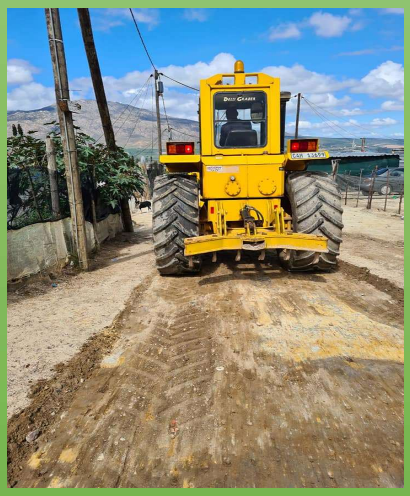
Theewaterskloof Municipality



2021/2022 Annual Report

Theewaterskloof Municipality

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CHAPTER 1 MAYOR'S FOREWORD AND EXECUTIVE

COMPONENT A: MAYOR'S FOREWORD

ANNUAL REPORT 2021/2022: MAYOR'S FOREWORD

a. COMPLIANCE WITH MUNICIPAL MANDATES OVERSIGHT

The 2021/22 annual report for Theewaterskloof Municipality will reflect matters related to the council of the previous term; as well as the council, established after the national elections of November 2021.

The previous government focussed on certain matters, which is not, in all aspects, the same as the current government. The vision of the current council provides for poverty alleviation and a pro poor approach. This vision became relevant in the second part of the year under review.

However, the legislative context, in which the council and government oversees the tasks of the municipal administration, remains the same and is articulated in the foreword of the Municipal Manager.

The current government consists as a coalition between the Patriotic Alliance, the African National Congress and the GOOD Party, who share the vision of pro poor. This vision reflects in the 2022/23 budget, which was finalised in the year under review.

The primary task of the local government is to guide the municipal administration on the new path; i.e. serving all people, accelerating service delivery, creating an environment for development, and respecting the social dignity off the poorest of the poor.

Sixty percent of the Theewaterskloof Municipal population is indigent and, whilst it is important to address the expectations of tax and tariff contributors, the key objective is to close the municipal services gap between the rich and the poor.

Since December 2021, the coalition exercised thorough oversight over the municipal administration's roll out of Council's vision, which falls within the ambit of legislation relevant to B-municipalities.

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

Council successfully changed its oversight role over the municipal administration to ensure that the municipality continued its mandated tasks during the Covid-19 Pandemic. Council successfully adopted new techniques of oversight over municipal service delivery in the so-called "new normal". The result was that good governance prevailed.

c. VISION

Prior to the elections, the municipal vision was to create a Theewaterskloof where all people and stakeholders could work together to establish an environment within which all people could live in relative peace, harmony and dignity and wherein the economy was enabled to create jobs and opportunities for all." The current council agree with the intensions but differ with the previous government on how to achieve this. We believe the adding of a pro-poor approach will enable compliance with the National Development Plan and the Municipal 2030 Vision.

d. GAME CHANGERS TO ACHIEVE THE VISION

Progress made, in the year under review, laid the foundation to make the municipality a developmental and pro poor organ of state that can successfully deal with challenges, such as the:

- COVID-19 Challenges;
- Dealings with community based discontent and subsequent actions such as protests;
- Enabling of an environment in which all people work together;
- Improving of municipal sustainability; and
- Enhancing of service delivery sustainability.

It is already showing that the pro poor approach is resulting in:

- Equality amongst all people;
- Enhancing the dignity of all people;
- Harmonious communities amongst diversities;
- People gaining access to scarce resources.

In the ever-changing environment, in which municipalities must conduct their business, Theewaterskloof achieved notable positive outcomes for old challenges:

- Financial, infrastructure and service delivery sustainability.
- Projects based on new ideologies.
- Political stability during elections.
- Political stability in Council after the elections.
- A fit-for-purpose administration.
- Managing land invasions and extended informal human settlements.

e. RESTRUCTURING

We started the restructuring of the organisation to deal and succeed with the lack of expertise and the vision of pro poor; as well as the developing of institutional, community and local economic growth. The new government inherited a vacant management and a lack of experts fit for purpose. The new council changed this and will finalise the appointment of managers and the filling of other positions in key units in the first semester of the 2022/23- annual year.

f. KEY POLICY DEVELOPMENTS

During the report year, the municipality adjusted existing policies and developed others to comply with various pieces of legislation and to ensure good municipal governance in Theewaterskloof. Key policies amendments focussed on:

- Rates Policy
- Review and approval of the Risk Management Strategy, Policy and TMC's charter for 2021/2022.
- Risk based internal audit plan for 2021/2022.
- SCM Policy.

During the report year the municipality amended a number of by-laws and developed others to upheld good governance practises in various municipal competencies.

Council also approved the budget for 2022/2023 and the two outer years.

Council approved the Delegation Register.

g. KEY SERVICE DELIVERY IMPROVEMENTS

Service delivery levels depends on the state of infrastructure. In this regard, council and administration mitigated several challenges that relates to insufficient bulk services infrastructure. Council adopted a medium to long-term approach to facilitate sustainable and effective infrastructure upgrade and development. The focus was on the establishment of an infrastructure reserve fund.

Council oversaw adherence with the infrastructure maintenance and development program and plan. Council constantly verified the infrastructure registers and the spending of the 2021/22 infrastructure budget.

Council became increasingly concerned about the effect of the incidents of vandalism of infrastructure and the theft of municipal assets. Council guided the administration and especially the town offices to create social compacts against theft and vandalism. The municipality does not budget for repair and replacements of vandalized assets happens at the expense of other service delivery votes.

h. PUBLIC PARTICIPATION

The municipality adhered to various pieces of public participation legislation and policies to comply with legal requirements to involve the broader community in enhancing development goals and service delivery. Hence, communities took ownership of projects and developments that impact heavily on their lives and livelihoods.

The municipal approach to public participation allows for compliance with the principles of inclusivity, diversity, building community participation, transparency, integration, flexibility, accessibility and accountability. This approach is especially relevant in the IDP and Budget drafting processes.

The municipal focus on community development and growth includes interventions that will broaden the democracy by involving communities in third tier governance mandates. The focus ensures that policy framework are in place for public participation.

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

i. FUTURE ACTIONS

The future of sustainable municipal governance and service delivery in Theewaterskloof hinges on the success of the implementation of the restructuring model and the mitigating of key challenges and matters facing the municipality.

The municipality will focus on long-term effective and sustainable governance, institutional development, community growth and local economic enhancement. The goal of future actions will be to enhance the pro poor and the-people-first approach. Interventions will involve role-players in local governance and collaboration with them will enhance the development and growth of Theewaterskloof. All future actions will aim to enhance the socio economic and welfare profiles of communities, local economic growth and a developmental third tier government.
The council and coalition will manage financial sustainability, collapsing infrastructure, public expectations and socially and economically challenged communities. The focus

will be on the stabilization of basic services in the municipality's 24 informal human settlements.

j. CONCLUSION

Local government is where the people and the leaders of the country meet on ground level; it is also the place where people articulate their most basic needs. In the past year the municipality created good relationships and communication tools with the people of Theewaterskloof.

There is a need to create an environment where the people can live and play with greater freedom and to facilitate this, the municipality committed to the values and goals of the National Development Plan. As the Executive Mayor of Theewaterskloof Municipality, I commit myself to serve the people of the municipal area who provides us an opportunity to serve them.

I praise The Lord for guiding us in a robust municipal environment and for making it possible for us to not only pursue and achieve the improbable but indeed the "impossible".

_____

Councillor Alderman Kallie Papier
Executive Mayor
16 August 2022

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

1.1.1 MUNICIPAL MANAGER FOREWORD

FOREWORD OF THE MUNICIPAL MANAGER COMPLYING WITH LEGAL MANDATES AND SERVICE DELIVERY

In 2021/2022 Theewaterskloof Municipality, in compliance with its Constitutional obligations; and in terms of its effective, efficient, and equitable performance, on all its mandates and functions, complied with key pieces of legislation, such as the:

Local Government: Municipal Systems Act 32 of 2000.
Local Government: Municipal Structures Act 117 of 1998.
Municipal Financial Management Act, Act of 2003

Subsequently the municipality succeeded with key interventions, i.e.:

- Planning and zoning bylaws.
- Taxation.
- Local business support.
- Collaborating between communities and in the larger region.
- Accessing and using programs offered by provincial and federal governments.
- Advocating for community economic development priorities with governments and industry.

In terms of the Systems Act, the municipality succeeded with its mandates regarding key matters, i.e.:

- Integrated Development Planning.
- Water and Sanitation.
- Municipal Health Services.
- Solid waste disposal.
- Promotion of local tourism.
- Control of cemeteries.
- Municipal public works relating to the above functions.

In terms of obligations assigned by the National Government, the municipality, amongst others, complied with requirements and guidelines:

- Municipal Disaster Management as set out under the Disaster Management Act 57 of 2000;
- Identifying of housing needs and planning responsibilities as set out under chapter 4 of the Housing Act 107 of 1997;
- Atmospheric emission monitoring and licencing as set out under the National Environment Management: Air Quality Act 29 of 2004.

