926
Reclassification to current Provision	(3,446,295)
Balance now reported	45,969,231
37.09 Unspent Conditional Government Grants and Receipts	
Balance previously reported	13,819,180
Correction of Error - Revenue Recognition on Grants	(283,969)
Correction of error: VAT on Transfers recognised - Note 37.11	
Balance now reported	13,535,211
37.10 Accumulated Surplus as at 30 June 2022	
Balance previously reported	1,026,431,060
Adjustment to Accumulated Depreciation as a result of Review_Other Assets	3,105,417
Adjustment to Accumulated Depreciation as a result of Review_Infrastructure	794,769
Adjustment to Accumulated Depreciation as a result of Review_Intangibles	11,226
Deemed disposals of historic transfers done (Investment Property)	(392,000)
Deemed disposals of historic transfers done (Land)	(2,268,841)
Recognition of Land & Buildings not previously recognised (Land)	4,713,055
Recognition of Land & Buildings not previously recognised (Buildings)	5,379,945
Recognition of Land & Buildings not previously recognised (Community Assets)	8,516,000
Recognition of Land & Buildings not previously recognised (Investment Property)	627,000
Deemed disposals of historic transfers done (Buildings)	(2,887,170)
2021-22_Incorrect Reversal of Depreciation Asset Disposed_Infrastructure Acc Dep	(190,713)
2021-22_Incorrect Reversal of Depreciation Asset Disposed_Intangibles Acc Amortisation	(765,107)
2021-22_Incorrect Reversal of Depreciation Asset Disposed_Other Assets Acc Dep	(105,635)
Incorrect Disposal of Other assets	(29,003)
Incorrect Depreciation Charge_Other Assets	548
Recalculation of Asset and Provision for rehabilitation of landfill sites	(8,498,784)
Recalculation of Depreciation on Asset for rehabilitation of landfill sites	8,837,945
Correction VAT on Library services 2021/2022	(6,173,609)
Reconciliation of input VAT	(10,274,378)
Balance now reported	1,026,831,724
37.11 Accumulated Surplus as at 30 June 2023	
Balance previously reported	1,144,668,399
Corrections for previous financial years, listed in Note 37.1	400,664
Correction of Error - Revenue Recognition on Grants	283,969
Depreciation & Amortization	(782,393)
Recalculation of Asset and Provision for rehabilitation of landfill sites 2022/2023 financial year	11,212,172
Correction VAT on Library services 2022/2023	(445,722)
Correction of VAT claimed on Traffic Services	(36,736)
Balance now reported	1,155,300,354
37.12 Repairs and Maintenance: Investment Property	
Balance previously reported	664,169
Recalculation of Repairs and Maintenance	(462,304)
Balance now reported	201,865
37.13 CASH FLOW STATEMENT: Receipts from Property Rates and other Taxes	
Balance previously reported	100,948,577
Correction of error: VAT on Transfers recognised	120,952
Balance now reported	101,069,529

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

	2023
	R
37.14 CASH FLOW STATEMENT: Receipts from sales of goods and services	
Balance previously reported	416,447,675
Amount previously recognised as grant revenue, allocation received for library services	9,913,241
Balance now reported	426,360,916
37.15 CASH FLOW STATEMENT: Receipts from Government Grants	
Balance previously reported	208,496,387
Correction of error: VAT on Transfers recognised	(120,952)
Reversal of recognition of Grant Revenue Library services	(10,517,001)
Balance now reported	197,858,434
37.16 CASH FLOW STATEMENT: Payments to suppliers	
Balance previously reported	(368,893,451)
Correction of major spare parts Note 37.01	559,052
Incorrect allocation of expenditure	(137,805)
Balance now reported	(368,472,204)
37.17 CASH FLOW STATEMENT: Purchase of Property, Plant and Equipment	
Balance previously reported	(85,185,097)
Adjustment of mayor spare parts	559,052
Correction of prior year error	(318,324)
Balance now reported	(84,944,369)
37.18 CASH FLOW STATEMENT: Proceeds on Disposal, Property, Plant and Equipment	
Balance previously reported	8,549,738
Reclassification of Asset Categories to align to Asset Register_Other Assets Acc Imp- Transferred	(58,038)
Balance now reported	8,491,700
37.19 UNAUTHORISED EXPENDITURE	
Balance previously reported	8,933,855
Recalculation of Depreciation on Asset for rehabilitation of landfill sites	(8,933,855)
Balance now reported	-
37.20 COMMITMENTS	
Balance previously reported	39,936,623
Operational project incorrectly classified as capital	(680,012)
Balance now reported	39,256,611
37.21 CONTINGENT LIABILITY	
Balance previously reported	12,437,198
VAT on allocation received for library services now disclosed as a payable	(6,495,391)
Possible Penalties and interest on VAT on Library Grant	1,208,809
Claims resolved in prior year removed from list	(1,286,779)
Balance now reported	5,863,837
37.22 VAT - [MFMA 125 (1)(c)]	
Balance previously reported	7,406,142
Correction of VAT paid and outstanding amount	(9,075,771)
Balance now reported	(1,669,629)

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

	2023 R	2023 R
37.23 Regulation 45 - Details of awards made to close family members of persons in service of State		
	Amount previously reported	Amount now reported
Williams Loodgieters	83,759	13,400
Witzenberg Concrete	5,969	-
SEW Plumbing	50,927	400,543
AJ Rankin Basson Sport BK	6,129	-
Vox Elektries	57,277	28,157
Neil Lyners and Associates (RF) (Pty) Ltd	1,783,651	1,474,000
WAB Print Media (Pty) Ltd	2,036	-
Motheo Construction	1,039,975	-
Amandla Construction	25,625,321	-
DAV General Dealer (Pty) Ltd	97,520	91,640
Zelp 707 (Pty) Ltd t/a Boland Isuzu	150,389	138,346
Poolux Beekeeping	14,070	3,750
Ikapa Reticulation and Flow	19,887	2,760,837
Zutari (PTY) Ltd	-	10,583,262
Catherina Swartz	-	28,600
Actom	-	79,355

Amounts previously reported were the actual expenditure incurred during the financial year. Amounts now reported are the actual amount of the award made during the financial year.

In relation to the awards listed above, no changes were noted with regards to:

- Member of company who has relationship with person in the service of the state
- Relationship to person in the service of the state
- Name of person in the service of the state
- Employer and capacity of person in service of the state

38 CHANGE IN ACCOUNTING ESTIMATE

Change in Useful lives

The municipality has reassessed the useful lives of Property plant and equipment and Intangible Asset which resulted in changes in depreciation and amortisation charges. The effect of the change in accounting estimate has resulted in the following movements for the current and future periods on the affected capital assets:

	2024 R	2025 R	2026 R	2027 R
<u>Movement in depreciation and amortisation</u>				
Before change in estimate	-	-	-	-
After change in estimate	728,853	728,853	728,853	728,853
Net effect	<u>728,853</u>	<u>728,853</u>	<u>728,853</u>	<u>728,853</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
39 RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS		
Surplus/(Deficit) for the year	94,721,103	128,468,626
Adjustments for:		
Depreciation	34,120,480	33,487,120
Amortisation of Intangible Assets	12,349	75,967
Gain / (loss) on disposal of assets	946,676	838,215
Gain / (loss) on Adjustment of Provision	(1,986,710)	(36,906,815)
Debt Impairment	(72,354,971)	54,996,576
Stock Adjustments	3,802	-
Contribution from/to provisions	5,166,330	9,775,470
Contribution from/to employee benefits	(74,156)	619,562
Interest cost - Employee Benefits	8,528,490	8,400,800
Gain / (loss) on Actuarial Valuations	(2,803,986)	(9,895,056)
(Impairment loss) / Reversal of impairment loss	110,098	1,167,269
Finance lease: deemed loan expenditure	(705,936)	(491,891)
Bad Debts Written Off	159,168,262	9,945,876
Operating Surplus/(Deficit) before changes in working capital	224,851,831	200,481,719
Changes in working capital	(189,070,602)	(29,976,439)
Increase/(Decrease) in Trade and Other Payables	(22,818,843)	39,041,323
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(8,673,260)	(875,582)
Increase/(Decrease) in Unspent Public Contributions	(4,608)	(869,718)
Increase/(Decrease) in Taxes	(23,676,542)	17,777,062
(Increase)/Decrease in Inventory	(14,259,030)	(11,653,199)
(Increase)/Decrease in Trade and other receivables	(117,556,402)	(75,177,949)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(2,081,917)	1,781,624
Cash generated/(absorbed) by operations	35,781,229	170,505,280
40 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 2	187,244,734	226,801,723
Less:	9,428,236	13,535,211
Unspent Committed Conditional Grants - Note 6	4,861,951	13,535,211
VAT - Note 7	4,566,285	-
Resources available for working capital requirements	177,816,498	213,266,512
Allocated to:		
Capital Replacement Reserve	11,166,357	12,539,508
Employee Benefits Reserve	103,685,249	98,034,902
Non-Current Provisions Reserve	52,330,759	45,969,231
Shortfall in working capital requirements	10,634,133	56,722,871
41 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 17	1,281,622	527,449
Used to finance property, plant and equipment - at cost	(1,281,622)	(527,449)
	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

42	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2024 R	2023 R
42.1	Irregular expenditure		
	Reconciliation of irregular expenditure:		
	Opening balance	5,437,362	-
	Irregular expenditure current year	5,891,802	5,437,362
	Irregular expenditure awaiting further action	<u>11,329,164</u>	<u>5,437,362</u>

Incident	Disciplinary steps/criminal proceedings
Procurement less than R 30 000,00 (quotations) was audited by the AGSA and classified as irregular expenditure during the 2022-23 audit process, as no preference points calculations have been performed.	The matter will be dealt with in terms of applicable laws and regulations.
The municipality is not in agreement with the view of the AGSA and National Treasury with their interpretation and proposed implementation of the Preferential Procurement Regulations of 2022.	

42.2 **Unauthorised expenditure**

Reconciliation of unauthorised expenditure:

Opening balance	-	8,933,855
Correction of error - Recalculation of depreciation on asset for rehabilitation of landfill sites	-	(8,933,855)
Unauthorised expenditure awaiting authorisation	-	-

Unauthorised expenditure on operating votes are due to:

2021/2022: The depreciation expense of the deemed asset - Rehabilitation of landfill sites is more than budgeted due to increased cost of rehabilitation, higher inflation rates and higher interest rates.

The value of the asset, provision and depreciation was recalculated during the year, the recalculated expenditure for the vote is within the budget provision. The correction is in terms of the accounting standards.

The unauthorised expenditure has already been reported to council but no resolution has been taken to date.

The 2023 - 2024 annual financial statements including updated calculations to be submitted to MPAC and Council

43 MATERIAL LOSSES

43.1 **Water distribution losses**

- Kilolitres purified	6,781,956	6,533,253
- Kilolitres sold	6,037,407	5,967,791
- Kilolitres lost during distribution	744,549	565,462
- Percentage lost during distribution	10.98%	8.66%
- Value of kilolitres lost during distribution	318,429	236,647
- The value of kilolitres lost is based on the treatment cost of water.		

The estimated consumption for public open spaces and informal houses are calculated on a conservative bases using baseline consumption estimations provided by the Department of Water Affairs.