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

The annual year under revision started with the latter part of the pandemic and by the timethe municipal elections came the COVID-19 Pandemic and Lockdown was under control. The key focusses were to reduce the impact of the pandemic during the elections, restoring service delivery to levels before the pandemic and to implement the Municipal Post Covid-19 Pandemic Recovery Plan and:

- Holistic municipal sustainability and the financial wellbeing of the authority.
- Improving debt collection.
- Reprioritizing the budget for 2020/2021.
- Fight against poverty, hunger and unemployment.
- Minimizing the effect of the Pandemic on the municipality and the people of Theewaterskloof.

KEY INFLUENCES ON THE MUNICIPALITY

The most critical internal and external influences on the municipality remained:

1. Inadequate national government subsidies for indigent families.
2. Inadequate government contributions to the Municipal Infrastructure Grant (MIG).
3. Internal inability to spend grants for infrastructure and housing projects.
4. Public dissatisfaction, which manifested in protests and a relatively low debt collection rate.
5. Rapidly deteriorating infrastructure and the subsequent service delivery inadequacies.
6. The broadening gap between public expectations and municipal abilities to comply with demands.
7. The vandalizing of municipal assets. 8. Inadequate pro-poor approach and subsequent adoptions to policies.

IMPACT OF MUNICIPAL ELECTION OUTCOME IN THEEWATERSKLOOF

The elections did not disrupt municipal performance.

After the elections the ANC, GOOD and the PA formed a coalition government to govern the municipality.

The biggest concerns and goals, set by the coalition, and followed by the administration, after the election were:

- A lack of managers.
- A lack of staff fit for purpose.
- A lack of a strategic vision for growing the economy with the intent to develop a pro-poor budget.
- A lack of intent to serve the poorest of the poor.
- A bureaucratic approach to Supply Chain Management.
- Lack of urgency to spend state money and to finalize projects.

By the end of June 2022, the municipal administration reacted to these needs and the municipal administration will complete all related programs in the first semester of the new annual year: 2022/23.

AUDIT OUTCOME OF THE AUDITOR GENERAL

The municipality gained a clean audit outcome for the 2021/22 financial year.

IDP AND SDBIP

In view of the time election, the municipality can only establish a term IDP in the 2022/23 financial year. The IDP for 2021/22 was therefore still a revision of the 2017-IDP. The revised IDP reflects the inputs of communities, role-players and stakeholders, the organizational corporate administration, council, ward committees and town forums. In the planning, drafting and debriefing phases of the IDP, the public had many opportunities to make inputs and to express their desires and needs. The debriefing sessions made it clear that the communities understood the financial constraints of the municipality and that, the best intervention, to generate more opportunities, would result from the focus on institutional, community and local economic growth and development, and a pro-poor approach to service delivery.

INTERNAL AUDIT AND ANNUAL RISK BASED AUDIT PLAN

The Municipality Performance and Audit Committee (PAC) added to clean governance in the municipality and the member's experience in the fields of internal audit, performances monitoring, and holistic municipal governance again proofed to be an essential tool in good governance. The internal audit function conducted its tasks in terms of a risk-based audit plan approved by the municipal management and the PAC.

SERVICE DELIVERY AND INFRASTRUCTURE

The operational structures of the municipality maintained acceptable levels of service delivery and infrastructure development, upgrading and maintenance. Existing and new infrastructure enabled the municipality to support its bulk services capacities.

CUSTOMER CARE

The municipality had to use tax and tariff income to subsidize the poor and to add to the income from national support programs such as indigent subsidies.

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

Indigent families also belief that the basic services they receive are not adhering to minimum norms and as a result there are constant tension between them and the municipality.

The municipality uses forums such as the Thusong Centre in Grabouw, help desks in all town offices, Ward Committee activities and Ward Council feedback meetings to explain the municipal predicament and to improve relationships.

The governing coalition developed a methodology whereby it constantly and timely engages with the public. This mitigates tension timely and prevent protests and the broadening of the gap between municipal abilities and public expectations.

The integration of social media such as the communicator app, website, Facebook, and SMS-communication with more traditional means of communication such as newsletters improved municipal communications with the client.

STAKEHOLDER RELATIONS

The municipality embarked on a route to develop stakeholder relationships. The focus on stakeholders adds another dimension to public participation in government interventions that will result in holistic growth and development. In the year under review, the municipality's

interaction with stakeholders increased and strengthened substantially due to the integrated private/public approach to the COVID-19 Pandemic challenges. One of the positive effects of the Pandemic is the close ties that developed between the municipality and its stakeholders and the fact that stakeholders more than ever understand their importance in the delivery on municipal mandates and service delivery.

FINANCIAL SUSTAINABILITY

Municipal sustainability is not necessarily an indication of secure income sources or that these sources are adequate, but it does show good political and administrative governance. In the year under review, the Municipality kept its financial sustainability indicators to acceptable levels.

An analysis done by the Auditor General shows that Theewaterskloof is one of 96 municipalities in South Africa that remains sustainable in the long and short-term.

The Municipality developed a sustainable ability to work within the constraints of its revenue and budget. This was also the case in the year under review. The budget was limited in all respects and did not keep pace with population growth. The national government reduced its contributions to municipalities, but the Municipality was able to lower its overheads and to offer as much services as possible.

Despite limited income, the Municipality still offers sustainable and effective service delivery. To the extent that it was within the Municipality's ability, all residents received something from the budget. The biggest went towards the provision of municipal services to indigent families.

The political focus on pro-poor allowed the administration to improve the dignity off and services levels to the poorest of the poor.

CONSERVATION OF WATER AND ELECTRICITY

The municipality has a generic focus on and commitment to the responsible utilization of scarce resources. The municipality believes the electrification of human settlements is the only solution for electricity problems in communities and after the municipality cooperated with ESKOM, the latter adopted an electrification program for a number of Informal Settlements.

FUTURE CHALLENGES

Looking at the future the municipality identified several key goals for 2022/2023:

1. Extend the focus on pro-poor and to create a stable environment of growth on all levels and to ensure a life in dignity to all people.
2. Support and facilitate job creation and fully utilise EPWP, intern and contract programs.
3. Create an environment in which people can live peace and in safety.
4. Support the development of political stability, especially as the country and Theewaterskloof is in a continuous cycle of national, provincial, and municipal elections, as well as by-elections.
5. Deal effectively with ageing infrastructure as to ensure continued service delivery.

FINAL REMARKS

I thank the Executive Mayor, Alderman Kallie Papier, the coalition partners, the MAYCO and all Councillors for supporting administration.

I thank Council for the administrative stability they created in a turmoil environment.

I thank my management team and their employees who did a great job under testing circumstances. I thank the communities and stakeholders who worked with the municipality to grow and develop the organization, communities, and the economy.

I thank our Heavenly Father for his guidance and ever prevailing grace!

_____

Boy Manqoba Ngubo
Acting Municipal Manager
2022/08/15

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

LEGISLATIVE FRAMEWORK

The content of the Annual Report is legislated in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), which prescribed that a municipality must prepare an Annual Report for each year. While the report provides Theewaterskloof's stakeholders and interested parties with comprehensive information about the administrations financial, operational, social, and environmental performance for the 12 months under review namely 01 July 2021 to 30 June 2022, it also focuses on progress made against the Integrated Development Plan objectives, a new version which is compiled every 5 years and thereafter annually reviewed.

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

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

The purpose of the Annual Report is

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

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

MUNICIPAL FUNCTIONS	Function Applicable to Theewaterskloof (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
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	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes

Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

//

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

1.2.2 ANNUAL REPORT AND DATA SOURCES

The 2021/22 Annual Report reflects on the performance of the Theewaterskloof Municipality for the period of 1 July 2021 to 30 June 2022. This represents the last report in terms of progress made on the 2017/2022 IDP goals, objectives and projects.