43.2 **Electricity distribution losses**

- Units purchased (Kwh)	163,626,748	178,330,154
- Units sold (Kwh)	146,752,984	159,920,014
- Units lost during distribution (Kwh)	16,873,764	18,410,140
- Percentage lost during distribution	10.3%	10.3%
- Value of units lost during distribution (Rand)	33,420,841	28,902,027

The electricity losses are in line with the guideline of the National Energy Regulator of South Africa of 10%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

44.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS

Opening balance		
Council subscriptions	2,655,622	1,974,468
Amount paid - previous years	(2,655,622)	(1,974,468)
Balance unpaid (included in Payables from exchange transactions)	-	-

44.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year audit fee	3,831,745	3,811,968
External Audit - Auditor-General	3,754,262	3,775,793
Audit Committee	77,483	36,175
Amount paid - current year	3,831,745	3,811,968
Balance unpaid (included in Payables from exchange transactions)	-	-

44.3 VAT - [MFMA 125 (1)(c)]

Opening balance	(1,669,629)	72,029
Amounts received - Output VAT - current year	(68,848,541)	(60,371,159)
Amounts claimed - Input VAT - current year	66,059,816	60,041,642
Amount paid - current year	(2,993,759)	(1,340,112)
Amount - previous year	1,669,629	(72,029)
Closing balance	(5,782,484)	(1,669,629)

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.

44.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year payroll deductions and Council Contributions	37,281,944	33,634,211
Amount paid - current year	(37,281,944)	(33,634,211)
Balance unpaid (included in Payables from exchange transactions)	-	-

44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year payroll deductions and Council Contributions	53,492,854	49,228,165
Amount paid - current year	(53,492,854)	(49,228,165)
Balance unpaid (included in Payables from exchange transactions)	-	-

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
44.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]		
During the financial year the following Councillors were outstanding for more than 90 days at any instance		
LA Hardneck	247	3,187
GJ Franse	35,402	23,121
FE Klazen (Term ended 15/05/2023)		17,218
K Robyn	75,927	118,210
B C Klaasen (Term ended 30/06/2023)		15,379
Total Councillor Arrear Consumer Accounts	111,576	177,115

BC Klaasen has lodged a dispute in terms of the municipal account
Councillors outstanding for more than 90 days as at 30 June 2024:

LA Hardneck	247	
GJ Franse	35,402	23,121
K Robyn	53,927	118,210
Total Councillor Arrear Consumer Accounts at year end	89,576	23,121

44.7 Disclosure in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36 (2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36 (1) (a)

2023/2024		Type of deviation			
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	893,259	4	0	9	6
August	1,578,305	9	0	5	1
September	2,515,800	5	0	4	5
October	1,033,897	5	0	3	2
November	169,132	4	0	1	4
December	106,541	1	0	3	0
January	70,955	4	0	0	0
February	1,479,837	10	0	3	0
March	528,817	8	0	3	0
April	561,892	4	0	2	2
May	770,655	4	0	4	0
June	102,022	4	0	0	0
	9,811,113	62	0	37	20
2022/2023		Type of deviation			
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	410,506	3	0	2	1
August	2,151,491	12	0	3	5
September	171,256	8	0	1	3
October	354,319	5	0	1	3
November	1,509,585	3	0	0	1
December	2,129,012	9	0	3	0
January	151,632	8	0	3	0
February	1,457,458	6	0	4	1
March	2,537,740	10	0	3	2
April	529,948	4	0	3	0
May	101,289	6	0	2	1
June	574,197	3	0	5	4
	12,078,433	77	0	30	21

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

**2024
R**

44.8 Regulation 45 - Details of awards made to close family members of persons in service of State

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of award
Williams Loodgieters	SR Williams	Spouse	R Williams	Dept. of Health: Nurse	11,617
Siphakame Skills Development	N Vacu	Spouse	MR Vacu	Drakenstein Municipality	28,900
AJ Rankin Basson Sport BK	J Wessels	Spouse	MJL Wessels	Witzenberg Municipality Social Worker	10,624
RJC Conservation Services	R Prins	Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	366,000
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	14,600
Conlog (PTY) Ltd	L Moodley	Spouse	N Moodley	Department of Health	10,000,000
Neil Lyners and Associates (RF) (Pty) Ltd	N Lyners	Sibling	H Lyners	WCGTPW: Chief Engineer	200,570
WRP Consulting Engineers (PTY) Ltd	Pieter van Rooyen	Spouse	Zelmarie van Rooyen	Department of Public Works: Chief Town Planner	5,520
	Takalani Mamphitha	Spouse	Katlego Mamphitha	SABC: Systems Administrator	
Piston Power Chemicals (Pty) Ltd	Ujush Andhee	Spouse	Nadira Andhee	Educator: Department of Education KZN	184,474
Amandla Construction	W Frazenburg	Brother in Law	J Jacobs	National Government Employment & Labour	5,483,667
		Sister	U Frazenburg	National Government Deeds Office Kimberley	
		Brother	E Frazenburg	WC Government Education Eerste Rivier HS	
		Sister	J Frazenburg	WC Government Education Kleinvele HS	
		Brother	B Frazenburg	City of Cape Town: Traffic Dept	
Actom	D Lubbe	Spouse	T Lubbe	WCED Teacher, Gauteng Education Department	146,627
Zutari (PTY) Ltd	RJ Ahlschlager	Spouse	RJ Ahlschlager	Special Investigating unit	5,758,219
DAV General Dealer (Pty) Ltd	D Lategan	Father	A Lategan	Witzenberg Municipality: Clerk	136,737
Leibrandt Training Academy	Nina Benjamin	Spouse	Heinrich Benjamin	SAPS Colonel	6,279
Zelp 707 (Pty) Ltd t/a Boland Isuzu	M Adams	Son	K Adams	Witzenberg Municipality: Member of Council	163,371
Adapt IT (Pty) Ltd	N Mbambo	Spouse	DMS Mbambo	SANRAL: Operations and Maintenance Manager	1,300,000
JVZ Construction	M Matthee	Spouse	R Matthee	Correctional Services	23,073,146

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2023
R

Regulation 45 - Details of awards made to close family members of persons in service of State - continued

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of award
Williams Loodgieters	SR Williams	Spouse	R Williams	Dept. of Health: Nurse	13,400
Witzenberg Concrete	Derick Ontong	Spouse	Crystal Ontong	Ceres Sekonder, Teacher (WCED)	0
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	400,543
		Son	R Williams	Dept. of Health: Nurse	
AJ Rankin Basson Sport BK	J Wessels	Spouse	MJL Wessels	Witzenberg Municipality Social Worker	0
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	28,157
RJC Conservation Servises	R Prins	Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	91,950
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	19,700
Neil Lyners and Associates (RF) (Pty) Ltd	N Lyners	Sibling	H Lyners	WCGTPW: Chief Engineer	1,474,000
WRP Consulting Engineers (PTY) Ltd	Pieter van Rooyen	Spouse	Zelmarie van Rooyen	Department of Public Works: Chief Town Planner	4,140
	Takalani Mamphitha	Spouse	Katlego Mamphitha	SABC: Systems Administrator	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	0
Piston Power Chemicals (Pty) Ltd	Ujush Andhee	Spouse	Nadira Andhee	Educator: Department of Education KZN	176,319
RJ Designs	R Jacobs		C Africa	Saldanha Bay Municipality Assistant Librarian	10,550
Amandla Construction	W Frazenburg	Brother in Law	J Jacobs	National Government Employment & Labour	0
		Sister	U Frazenburg	National Government Deeds Office Kimberley	
		Brother	E Frazenburg	WC Government Education Eerste Rivier HS	
		Sister	J Frazenburg	WC Government Education Kleinvele HS	
		Brother	B Frazenburg	City of Cape Town: Traffic Department	
JPCE (Pty) Ltd	J Minnie	Spouse	J Minnie	City of Cape Town: Head Disaster Management	164,795
DAV General Dealer (Pty) Ltd	D Lategan	Father	A Lategan	Financial Intern: Witzenberg Municipality	91,640
Leibrandt Training	Nina Benjamin	Spouse	Heinrich Benjamin	SAPS Colonel	10,638
Zelp 707 (Pty) Ltd t/a Boland Isuzu	M Adams	Son	K Adams	Witzenberg Municipality: Member of Council	138,346
Ian Dickie & Co	M Samuels	Spouse	D Samuels	SAPS: Warrant Officer Supply Chain	247,945
Poolux Beekeeping	S Poole	Son	E Poole	Western Cape Department of Education: Teacher	3,750
Ikapa Reticulation and Flow	R Davids	Daughter	CS Davids	Teacher: Department of Education	2,760,837
Zutari (PTY) Ltd	RJ Ahlschlager	Spouse	RJ Ahlschlager	Special Investigating unit	10,583,262
Catherina Swartz	C Swartz	Spouse	D Swartz	Councillor: Witzenberg Municipality	28,600
Actom	D Lubbe	Spouse	T Lubbe	WCED Teacher, Gauteng Education Department	79,355

45

COMMITMENTS

Commitments in respect of expenditure:

Approved and contracted for
Infrastructure
Community
Other Capital

Total

2024

2023
(Restated)

R	R
33,613,270	39,256,611
32,380,667	36,989,260
815,103	2,267,351
417,500	-
33,613,270	39,256,611

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

46

FINANCIAL RISK MANAGEMENT

2024
R2023
R

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0.5% Increase in interest rates	929,768	1,131,325
0.5% Decrease in interest rates	(929,768)	(1,131,325)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss. Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors 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.

All rates and services are payable within 30 days from invoice date. Refer to note 3 and 4 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 3 for balances included in receivables that were re-negotiated for the period under review.

Balances past due not impaired:

	2024 %	2024 R	2023 %	2023 R
<u>Exchange Receivables</u>				
Electricity	84.82%	58,276,779	85.61%	43,249,170
Water	8.28%	7,856,398	5.21%	7,684,892
Housing Rentals	6.63%	153,183	3.88%	118,383
Refuse	7.58%	4,484,890	4.79%	4,243,673
Sewerage	43.35%	43,081,424	18.67%	17,144,809
Other	8.44%	97,104	5.44%	81,232
Contracts	100.00%	5,128,890	100.00%	5,128,890
Land Sales	100.00%	1,106,706	100.00%	1,106,706
	35.88%	120,185,373	20.09%	78,757,755

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 3 and 4 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

46

FINANCIAL RISK MANAGEMENT CONTINUED

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2024 %	2024 R	2023 %	2023 R
<u>Exchange Receivables</u>				
Electricity	4.93%	10,431,797	2.34%	7,270,832
Water	41.10%	86,972,133	45.02%	139,797,453
Housing Rentals	1.02%	2,156,274	0.94%	2,931,068
Refuse	25.85%	54,699,957	27.19%	84,434,999
Sewerage	26.61%	56,308,408	24.05%	74,681,480
Other	0.50%	1,053,113	0.45%	1,412,397
	100.00%	211,621,669	100.00%	310,528,230

The provision for bad debts could be allocated between the different categories of debtors as follows:

	2024 %	2024 R	2023 %	2023 R
Residential	91.30%	193,212,663	95.55%	296,705,485
Commercial	4.31%	9,127,691	2.05%	6,360,948
Other	4.39%	9,281,329	2.40%	7,461,796
	100.00%	211,621,669	100.00%	310,528,230

Bad debts written off per debtor class:

<u>Exchange Receivables</u>				
Electricity	1.87%	(2,808,996)	14.05%	(161,855)
Water management	44.82%	(67,446,589)	34.69%	(399,491)
Housing Rentals	0.28%	(419,787)	0.56%	(6,481)
Waste management	29.25%	(44,022,184)	15.93%	(183,426)
Waste water management	23.50%	(35,360,011)	15.26%	(175,750)
Other	0.29%	(429,629)	19.50%	(224,624)
	100.00%	(150,487,196)	100.00%	(1,151,626)

Kindly note that these amounts are exclusive of VAT

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure is disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there is no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:

	2024 R	2023 R
Receivables from exchange transactions	123,373,108	81,514,811
Cash and Cash Equivalents	187,235,262	226,792,468
Unpaid conditional grants and subsidies	11,116,787	9,034,870
	321,725,157	317,342,149

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

46

FINANCIAL RISK MANAGEMENT CONTINUED

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2024				
Trade and Other Payables	58,633,431	-	-	-
Unspent conditional government grants and receipts	4,861,951	-	-	-
	<u>63,495,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2023				
Borrowing	547,662	-	-	-
Capital repayments	527,450	0	-	-
Interest	20,212	0	-	-
Trade and Other Payables	80,391,072	-	-	-
Unspent conditional government grants and receipts	13,535,211	-	-	-
	<u>94,473,945</u>	<u>-</u>	<u>-</u>	<u>-</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

47	FINANCIAL INSTRUMENTS		2024 R	2023 R
	In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:			
	The fair value of financial instruments approximates the amortised costs as reflected below.			
47.1	<u>Financial Assets</u>	<u>Classification</u>		
	Receivables			
	Receivables from exchange transactions	Financial instruments at amortised cost	123,373,108	81,514,811
	Other Receivables			
	Government Subsidies and Grants	Financial instruments at amortised cost	11,116,787	9,034,870
	Bank Balances			
	Bank Balances	Financial instruments at amortised cost	187,235,262	226,792,468
			321,725,157	317,342,149
	SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost		321,725,157	317,342,149
	At amortised cost		321,725,157	317,342,149
47.2	<u>Financial Liability</u>	<u>Classification</u>		
	Long-term Liabilities			
	Payables from exchange transactions			
	Trade creditors	Financial instruments at amortised cost	14,382,900	40,895,529
	Retentions	Financial instruments at amortised cost	13,632,275	12,861,128
	Deposits	Financial instruments at amortised cost	473,325	336,670
	Other	Financial instruments at amortised cost	43,777,206	39,158,873
	Other Payables			
	Government Subsidies and Grants	Financial instruments at amortised cost	4,861,951	13,535,211
	Current Portion of Long-term Liabilities			
	Capitalised Lease Liability	Financial instruments at amortised cost	1,281,622	527,449
			78,409,279	107,314,860
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		78,409,279	107,314,860
48	PRIVATE PUBLIC PARTNERSHIPS			
	Council has not entered into any private public partnerships during the financial year.			

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

49

CONTINGENT LIABILITY

49.1

Claims against Council

2024

R

9,743,996

2023

(Restated)

R

5,863,837

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. Management are respectfully of opinion that this matter will be successfully defended. The Municipality is defending all the claims. The amounts indicated is Management's estimated financial exposure. The following are naritives of the cases:

Ceres Koekedouw Management Committee	The purchase agreement of the Vredebes Farm includes 15 hectares water rights. The Ceres Koekedouw Management Committee now claims that Witzenberg Municipality is part of their historical loan agreements and therefore responsible for a portion of the repayment of their loan. The purchase agreement however is silent on the loan.	889,892	889,892
South African Revenue Services	The municipality has submitted a VAT ruling application to the South African Revenue Services (SARS) relating to the output tax treatment of the library grants received and/or receivable from the Western Cape Department of Cultural Affairs (DCAS). The municipality has previously submitted a non-binding VAT ruling to the SARS, whereupon SARS informed us that we need to confirm from the DCAS if the library function has been assigned to the municipality as contemplated in the Constitution of South Africa. At the date of the VAT ruling application, the DCAS did not confirm if the library function has been assigned to the municipality. We have submitted the VAT ruling application to the SARS on the basis that the library function is not assigned to the municipality, as we could not find any evidence confirming that the library function has been assigned to the municipality. The municipality now awaits the outcome of the library function VAT ruling outcome from the SARS. The amount is not disclosed as no ruling has been issued by SARS.		0
South African Revenue Services	The Minister of Finance, Minister Godongwana indicates in a letter addressed to the Member of Executive Council for Finance in the Western Cape Provincial Government dated 24 July 2024, ruled that municipalities are rendering a service to the provincial government and that the amount received by municipalities is subject to VAT. A payable had been recognised for the vat, but there is a possibility that penalties and interest may be charged.	1,955,192	1,208,809
Gunter C Mrs	Plaintiff claims damages from the municipality after she fell on the sidewalk. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	350,000	585,766
Smith WJ	Stepped into hole of manhole cover on c/o Friesland & Delta Street, Bella Vista. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	628,370	628,370
Rooi JCR	Broke ankle after stepping in open storm channel. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.		0
Van der Merwe C	Involved in accident with municipal vehicle. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.		0
Pedro I	Fell into an open manhole. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	2,551,000	2,551,000
Fortuin N	Drove in to stray ox in Pine Valley, Wolseley. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.		0
Open Serve	Damage to underground cables at Bon Cretien Street Ceres. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.		0