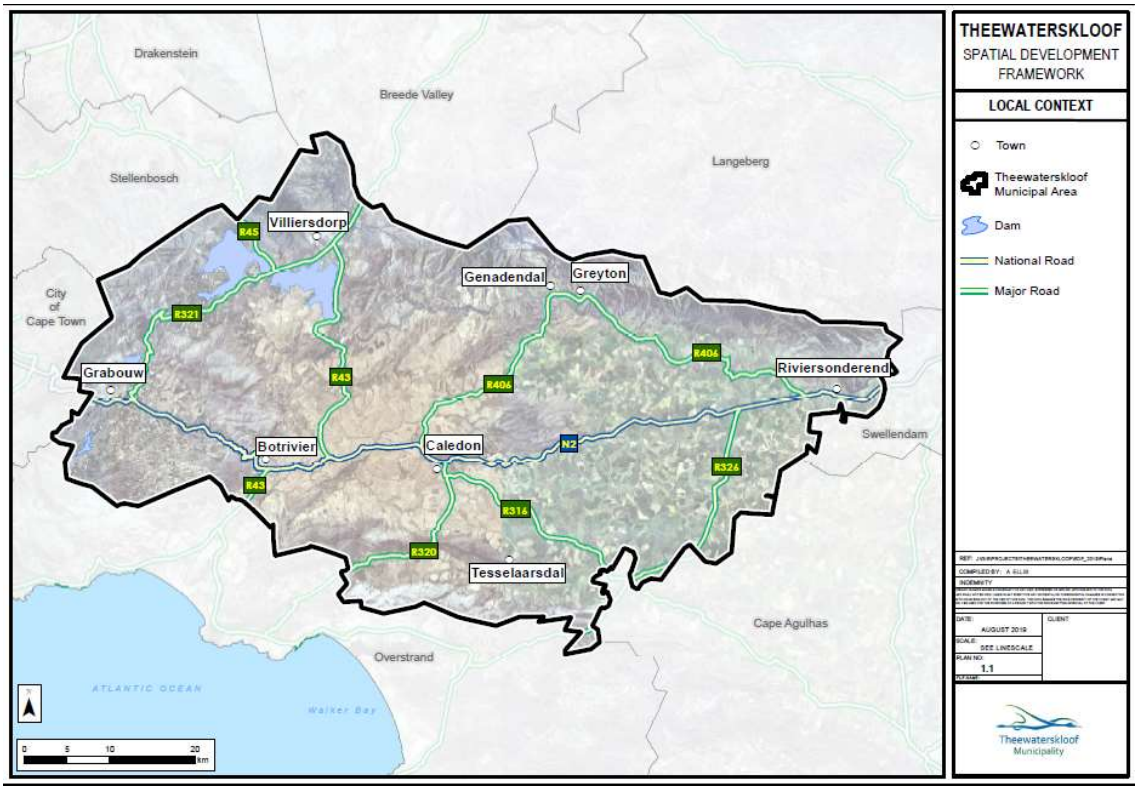
It should be noted that the new council only took office in November 2021 thus having very limited room to effect change in terms of projects and budgets.

It should further be noted that due to the fact that Census are conducted once every 10 years, with the last census conducted in 2011 and the latest census only concluding late 2022 (with result only expected in early 2023)2021 the document will use various sources to ensure that we have the most updated, reliable and specific data sets for readers. The most common sources of information (used in the annual report) are sources such as Census 2011, Community Survey 2016 (The Community Survey 2016(CS) is a large-scale survey that happens in between Censuses 2011 and 2021), the Social Economic Profile 2022 (SEP 22) and

The Municipal Economic Review Outlook 2022 (MERO). This year we have included the StatsSA MYPE with base year 2022 (Sept2022) in an attempt to get more recent data. A good indication of misalignment between sources when it comes to population data is when one simply compares the MERO estimate for the Overberg district to the SEP 2021. The SEP 2021 estimates the total population of the district to be in the region of 304963 whilst the MERO estimate the population for the same period (2021) to be in the region of 300285. A notable and concerning misalignment is the fact that CS already estimated the household in the TWK area to be in the region of 32 000 in 2016 whilst in the MERO estimated it to only be 31649 in 2021. There are very few factors that would lead to a decrease in the number of households.

A further challenge that is experienced with data sources is the fact that the only data source that provide data at ward level is the 2011 Census, the subsequent Community survey 2016 only provide data at municipal level and in very limited categories provide data at town level.

Theewaterskloof



The Theewaterskloof Local Municipality is a Category B municipality situated in the Overberg District in the Western Cape Province. It is one of four municipalities in the district, making up a third of its geographical area.

The Theewaterskloof municipal area covers 3 259 square kilometres, which constitute approximately 26.6 per cent of the OD's geographical area[1]. It borders the Cape Metro, the Cape Winelands District, and is traversed by the N2, which is a valuable transit link for tourists and goods. The Theewaterskloof municipal area is a popular tourism destination and is well known for its natural assets such as the Kogelberg Biosphere, Theewaterskloof Dam, blue cranes, various mountain ranges and fynbos. The main towns in the municipal area include Botrivier, Caledon, Genadendal, Grabouw, Greyton, Riviersonderend, Tesselaarsdal, and Villiersdorp.

Theewaterskloof Municipality is the gateway to the Overberg and is surrounded by unique natural assets such as the Theewaterskloof Dam, Kogelberg Biosphere, illustrious vineyards, crop and fruit fields, fynbos, wild flowers and blue cranes. With its Local Economic Development Strategy (LED strategy), the municipality is constantly driving local economic development in primary economic sectors such as agriculture, tourism, agricultural product processing, and industries (Please note that the LED strategy is being reviewed and adopted in 2020).

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

In addition, the municipality participated in processes that led to a peaceful and safe environment where the welfare of everyone, and especially that of women and children, is highly valued and pursued. The municipality has a successful town management model that ensures that local government and democracy are extended to the people.
Towns: Botriver, Caledon/Myddleton, Genadendal,Grabouw,Greyton,Riviersonderend, Villiersdorp and Tesselaarsdal.

Municipal Demarcation Code: WC031.

Location of Head Office: 6 Plein street Caledon.

Theewaterskloof jurisdiction area: 3 258km².

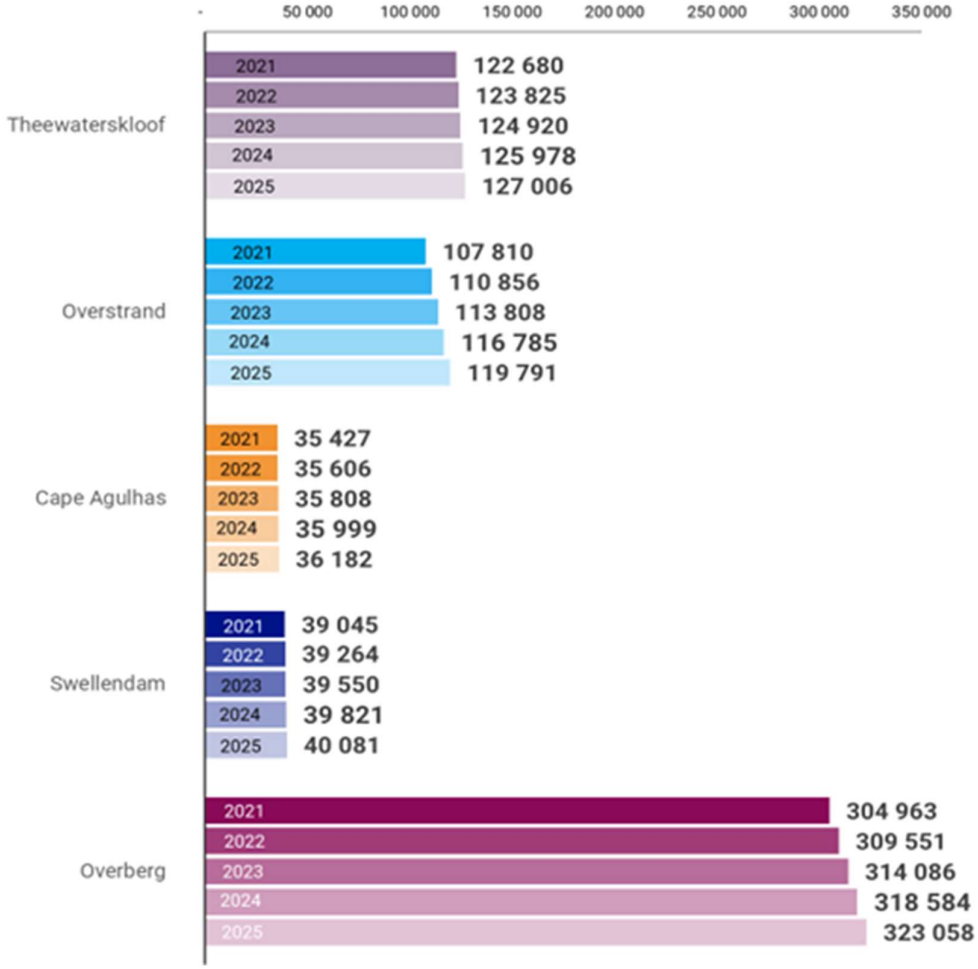
District Municipality: Overberg District Municipality.

Most Recent Population Data

Department of Social Development most recent estimates (as contained the SEP 2021) indicates that Theewaterskloof's population will grow from 122 689 in 2021 to 127 006 in 2025. This is in sharp contrast to 2018 estimate by the same source estimating the population will grow from 124 374 in 2018 to 148 419 in 2024. Taking the totals contained in SEP 2021 this total equates to average annual growth of 0.9% percent and a 3.52 percent increase over the before mentioned period using 2021 as the base estimate. The Census 2011 estimates the population

[1] (Municipal Demarcation Board, 2018)

Growth of Theewaterskloof to be 1.54 percent, higher than SEP 2021 but considerably lower than SEP 2018.



MERO (Municipal Economic review Outlook)

The table above indicates that Theewaterskloof has approximately 14870 residents more than its neighbouring municipality, Overstrand, rendering it by far the largest population within the Overberg District. It is further estimated that Theewaterskloof will continue to host the largest part of the population, during the above-mentioned term (2021 – 2025) continuously representing above 35% of the population in the region.

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

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

All local intelligence indicates that even those of our sources that contains the highest estimates reflect an understatement of the population and population growth. A recent estimate by a local community organisation (Greyton Council) already estimate the TWK population to be above 140 000 (2018) and indicating that Grabouw Host about 41% of the total population. Though much higher than official sources, there are even local organisation that feel this too is an underestimate, certain local's feels that Grabouw alone account for more than 100 000 residents. This could be justifiable looking at the rapid expansion of "Siyanyanzela" where a new ward was established literally overnight.

This growth rates in Theewaterskloof poses huge challenges on the service delivery for Theewaterskloof, based on even the lowest average annual growth rates. If we take the growth rate of the only acceptable statistical source of 1.5% (Stats 2011), the population of Theewaterskloof will increase by more than 1800 residents per annum. Taking an average household size of four, this equates to about an additional 450 households that would require services. The problem is intensified due to the fact that most of the growth into the area is deemed to fall within the category of indigent households. Building 450 houses per annum is challenging to even the most financial viable municipalities in the country and would be close to impossible for TWK to keep up with this rate of expansion. The problem is intensified when one takes into consideration the pressure that this puts on your bulk capacity not to mention the social economic challenges that comes with this growth.

1.2.3 POPULATION

1.2.3.1 TOTAL POPULATION

Stats SA remains the only recognised organisation/source that supplies population data. Other data sources are used to make projection, cross tabulations and improve planning, however the statistics provided by Stats SA remains the only official set of population data. The significance of this to municipalities lies in the fact that National and Provincial Treasuries and Government Departments use official statistics when allocating resources.

MUNICIPALITY	CENSUS 2001	COMMUNITY SURVEY 2007	CENSUS 2011	COMMUNITY SURVEY 2016	% GROWTH
Theewaterskloof	93 276	86 721	108 790	117 167	25.61%

The table above shows that the total population with the Theewaterskloof area grew by 25.61% (23 891) from 2001 to 2016 (15 years).

1.2.3.2 TOTAL POPULATION STATISTICS

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

- Black
- Coloured
- Indian/Asian
- White

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

Ward	Black	Coloured	Indian or Asian	White	Other	Grand Total
1	1 395	6 222	38	1 535	65	**9 256**
2	312	7 246	41	697	148	**8 443**
3	1 402	9 277	24	398	74	**11 174**
4	1 180	3 348	29	2 487	59	**7 102**
5	4 188	5 369	101	1 868	101	**11 627**
6	2 711	3 846	18	85	146	**6 805**
7	1 685	5 806	28	620	83	**8 223**
8	2 603	2 450	0	7	6	**5 066**
9	2 018	5 581	22	373	2	**7 995**
10	1 409	3 874	10	553	58	**5 904**
11	2 072	2 814	21	363	23	**5 293**

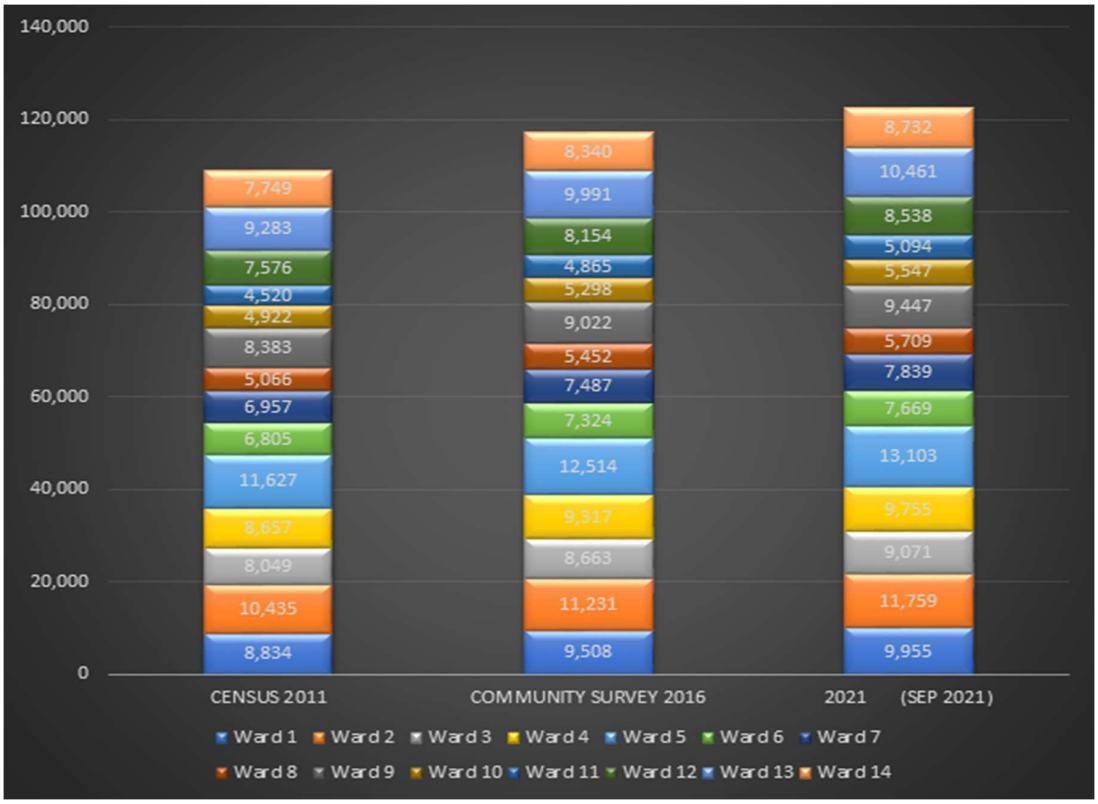
12	3 070	4 318	14	161	14	**7 576**
13	4 713	8 326	42	1 025	218	**14 325**
Grand Total	**28 757**	**68 478**	**387**	**10 173**	**995**	**108 790**[2]

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

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

WARDS	TOWNS	CENSUS 2011	COMMUNITY SURVEY 2016	2021 (SEP 2021)
Ward 1	**Riviersonderend**	8 834	9 508	9 955
Ward 2	**Greyton/Genadendal**	10 435	11 231	11 759
Ward 3	**Caledon**	8 049	8 663	9 071
Ward 4	**Caledon**	8 657	9 317	9 755
Ward 5	**Villiersdorp**	11 627	12 514	13 103
Ward 6	**Villiersdorp**	6 805	7 324	7 669
Ward 7	**Botrivier**	6 957	7 487	7 839
Ward 8	**Grabouw**	5 066	5 452	5 709
Ward 9	**Villiersdorp**	8 383	9 022	9 447
Ward 10	**Grabouw**	4 922	5 298	5 547
Ward 11	**Grabouw**	4 520	4 865	5 094
Ward 12	**Grabouw**	7 576	8 154	8 538
Ward 13	**Grabouw**	9 283	9 991	10 461
Ward 14	**Grabouw**	7 749	8 340	8 732
TOTALS		**108 864**	**117 167**	**122 680**

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



1.2.3.3 POPULATION CHARACTERISTICS

Various sources indicate various projected growth rates for the Theewaterskloof area:

Census 2011: 1.54%
Community Survey 2016: 1.52% (2011 – 2016)
SEP 2021: 0.9% (2021 – 2025)
MERO 2021: 0.9%

POPULATION GROUP	2001	2011	2016	%GROWTH	% OF 2016 TOTAL POPULATION
African	21 204	28 757	29 005	36.79%	24.76%
Coloured	61370	68 478	76 374	24.45%	65.18%
Indian/Asian	165	387	578	250.30%	0.49%
White	10 540	10 173	11 210	6.36%	9.57%
Other		995			0
Total Growth %			117 167	25.61%	100.00%
Population Density Per Square Km	38 persons km^3				

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

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

[3] SEP 2021 latest available data on Population Density

African population group at 36.79%. The Indian/Asian Population group remains the minority in the municipal area with only 578 residents or 0.49% of the total population group. Local intelligence (Greyton Council) indicate that based on past trends the coloured population is estimated to be in the region of 55% and the black population could currently stand at 35% of the total population.