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		R	(Restated) R
CONTINGENT LIABILITY CONTINUED			
Jack F	TP injury after fall on pavement, the case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	1,000,000	
Weitz B	Five year old boy burned and injured at Pump Station. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	2,000,000	
Wiese K	Municipal vehicle collided with third party vehicle. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	35,164	
Aare C	Third party vehicle hit by stray ox. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	61,000	
Laubscher AA	Municipal trailer collided with third party vehicle. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	73,378	
Michaels C	Third party vehicle hit by herd of goats. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	120,000	
Craig & Sons Bus Services	Claim in respect of vehicle accident. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	80,000	
TOTAL CONTINGENT LIABILITY		<u>9,743,996</u>	<u>5,863,837</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024 R	2023 R
50	RELATED PARTIES		
	Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.		
	The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.		
50.1	Related Party Loans		
	Since 1 July 2004 loans to councillors and senior management employees are not permitted.		
50.2	Compensation of Councillors and key management personnel		
	The compensation of key management personnel is set out in Notes 27 and 28 to the Annual Financial Statements.		
50.3	Other related party transactions		
	No purchases were made during the year where Councillors or staff have an interest.		
50.4	Ceres Koekedouw Management Committee		
	Ceres Koekedouw Management Committee is an entity established by the Witzenberg Municipality and the Koekedouw Irrigation Board. Ceres Koekedouw Management Committee is responsible for the management of the Koekedouw Dam, jointly owned by Witzenberg Municipality and the Koekedouw Irrigation Board.		
	Witzenberg municipality was responsible for 41% of the expenditure to build the Koekedouw Dam. The expense was financed by way of loans. These loans have already been redeemed. The municipality is entitled to 10 million kilolitre water per annum from the dam.		
	The total carrying value of the municipal asset in respect of the dam is included under Property Plant and Equipment – Infrastructure Assets in Note 8.		
	The following contributions included with General Expenses were paid to the Ceres Koekedouw Management Committee (VAT excluded)	<u>1,817,606</u>	<u>1,441,381</u>
51	FINANCIAL SUSTAINABILITY		
	Management is of the opinion that the Municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.		
	Financial Indicators:		
	The current ratio increased to 2.64 from 2.06 in the prior year.		
	Cash and Cash Equivalents have decreased to R 187 million from R 227 million in the prior year.		
52	NON-LIVING RESOURCES		
	The responsibility for the non-living water resource emanates from chapter 3 of the Water Service Act which recognises the municipality as a water service authority.		
	The nature of the municipality's custodial responsibility includes the duty to provide access to water services, the duty to prepare and adopt a water service development plan and the reporting on the implementation thereof, any contracts and joint ventures with water services providers and the adoption of appropriate bylaws that sets out the conditions for the provision of water services.		
	Additional supporting information pertaining to the provision of water can be found in chapter 3 of the Annual Report		
	The Municipality has the following non-living water resources per town:		
	Ceres		
	The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply.		
	Tulbagh		
	Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh.		
	Wolseley		
	Wolseley receives its water supply from the Tierhokkloof weir.		
	Prince Alfred's Hamlet		
	Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, one borehole and a supply line from the Koekedouw Dam.		
	Op-die-Berg		
	Op-die-Berg has three water sources, a fountain and two boreholes.		
	There is no liabilities or contingent liabilities that arose from the non-living resource which is water		
	Water purchased by the farmers including VAT amount to	0	768,699

WITZENBERG MUNICIPALITY
APPENDIX A - Unaudited
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2024

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2023	Received during the period	Redeemed during the period	Balance at 30 JUNE 2024
				R	R	R	R
LEASE LIABILITY							
Office Equipment	10.00%		30/06/2025	527,449	1,460,108	705,936	1,281,621
Total Lease Liabilities				527,449	1,460,108	705,936	1,281,621
TOTAL EXTERNAL LOANS				527,449	1,460,108	705,936	1,281,621

WITZENBERG MUNICIPALITY

APPENDIX B - Unaudited

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024
MUNICIPAL VOTES CLASSIFICATION

	2024 Actual Income R	2024 Actual Expenditure R	Gains & Losses R	2024 Surplus/ (Deficit) R
Budget and Treasury Office	139,339,109	(31,419,429)	-	107,919,680
Civil services	596,086,734	(596,392,689)	1,986,710	1,680,755
Community and social services	200,599,522	(113,832,304)	-	86,767,218
Corporate Services	28,319,689	(101,719,782)	-	(73,400,093)
Executive and Council	27,700	(28,274,155)	-	(28,246,455)
Total	964,372,754	(871,638,359)	1,986,710	94,721,105

	2023 Actual Income R	2023 Actual Expenditure R	Gains & Losses R	2023 Surplus/ (Deficit) R
Budget and Treasury Office	131,130,592	(44,265,953)	-	86,864,639
Civil services	533,846,174	(511,505,148)	36,622,881	58,963,907
Community and social services	148,456,047	(69,398,606)	-	79,057,441
Corporate Services	25,436,220	(95,376,941)	(667,803)	(70,608,524)
Executive and Council	32,600	(25,841,435)	-	(25,808,835)
Total	838,901,633	(746,388,084)	35,955,079	128,468,628

WITZENBERG MUNICIPALITY

APPENDIX C - Unaudited

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024 GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2024 Actual Income R	2024 Actual Expenditure R	2024 Gains & Losses R	2024 Surplus/ (Deficit) R
Community and social services	148,911,349	(31,338,863)	-	117,572,486
Energy sources	373,655,012	(364,102,417)	-	9,552,595
Environmental protection	1,586,661	(3,311,871)	-	(1,725,210)
Executive and council	27,700	(29,200,458)	-	(29,172,758)
Finance and administration	143,309,872	(85,753,634)	-	57,556,238
Housing	38,862,661	(39,248,555)	-	(385,894)
Internal audit	-	(4,002,329)	-	(4,002,329)
Planning and development	4,661,806	(13,507,710)	-	(8,845,904)
Public safety	19,609,992	(36,623,278)	-	(17,013,287)
Road transport	20,919,003	(37,816,213)	-	(16,897,211)
Sport and recreation	9,256,172	(37,311,376)	-	(28,055,204)
Waste management	50,983,678	(64,519,782)	1,986,710	(11,549,394)
Waste water management	83,934,500	(56,345,728)	-	27,588,772
Water management	68,654,348	(68,556,145)	-	98,203
Total	964,372,754	(871,638,359)	1,986,710	94,721,105