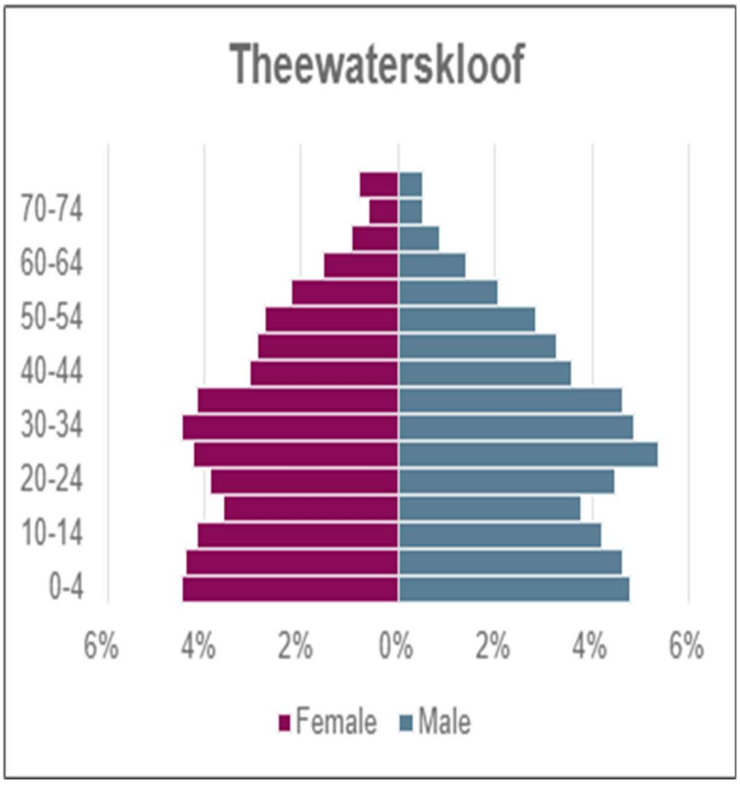
Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risks in 2021 the population density of the Overberg District was 25 persons per square kilometre In order of highest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

- Overstrand 63 people/km 2
- Theewaterskloof 38 people/km 2
- Cape Agulhas 10 people/km 2
- Swellendam 10 people/km 2

Gender Distribution

GENDER DISTRIBUTION	2001	2011	2016	SEP 2021	%Growth
MALE	48 527	55 463	59 270	59381	22.4 %
FEMALE	44 749	53 327	57 898	63308	41%
Males per 100 females			106.8[4]		

The following figures were obtained from MERO 2021:

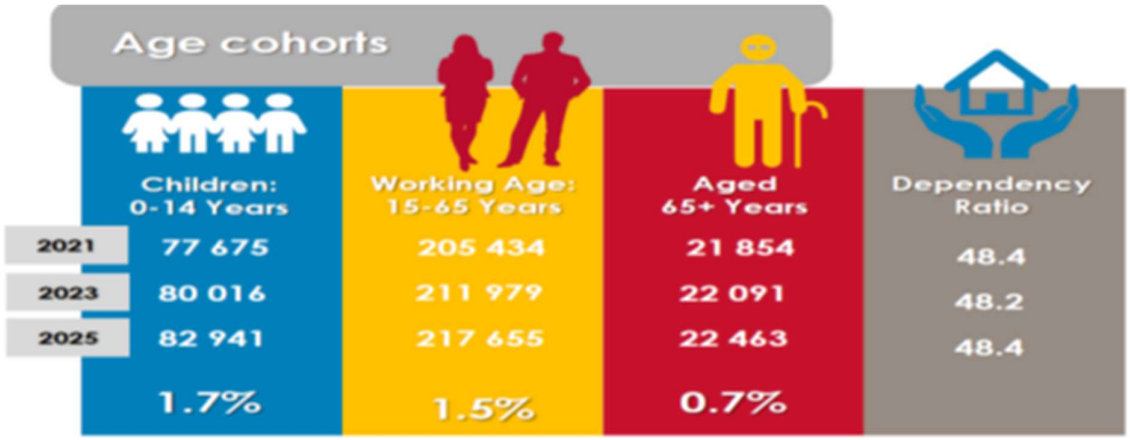


[4] Latest SEP

Males remain the largest gender group within the municipal area (51.6%) despite females having a larger growth rate over the 15-year period (STATS 2001 vs SEP 2021). Assuming this trend continues, females could soon overtake the male population in the region. The population of the Theewaterskloof municipal area comprises mainly of individuals between the ages of 15 and 34 years making up 34.7 per cent of the population.

This was closely followed by individuals between 35 and 64 years comprising 34.4 per cent of the population. Individuals younger than 14 years comprises 26.6 per cent of the population. There is thus a high child dependency in the municipal area. Individuals older than 65 make up 4.3 per cent of the population. This shows that most of the population in the Theewaterskloof municipal area comprise of potentially economically active population that can contribute to the economy.

Age Distribution and Cohorts



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

Dependency Ratio

In Theewaterskloof, this ratio was 44.2 in 2011 and increased to an estimated 48.4 in 2021. This is estimated to remain stable at 48.4 in 2023. This ratio expresses the dependency of people who are part of the workforce (age 15 - 65) and those, who are depending on them (children and seniors). A higher dependency ratio means a higher pressure on social systems and the delivery of basic services.

Considering the already diminishing number of paying residents within the Theewaterskloof area coupled within the influx of indigent people into the area, the dependency ratio are worth being noted and proactive mechanisms must be designed to address these issues in order to ensure that the municipality remains financially sustainable and avoid overburdening the social systems with the region.

1.2.4 HOUSEHOLDS

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

The table below indicate the number of households as contained in the SEP 2021 and community survey 2016. In order to calculate the number of households for 2018 the projected household growth rate was used. The MERO estimate the number of households to only reach 33 130 beyond 2025, this figure simply can't be accurate as the Community survey already had the number of households at 33 097 in 2016. The below mentioned data is the most accurate recent data on household that we possess.

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

1.2.5 SOCIO ECONOMIC STATUS

In addition to the information already previously displayed the following social economic indicators are deemed important. The socio-economic information for the municipal area is as follows:

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

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

[6] Basic service statistics have been derived from both the MERO 2021 and the SEP 2021.

1.2.6 VISION, MISSION AND STRATEGIC OBJECTIVES

A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all.

To create and sustain an environment which shall enhance the socio-economic development capacity and impact of the Theewaterskloof Municipality in accordance with the Vision as stated in the Vision.

- Basic service delivery and Social amenities
- Sound financial management and continuous revenue growth
- Maintain existing business and attract new investments
- Improved Environment Management
- Improve the social fabric of the TWK community
- Maintenance, replacements and upgrades of municipal infrastructure
- Promote the second and township economy
- Integrated Human Settlements
- Upgrading of informal Settlements and prioritising the most needy in housing allocation
- Healthy and productive workforce
- Democratic, responsive and accountable government
- Institutional capacity of the municipality
- Community safety

Theewaterskloof: At a Glance

POPULATION

124 050

HOUSEHOLDS

35 990

Education 2020

Matric pass Rate 79.4%

Reention Rate 74.6%

Learner – Teacher Ratio 30.9%

Poverty 2020

Gini Coefficient 0.62

Upper Bond Poverty Line 53.33

Health 2020/21

Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U18
6	100.9%	0.0	16.2%

Safety and Security

Actual number of reported cases in 2020/21

Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
624	73	923	59	87

Access to Basic Service Delivery

Percentage of households with access to basic services, 2020

Water	Refuse Removal	Electricity	Sanitation	Housing
99.3%	81.1%	94.8%	97.7%	81.3%

Road Safety 2019/20

Fatal Crashes	28
Road User Fatalities	44

Labour 2019

Unemployment Rate

13.9%

Socio-economic Risks

Risk 1	Low Economic Growth
Risk 2	Low Skills Levels
Risk 3	Low Learner Retention Rates

Largest 3 Sectors

Contribution to GDP, 2019

Finance, insurance, real estate, and business services	Wholesale and retail trade, catering, and accommodation	Manufacturing
21.9%	**16.1%**	**14.2%**

2 Tertiary Colleges
1 District Hospital
5 EMS Centres
8 ARV Treatment Sites
38 Primary and Secondary Schools
6 Police Stations
7 Clinics, 2 Satellite and 9 Mobile Clinics, 1 Community Day Centre
10 EMS ambulances

1.2.8 OVERVIEW OF TOWNS WITHIN THEEWATERSKLOOF MUNICIPALITY JURISDICTION

The Theewaterskloof Local Municipality is a Category B municipality situated in the Overberg District in the Western Cape Province. It is one of four municipalities in the district, making up a third of its geographical area.

The following towns is in the jurisdiction of Theewaterskloof:

GRABOUW

The Grabouw/Elgin district is the first town in the Municipal area when driving from Cape Town along the N2. Grabouw is located some 65 km south-east of Cape Town, over Sir Lowry's Pass from Somerset West, along the N2 highway.The town is the commercial centre for the vast Elgin Valley, the largest single export fruit-producing area in Southern Africa, which extends between the Hottentots-Holland, Kogelberg, Groenland, and Houwhoek Mountains.

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

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

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

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

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

BOTRIVIER

Botrivier is a small town situated in the Overberg region of the Western Cape in South Africa.

It takes its name from the Bot River on the west bank of which it is situated. The form Botrivier is preferred for official use. The Botriver hotel is the landmark in the town. The area is known for its vineyards and wine farms, with the well-known Beaumont Farm situated in the town. There is a growing tourism market linked to agri-tourism and wine tasting.

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

CALEDON

Caledon is a town in the Overberg region in the Western Cape province of South Africa, located about 100 kilometres east of Cape Town next to mineral-rich hot springs. It is in, and the seat of, the Theewaterskloof Local Municipality.

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

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

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

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

TESSELAARSDAL

Tesselaarsdal is a dispersed rural settlement in the Theewaterskloof Municipality, Western Cape, South Africa. It is situated on the northern side of the Kleinrivier Mountains, 20 kilometres south of the town of Caledon. Tesselaarsdal is the ideal getaway in which to experience unpolluted natural beauty and small-town community living at its best. Yes, the gravel road is long and a little inconvenient for urbanites but this is part of the town's tucked away charm. It compels you to slow down and immerse yourself in your surrounds; it certainly helps to authenticate Tesselaarsdal as one of those rare off-the-map experiences.

Practically every person, every cottage and even walking, hiking and mountain biking trails have a story.

There are plenty of opportunities to explore the outdoors even until deep in the night where one will discover some of the clearest Milky Way viewings in South Africa.

VILLIERSDORP

Villiersdorp is a town in the Western Cape province of South Africa in the Overberg region.

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

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

In the Growth Potential of Small Towns Study, conducted by Van der Merwe in 2004, Villiersdorp is classified as an agricultural service centre known for its fruit and mountains. It is regarded as a town with high human needs and low development potential, using a scale of very low to very high. Unlike most of the geographical region which specialises in wheat and canola farming, the Villiersdorp Valley is now agriculturally and in micro-climate more similar to the Elgin Valley and Grabouw since the building of the Theewaterskloof Dam, and thus also specialises in deciduous fruit farming and viticulture. The Theewaterskloof Dam, the largest dam in the Western Cape and seventh largest in South Africa and important water supply to Cape Town fills the majority of the valley floor. The Villiersdorp Co-Op is also the only place in South Africa that processes and dries persimmons. The three big packsheds in Villiersdorp, Betko, Arbeidsvreugd and Ideafruit, as well as the Villiersdorp Co-Op process the fruit grown in the area for export and transport to other parts of South Africa

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

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

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

GREYTON

On entering Greyton one is immediately reminded of an Old English Village. This beautiful small town is nestled at the foot of the Riviersonderend Mountains with the Riviersonderend River on its boundary and surrounded by mountains.

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

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

GENADENDAL

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

Much of the workforce relies on the surrounding fruit farms for employment, which contributes to the seasonality of the local economy. Genadendal is located alongside Greyton, 32km off the N2 and 140km from Cape Town with the Riviersonderend Mountains to the north.

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

RIVIERSONDEREND

Riviersonderend is a village in the Overberg region of the Western Cape, South Africa, about 140 kilometres east of Cape Town. It is located on a loop of the Sonderend River, from which it takes its name. The N2 national road passes through Riviersonderend, forming its main street; it is 161 kilometres by road from central Cape Town. Riviersonderend offers beautiful mountain and river scenery, a nine-hole golf course and sightings of South Africa's national bird, the blue crane

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

1.2.9 NATURAL RESOURCES

Natural Resources

Major Natural Resource	Relevance to Community
Kommieskraalrivier	This is the main water sources for Villiersdorp.
Elandskloof	This is the main water sources for Villiersdorp.
Tesselaarsdam Mountain Stream	This is the main water sources for Tesselaarsdal.
Tesselaarsdam Borehole	This is the main water sources for Tesselaarsdal.
Bethoeskloof stream	This is the main water sources for Tesselaarsdal.
Voorstekraal Borehole	Additional Source for Voorstekraal.
Bereaville borehole	Additional Source for Bereaville.
Riviersonderend Borehole	Additional Source for Riviersonderend.
Baronsbos borehole	Additional Source for Caledon.
Greyton Nature Reserve in the Mountains of Greyton	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants. Serve as Biodiversity hub for the community.
Caledon Wild Flower garden and Nature Reserve	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants. People can also visit the Botanical Gardens. Serves as Biodiversity hub for the community.
Kogelberg Biosphere Reserve	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants.
Theewaterskloof Dam	Sports & Recreation serves the community with drinking water.
	T1.2.7

1.3 SERVICE DELIVERY OVERVIEW

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

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

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

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

BOTRIVIER
Basic Service Delivery Highlights

Highlight	Description
Maintenance of Open Spaces.	The Technical Task team (Roads & Stormwater) make use of the Digger loader to level and clear Open plots on Fridays and then they will do an inspection at the Open spaces to clear for the duration of the week.
Refuse Removal	Every Thursday the collection of Refuse takes place.

Upgrading of Protea Street 	Upgrading of Protea street took place and were listed on the Integrated development plan for procurement for 2021/22 financial year.
Entrance of Botrivier 	EPWP worker with excellent landscaping skills are providing his ideas and talent to improve the quality of services the Municipality provides.
Access Road Bridge 	Access Bridge on R43 repaired.

Basic Service Delivery Challenges

Challenge	Actions to address
Waste Drop Off	Daily illegal trespasser at the drop off site. No appointment of staff to monitor and maintain the Drop Off facility.
Electricity	Cable theft happens on a regular basis and effects the service delivery of the Municipality.
Spoorweg Dam Pump	2021/22 the total damages caused by Sabotage & Vandalism are R200 000. Botrivier Working team are building a concrete pump house to secure the pump.

GREYTON / GENADENDAL

Basic Service Delivery Highlights

Highlight	Description
New water compact plants	Due to poor water quality compact plant has been implemented in Bereaville ,Voorstekraal and Greyton to provide quality water to residents

Greyton Reservoir Water Purification Package Plant

Construct new waste water facility 	For many years Ward 2 use the old sewerage pond system to treat waste water and with the new site better control over final effluent which we dispose in Sonderend river which provide water to Farmers downstream .
Construct new waste disposal facility 	The old landfill disposal facility has been closed to build a new drop-off facility for municipal waste. Site has been services by contractor transport waste in containers to Karwyderskraal Landfill. Less directives from Government Departments on permit conditions

Basic Service Delivery Challenges

Challenge	Actions to address
Flooding mitigation when flash floods arise in ward 2.	Make used of EPWP workers to assist with clean-ups. Hire of Equipment form Overberg district Mun.
Turnaround time to repairs gravel and tar roads	Again, make use of EPWP workers to assist with road repairs due to lack of staff. Hire equipment in as no permanent Grader exists in Ward 2
Outdated fleet	Keep Fleet manager inform about ward 2 needs on Fleet specific on Solid waste removals from households and Businesses. Front end loader for Pipe burst .Sewer suctions
Vandalism	Vandalism have an impact on services like Waste water pump stations and water pump stations specific when cables has been stolen .Provide sites with CCCTV cameras.
Lack of staff	Increase staff with 43 EPWP workers in 2021/22 financial year

VILLIERSDORP
Basic Service Delivery Highlights

Highlight	Description
Job creation through with EPWP workers	Cleaning of informal settlements and illegal dumping areas
Upgrading and painting of toilets in Phoekom next to creche	Painting and repairing of the toilets was needed. These toilets are situated next to a creche with small children.

Repairs road surfacing

After pipe breakages the layer works was repaired as this was a safety concern.

Installation of toilets in the informal settlements

The need arose for the installation of toilets in the informal settlements to ensure that they have access to sanitation facilities.

Cleaning of streets and stormwater channels 	Cleaning of the streets and stormwater channels must be maintained on a regular basis.
Cleaning of the market area 	The market area/taxi rank was cleaned and cleared

Installation of roll-up shutter doors 	Our depot and sportsgrounds needed extra security measures to help reduce vandalism and break ins

GRABOUW
Basic Service Delivery Highlights

Highlight	Description
Over achieved on the installation of utility meters.	Replacement of old meters with utility meters Targets are being reached. Faulty utility meters replacements of dead LCD and batteries are being met. Data capturing of all new installations are being captured and handed over to finance departments to capture on system. There was a requirement of 150 meters to be installed but Grabouw over achieved by installing more than 800 meters.
Increasing production hours to accommodate	Internal staff were tasked by MAYCO to install new precast toilets in all informal settlements within Grabouw. Excavating

	and installations are done during the week in operating hours as well as on weekends. Total of new installations and areas which have been completed are sent per report to stakeholders.
Replacement of chemical toilets and the installation of additional precast toilets	The MAYCO has tasked the Town Office to install precast toilets within all informal settlements within Grabouw. This has allowed the municipality to replace the chemical toilets with permanent precast toilets. The toilets are also connected directly to the sewer network and this also eradicates the use of septic tanks within the informal settlements. Septic Tanks carry the risk of overflowing into the environment.
Repairs to burst pipes within the SOP timeframe	All broken watermains are repaired within necessary timeframes as per SOP.
Attending to blockages within 24 hours	All blocked drains when reported on Collab or at the office are opened within timeframe using steelrods , screws and sometimes Speedvac truck.
Preventative maintenance of pump station	Vismark and Pineview pump stations were cleaned and guiderails at Pineview pumpstation was repaired.
Coca-Cola Learnership Programme	The Coca-cola learnership programme was introduced by sustainable development. 8 learners received accredited qualifications that relates to fixing of water leaks. The 8 learners integrated into the workforce and productivity was increased.
Potholes repairs in ward 8, 11, 12, 13 & 14	The TWK Jetpatcher truck supported by internal staff and EPWP worked in Grabouw to repair potholes in wards 8, 11, 12, 13 & 14. A second team of internal staff and EPWP also fixed potholes with construction materials such a premix bags in order to accelerate production and speeding up the pothole programme.
New refuse compactor added to Grabouw Fleet	As of July 2022, Grabouw was informed that a new refuse compactor will be added to the fleet. CEO 3914 refuse compactor will be replaced and moved to a smaller town.
Overcoming the Grabouw Water Crisis	In March/ April 2022 Grabouw experienced a water crisis. This crisis led to the department identifying issues related to water purification and reticulation. The main pumps at the Water Treatment Works are being upgraded by Technical Services, Community Services installed a new lime feeder, telemetry instruments were repaired and upgraded, 8 reservoirs that supply drinking water are being cleaned in July 2022.
Migration of anolog to digital with Department of Communications & Digital	On 20 May 2022 Minister Ntshavheni visited Grabouw to roll out the digital migration