	2023 Actual Income R	2023 Actual Expenditure R	2023 Gains & Losses	2023 Surplus/ (Deficit) R
Community and social services	133,819,475	(27,267,956)	-	106,551,519
Energy sources	315,575,744	(312,103,692)	(1,748)	3,470,304
Environmental protection	1,386,262	(1,678,024)	-	(291,763)
Executive and council	32,600	(28,099,612)	-	(28,067,012)
Finance and administration	142,030,357	(96,359,792)	(667,803)	45,002,763
Housing	481,562	(4,819,898)	-	(4,338,336)
Internal audit	-	(2,518,433)	-	(2,518,433)
Planning and development	3,669,000	(12,196,142)	-	(8,527,143)
Public safety	9,925,305	(33,602,707)	-	(23,677,402)
Road transport	39,596,861	(40,821,617)	-	(1,224,755)
Sport and recreation	12,143,788	(33,310,904)	-	(21,167,116)
Waste management	40,720,195	(58,233,809)	36,624,630	19,111,016
Waste water management	55,938,130	(41,955,876)	-	13,982,254
Water management	83,582,353	(53,419,622)	-	30,162,732
Total	838,901,633	(746,388,084)	35,955,079	128,468,628

WITZENBERG MUNICIPALITY
APPENDIX D - Unaudited
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2023 (Unpaid)	Grants Received	Re-payment or rejection of rollover of Unspent Grant	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2024	Unspent 2024 (Payable)	Unpaid 2024 (Receivable)
R	R	R	R	R	R	R	R	R
<u>National Government Grants</u>								
Equitable share	-	135,729,000	-	(135,729,000)	-	-	-	-
Finance Management Grant	45	1,550,000	-	(1,550,045)	-	-	-	-
Municipal infrastructure Grant	1,111,284	24,309,000	(1,068,126)	-	(24,292,562)	59,596	59,596	-
Regional Bulk Infrastructure Grant (DWAF)	1,600,377	-	(1,051,722)	-	-	548,655	548,655	-
Integrated National Electricity Program	(777,641)	900,000	-	-	-	122,359	122,359	-
Department of Rural Development	471,155	-	-	-	-	471,155	471,155	-
Expanded Public Works Programme	(80,676)	3,247,000	-	(3,364,452)	-	(198,128)	-	198,128
Neighbourhood Development Plan	322	-	-	-	-	322	322	-
Water Service Infrastructure Grant	2,558,224	-	(2,558,224)	-	-	-	-	-
<u>Provincial Government Grants</u>								
CDW	(10,019)	132,000	-	(71,033)	-	50,948	50,948	-
Municipal Infrastructure Support Grant	(1,046,497)	-	-	-	-	(1,046,497)	-	1,046,497
Economic Development and Tourism SMME booster	68	-	-	-	-	68	68	-
Service Delivery and Capacity Building	1,100,000	-	(600,000)	(499,999)	-	1	1	-
Human Settlement Development	-	33,460,159	-	(37,953,798)	-	(4,493,639)	-	4,493,639
Capacity Building (Internship)	214,600	250,000	(14,600)	(295,000)	-	155,000	155,000	-
Municipal Infrastructure	(206,126)	-	-	-	-	(206,126)	-	206,126
Maintenance and Construction of Transport Infrastructure	(6,883,633)	14,701,538	-	-	(12,878,938)	(5,061,033)	-	5,061,033
Local Government Support Grant	-	-	-	-	-	-	-	-
Regional Social Economical Program	106,402	200,000	(106,402)	-	(200,000)	-	-	-
Municipal Accreditation and Capacity Building Grant	559,867	245,000	(559,867)	(195,609)	-	49,391	49,391	-
Sport and Recreation	352	672,782	-	(700,433)	-	(27,299)	-	27,299
Electronic Case Management Intervention	400,000	-	(400,000)	-	-	-	-	-
Loadshedding	475,000	-	-	-	(475,000)	0	(0)	-
Water Resilience	568,189	-	-	(568,189)	-	-	-	-
Fire Services	-	985,000	-	-	(974,987)	10,013	10,013	-
<u>District Municipality</u>								
Parks and recreation	300,001	500,000	-	-	-	800,001	800,001	-
Sanitation Infrastructure	-	250,000	-	-	-	250,000	250,000	-
Planning and Development	100,000	-	-	-	-	100,000	100,000	-
Infrastructure	1,999,999	-	-	(1,200,000)	(499,793)	300,206	300,206	-
Covid 19	1,944,236	-	-	-	-	1,944,236	1,944,236	-
Safety Project	(5,189)	72,000	-	(150,876)	-	(84,065)	-	84,065
<u>Public Contributions</u>								
Essen Belgium	1,116,990	679,910	-	(1,793,216)	-	3,684	3,684	-
Perdekraal	414,101	1,130,300	-	(372,597)	-	1,171,804	1,171,804	-
Nedbank	785,403	952,545	-	(601,549)	-	1,136,399	1,136,399	-
Total	6,816,834	219,966,234	(6,358,941)	(185,045,796)	(39,321,280)	(3,942,949)	7,173,838	11,116,787