Technologies and personal visit of Minister KhumbudzoNtshavheni	campaign. The community services department arranged and coordinated the visit together with officials in the ministry. The minister held a clean up campaign in ward 8 Rooidakke where TWK Mayco members were involved with twk employees.
Response to refuse removal within Grabouw	The Mayco identified that all town are need of cleaning up the entrances. Grabouw extended working hours as well as new programmes such as a street cleansing late shift in order to reach the target. The feedback received from communities were positive and proved that programmes are effective.
Winter Readiness Programme implementation	Mechanical plant was hired in such as tipper trucks, excavators, bulldozers, digger loaders to clean stormwater infrastructure. Regular "hotspots" of flooding were attended to and during the storm in May 2022 many of these hotspots were functioning as required.
Disaster Management – Grabouw Fire at Waterworks informal settlement.	The waterworks community and local businesses were affected by the Fire in July 2022. More than 200 victims were affected and the Grabouw Town Office coordinated the disaster relief and received resources from TWK Mun, Gift of the Givers and local community members. The fire was situated next to the Grabouw Thusong Centre and employees in the Streets & Stormwater department prevented the fire from reaching the Thusong Centre. Many residents in Grabouw use this facility daily and this intervention from employees ensures that Grabouw still has a Thusong centre, Home Affairs, Child Welfare, Sassa Office, TWK Library and Right to Care facility.
Grabouw Town Office adjustments	Adjustments were made to the Town Office shedules as of June 2022 reception and cashiers desk are open from 07h45 – 16h45. Clients are now served quicker and less congestion is observed within the Town office.

Basic Service Delivery Challenges

Challenge	Actions to address
Insufficient Plant and Equipment	The departments needs more plant for moving and loading material. Plant such as digger loaders, bulldozers, excavators and 10m3 tipper trucks are currently being hired

	in at huge cost and the contractor cannot always assist as per requests. This results in projects not being streamlined and time lost. Departments require additional hand tools as current tools frequently breakdown and budget is not sufficient for additional tools.
Informal settlements	Illegal connections to water network are causing a lot of water losses due to leaks. Solid Waste collection is not streamlined as communities do not gather and drop off solid waste for pick up on agreed dates. The road network are in poor condition due to the absence of building control. Often roadways a small and requires ad-hoc maintenance.
Contamination of Sewer networks	Foreign debris enters the sewer networks after heavy rains which causes blockages and malfunction of pumps. Pump stations require upgrade as the demand in Grabouw has increased exponentially
Ageing Fleet in poor condition	Municipal vehicles are aged and in poor condition. Repairing of vehicles often requires deviations to the SCM policy. This is also a timely process as suppliers require their purchase orders before completing the work. More fleet is required as labour is often transported at the back of LDV's which is unsafe.
Shortage of staff	All departments are reliant on EPWP for additional labour. This is not sustainable because new EPWP employees are contracted every 12 months. There are 10 vacancies in the community services department that are yet to be filled.
Land invasions	Land invasions lead to a reactive response from the Municipality as we are not aware when communities plan to invade. There is an expectation that basic services be implemented by the Town Office. This is not budgeted for as the core function of the community services department is to maintain and repair existing infrastructure.

	These dwellings are also constructed on areas that are not suitable for housing such as wetlands and this leads to future disasters such as localised flooding as experienced in Lost City.
GrabouwTaxi Rank failing structures	The Grabouw Taxi rank has risks relating to the structure. The community is reliant on this infrastructure to commute within the Town.
Insufficient sports facilities	TWK Municipality owns two sports fields in Grabouw that does not satisfy the demand. Over the past decade Grabouw has seen mass influx. Sports facilities are also broken down beyond repair and are sustainable to maintain.
Existing infrastructure needs to be upgraded	Many key infrastructure in Grabouw needs to be upgraded. The scale and scope of works related to these upgrades – outweigh the capacity of the community services department. New areas were built and integrated to existing infrastructure that has reached its design peak. An example is stormwater pipes in Pineview are 300mm in size and blockages and manhole overflow occurs during inclement weather. This infrastructure is also cleaned but does not last the entire winter season.
Delays in procurement processes	Tenders are needed to procure materials and services that are regularly used in line with workers duties and functions. An example is that fleet requisitions are often deviations due to the absence of a tender that addresses this need. The same fleet is also not operational during the process of the deviation due to suppliers requiring a purchase order in order to complete the task. This then directly affects service delivery.
PPE for staff and EPWP	There is currently no tender for PPE within the municipality. PPE for the 2021/22 fin year was procured on a transversal tender. Workers reported the quality of PPE supplied was poor and not handed over in a good state as they complained there is a lingering “fish” smell. This leads to mistrust between management and employees.
Grabouw Depot cafeteria	The Grabouw Depot condition is not suitable for utilization. Workers have 4 precast toilets but have no room to eat during lunch. The premises also requires fire extinguishers Housekeeping of the premises is conducted poorly as used material is scattered and plant stands freely.

RIVIERSONDEREND
Basic Service Delivery Highlights

Highlight	Description
1. Street line marking	We manage to complete all street line marking within the timeframe as prescribed on our planned work program .
2. Cutting of grass on sidewalks, cemetery parks and sport grounds	We appoint a service provider to assist us, and work commence in August 2021.
3. Cleaning of illegal dumping areas	We increase the days spent on cleaning of illegal dumping areas to 3 days/week.
4. Construction of new Public Toilets in CBD	**The newly build Public Toilets in the CBD was opened to the public after minor works were completed.**
5. Upgrading of storm water network in Muller Street	Following a thoroughly inspection, it was found that most of the storm water infrastructure was incorrectly installed and insufficient. This resulted in blockages even in mildly rainy weather. Part of the infrastructure reinstalled and pipe size increased.

6. Resealing of roads	We completed the slurry works, part of our yearly road-resealing program, of Voortrekker and Riebeeck Avenue.
7. Informal toilets	Installed 10 new toilets in Joe Slovo Informal Settlement.
8. Residential and Business refuse removal	We manage to remove residential and business refuse on a weekly basis without any delays, even during public holidays
9. Sport grounds	Repair all vandalised sanitary ware, doors and electricity connection at ablution facility. Erected new spectator fence
10. Cemetery	Repair grave sites damage by heavy rain

Basic Service Delivery Challenges

Challenge	Actions to address
1. Vandalism and theft	1. Install vandalism proof manhole covers and lock mechanisms at gates. 2. Construct vandal proof steel cages around electrical distribution boxes. 3. Appoint Security service provider to safeguard high-risk municipal properties. 4. Appoint Alarm monitoring and response service provider for all municipal buildings and facilities
2. Illegal dumping of waste	1. Facilitate educational programs at schools and community regarding the health implications resulting from illegal dumping of waste. 2. Budget and appoint a service provider out of the community to assist with the removal of waste and educational programs.
3. Ageing water , sewer, roads and storm water infrastructure	1. Upgrading of Water Treatment Plant 2. Upgrading of Waste Water Treatment Plant 3. Upgrading of sewer pump stations 4. Implement a water and sewer pipe replacement plan. 5. Revised the current storm water master plan. Plan, budget and implement accordingly. 6. Upgrade storm water networks in high risk areas. 7. Upgrade all gravel roads within the following 10 years.

CALEDON

Highlight	Description
Cleaning and Maintaining of illegal Dumping Sites 	Cleaning and maintaining of illegal dumping sites in the Informal area (Riemvasmaak) and the other parts of Uitsig, Bersig, Vlei View, Myddleton, Caledon Town and Tesselaarsdal areas.
Refurbishment and maintenance of Caledon Sport Facility 	Refurbishment and maintenance of Caledon Sport Facility cloak room of the stadium after theft and vandalism occurred.
Toilet installation at Riemvasmaak Informal Settlement 	Installation of precast toilets in the Informal Area and the project will be continues as the availibity of toilets will be made to Caledon Town up until enough toilets are installed for the ratio of toilets and residents are reached.