WITZENBERG MUNICIPALITY
APPENDIX D - Unaudited
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2022 (Unpaid)	Grants Received	Re-payment or rejection of rollover of Unspent Grant	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance	Unspent 2023 (Payable)	Unpaid 2023 (Receivable)
	R	R	R	R	R	R	R	R
<u>National Government Grants</u>								
Equitable share	-	121,667,821	-	(121,667,821)	-	-	-	-
Finance Management Grant	-	1,550,000	-	(1,549,955)	-	45	45	-
Municipal infrastructure Grant	1,273,038	25,091,000	(1,273,038)	(954,000)	(23,025,716)	1,111,284	1,111,284	-
Regional Bulk Infrastructure Grant (DWAf)	(2,160,011)	19,239,000	-	-	(15,478,612)	1,600,377	1,600,377	-
Integrated National Electricity Program	3,873,783	-	(3,873,783)	-	(777,641)	(777,641)	-	777,641
Department of Rural Development	471,155	-	-	-	-	471,155	471,155	-
Expanded Public Works Programme	-	2,237,000	-	(2,317,676)	-	(80,676)	-	80,676
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
Water Service Infrastructure Grant	-	11,701,000	-	-	(9,142,776)	2,558,224	2,558,224	-
<u>Provincial Government Grants</u>								
Library services	-	-	-	-	-	-	-	-
CDW	201,060	131,000	(69,060)	(273,019)	-	(10,019)	-	10,019
Municipal Infrastructure Support Grant	(1,046,497)	-	-	-	-	(1,046,497)	-	1,046,497
Economic Development and Tourism SMME booster	68	-	-	-	-	68	68	-
Service Delivery and Capacity Building	600,000	500,000	-	-	-	1,100,000	1,100,000	-
Human Settlement Development	2,993,067	-	(2,993,067)	-	-	-	-	-
Fire Service Capacity Building Grant	-	-	-	-	-	-	-	-
Capacity Building (Internship)	826,978	-	(576,978)	(235,400)	-	14,600	14,600	-
Municipal Infrastructure	(206,126)	-	-	-	-	(206,126)	-	206,126
Financial Management Support	-	200,000	-	-	-	200,000	200,000	-
Maintenance and Construction of Transport Infrastructure	(7,378,770)	24,696,157	-	-	(24,201,019)	(6,883,632)	-	6,883,632
Regional Social Economical Program	477	500,000	-	-	(394,075)	106,402	106,402	-
Municipal Accreditation and Capacity Building Grant	490,000	256,000	-	(186,133)	-	559,867	559,867	-
Sport and Recreation	-	1,029,352	-	(1,029,000)	-	352	352	-
Municipal Energy Resilience Fund	-	1,761,500	-	(1,761,500)	-	-	-	-
Electronic Case Management Intervention	-	400,000	-	-	-	400,000	400,000	-
Loadshedding	-	475,000	-	-	-	475,000	475,000	-
Water Resilience	-	700,000	-	(131,811)	-	568,189	568,189	-
<u>District Municipality</u>								
Parks and recreation	300,001	-	-	-	-	300,001	300,001	-
Sanitation Infrastructure	(25,090)	-	-	-	-	(25,090)	-	25,090
Planning and Development	100,000	-	-	-	-	100,000	100,000	-
Infrastructure	1,311,519	1,500,000	-	-	(811,519)	2,000,000	2,000,000	-
Covid 19	1,969,326	-	-	-	-	1,969,326	1,969,326	-
Safety Project	-	60,000	-	(65,189)	-	(5,189)	-	5,189
<u>Public Contributions</u>								
Essen Belgium	3,179,030	1,350,389	-	(3,412,428)	-	1,116,991	1,116,991	-
China - Water meters	7,183	-	-	(7,183)	-	-	-	-
Perdekraal	-	588,300	-	(174,199)	-	414,101	414,101	-
Nedbank	-	1,111,303	-	(325,900)	-	785,403	785,403	-
Total	6,780,512	216,744,822	(8,785,926)	(134,091,214)	(73,831,358)	6,816,836	15,851,706	9,034,870

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Witzenberg Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Witzenberg Municipality set out on pages 5 to 75, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Witzenberg Municipality as at 30 June 2024, 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 2023 (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 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 37 to the financial statements, the corresponding figures for 30 June 2023 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2024.

Material impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R211,6 million (2022-23: R310,5 million) on receivables from exchange transactions of R334,9 million (2022-23: R392 million).
9. As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R53,3 million (2022-23: R49,6 million) on receivables from non-exchange transactions amounting to R62,1 million (2022-23: R53,1 million).

Other matters

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

Unaudited disclosure notes

11. 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. The disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion on it.

Unaudited supplementary information

12. The supplementary information set out on pages 76 to 80 of the financial statements does not form part of the financial statements and is presented as additional information. I have not audited this information and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. 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

15. 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.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 7 to 8, forms part of our auditor's report.

Report on the audit of the annual performance report

17. 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 municipal key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following municipal key performance area presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected an municipal key performance area that measure the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Municipal key performance area	Page numbers	Purpose
Essential services	58–59	Direct service delivery such as the provision of water, sanitation, electricity & solid waste removal. Also include roads & storm water management and subsidised serviced sites.

19. I evaluated the reported performance information for the selected municipal key performance area 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.
20. 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
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
 - 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 and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and measures taken to improve performance .

21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

22. I did not identify any material findings on the reported performance information for the selected municipal key performance area.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

25. The table that follows provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 13.

Essential services

<i>Targets achieved: 84%</i> <i>Budget spent: Operational - 96%, Capital - 93% for KPA 1</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
TecDir1 - percentage expenditure on the preventative- & corrective planned maintenance budget of the technical department.	98%	96%
TecDir3 - percentage expenditure on capital budget by technical directorate	95%	93%

Report on compliance with legislation

26. 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.
27. 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.
28. 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.
29. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected municipal key performance area presented in the annual performance report that have been specifically reported in this auditor's report.
31. 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.
32. 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 municipal key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and 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

34. 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.
35. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town

30 November 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 municipal key performance area 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	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
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), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Division of Revenue Act 5 of 2023	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 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)

Legislation	Sections or regulations
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(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), 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)