Street Line Marking	Street line marking were done as per the annual planned work program.
Upgrading of Storm water Network 	Constructing of Storm water Structures (Headwall & Stone pitching) to help with the improvement of Storm water runoff systems.
Grass cutting of Public Open Spaces	Contractor were appointed to assist the parks and gardens team with the cutting of grass of the big open spaces.

Basic Service Delivery Challenges

Challenge	Actions to address
Vandalism and Theft of Municipal Property and Infrastructure	1. Install vandalism proof structures at borehole facilities and install surveillance cameras and high lighting at these premises. 2. Construct vandal proof cages around electrical distribution boxes. 3. Appoint on-site, alarm monitoring and armed response security service provider to safeguard high-risk municipal properties that are being broken in to and

     	vandalised regularity and also for all buildings and facilities.
Ageing of old water , sewer, roads and storm water infrastructure	1. Upgrading of Water Pump stations and Water Treatment works. 2. Upgrading of Sewer Pump stations and Waste Water Treatment Works.

 	3. Upgrading and implementation of a water and sewer networks pipe, valve, hydrant, etc. Replacement Project Plan. 4. Install vandalism proof manhole covers and lock mechanisms of sewer manhole to prevent sabotage and foreign objects to end up in sewer lines. 5. Upgrade existing tar and gravel roads and allow for sufficient storm water drainage.
Struggling with old warn out vehicles withconstant breakdowns	1. Municipal vehicles are old and in poor condition as the repair, cost of the vehicle each year is more than the value of the vehicle. New fleet needs to be procured. 2. The breakdown of fleet are putting a lot of pressure and strain on service delivery to the community due to the interruption of a service not occurring.

1.3.1 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

Proportion of Households with minimum level of Basic services[7]				
	2018/19	**2019/20**	**2020/21**	**2021/22**
Electricity service connections	100%	100%	100%	100%
Water - available within 200 m from dwelling	100%	100%	100%	100%
Sanitation - Households with at least VIP service	97%	98%	98%	96%
Waste collection - kerbside collection once a week	100%	100%	100%	100%

[7] These figures does not correspond to those provided on page 32 and 36 as these are internal projections/calculation vs external departmental projections and calculations such as department social development and provincial treasury.

1.4 FINANCIAL HEALTH OVERVIEW

Summary

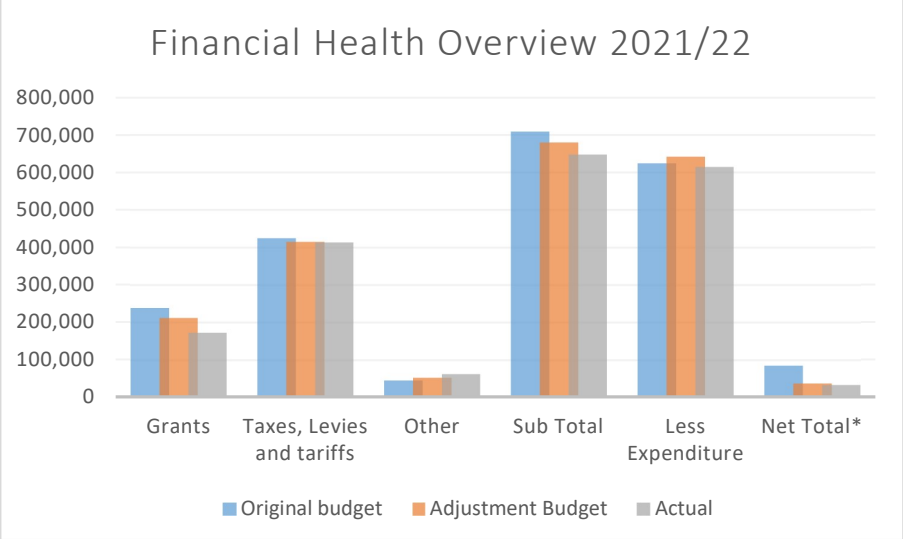
Theewaterskloof's overall sustainability index score of 55 in 2022 reflects an adequate level of sustainability and a measure of consistency at this level over recent years in spite of growing challenges. The strong liquidity position and relatively low debt burden underpin its financial sustainability for 2022 and reflect found financial management practices over the last five years. The operating performance displayed a decline caused by some pressures on its revenue as well as a rapid rising of operating expenditures during the year. However, the declining trend in the overall sustainability score is a concern.

The medium-term budget analyses reflect lower overall financial sustainability scores. The operating performance that reflects a deficit in 2022 coupled with the large amount of capital spending, is likely to reduce the cash reserves. The result is a sustainability score of 54 for 2023, reflecting moderate financial sustainability. Most of these items are carried over into 2024 and 2025 to reflect sustainability scores of 49 and 44 for these years respectively.

We would therefore recommend that close attention be given to the 2023 budget with the aim to identify cost savings, and strict financial discipline be applied especially to unnecessary expenditures. Furthermore, Theewaterskloof should not relinquish its pressure on collections and should strive to keep the collection rate at the historical level of roughly 90% and even better, to counter the higher financial risk as a result of the higher level of borrowings planned during the budget period.

1.4.1 FINANCIAL OVERVIEW 2021/22

Financial Overview -2021/22			
			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income			
Grants	(238,050)	(211,991)	(172,450)
Taxes, Levies and tariffs	(424,244)	(413,928)	(412,292)
Other	(45,274)	(52,671)	(62,284)
Sub Total	**(707,568)**	**(678,590)**	**(647,026)**
***Less* Expenditure**	622,978	641,239	613,685
Net Total*	**(84,590)**	**(37,351)**	**(33,341)**
**** Note: surplus/(deficit)***			T1.4.2



1.4.2 COMMENT ON OPERATING RATIOS

Operating Ratios Year 2021/2022		
Ratio Detail	**Actual Results**	**National Treasury Norm**
Employee Cost	39%	25 % - 40%
Repairs & Maintenance	20%	8%
Finance Charges & Depreciation	9%	8%

The payroll report is required by section 66 of the MFMA. Payday is split into two companies, namely permanent and temporary workers. The active permanent employees on the system are 665 of which 27 are council members and 638 are permanent workers. The active temporary workers on the system are 362. The active permanent employees include 3 new appointments and 0 resignation, and the active temporary workers include 16 new employees and 34 contracts that expired for the month of June 2022.

The total Salary, allowances & benefits for managers and staff amounts to R 234,022 million for the year. Overtime for the year amounts to R 9,692 million. The 39% attained is within the National Treasury Norm.

The municipality realizes the importance of expenditure on maintenance to ensure that assets are used optimally throughout their operational life. The municipality has made a conscious decision to increase its expenditure on repairs and maintenance gradually over the next few financial years. Repairs and Maintenance has decreased from 20% in 2019/20 to 19% in 2021/22 illustrating the municipality's willingness to prioritise for repairs and maintenance. The 19% is way better than the National Treasury's norm of 8%.

The ratio of finance charges and depreciation as a percentage of operating expenditure is 9% which is better than National Treasury's norm of 8%.

1.4.3 TOTAL CAPITAL EXPENDITURE

Total Capital Expenditure: 2019 to 2022			
			R'000
Detail	**2019/20**	**2020/21**	**2021/22**
Original Budget	130,593	138,660	181,136
Adjustment Budget	108,566	134,908	144,402
Actual	78,723	85,615	99,142
			T1.4.4

In 2021/22 Theewaterskloof municipality approved a capital budget of R 181,1360m which was diminished to R 144,402 m. The Total Capital Expenditure for the year ended 30 June 2022 amounts to R 99,142 million against the adjustment budget of R 144,402 million and the percentage spend is 69% when compared to the adjustment budget.

The Adjustments Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan. The capital expenditure budget has been readjusted. Due to various reasons some projects could not be completed in the 2021/22 financial year and funds allocated must be rolled over.

The actual capital expenditure for the year 2021/22 amounted to R181,118m, effectively translating into an 82% capital budget spent, meaning a 18% spending variance.

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

Villiersdorp Destiny Farm: Installation of Civil Engineering (Roads, Sanitation, Stormwater and water) -Destiny is partially invaded, and containment measures needs to be strengthened to avoid full-scale invasion. Funding for the completion and the installation od=f mechanical and electrical parts for the sewer pump station to be funded from municipal funds. Stewardship agreement with regards to Environmental Impact Assessment (EIA) not yet finalised.

Greyton 595: Planning – The project is subject to the outcome of the detailed flood line study currently underway as well as the botanical and freshwater study. The aforementioned was completed in December 2021 and Directorate is awaiting the final report from appointed professional by 30 January 2022.Once aforementioned is completed the Town Planner and Engineer can complete final Site Development Plan and Engineering layouts.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

During the previous financial year, the Municipal Council adopted the reviewed organisational Micro and Macro structure. Additional posts were identified for current service delivery needs but also for the future growth of Theewaterskloof Municipality.

During the current financial year, the municipality once again was force to review its organisational structure to bring it in line with the new staff regulation 890 as gazetted September 2021 for implementation July 2022.

Critical vacancies will be identified within the budget envelope and filled during the 2022/23 and 2023/24 financial years. Chapter 4 provides detailed information on the Municipalities organisational development.

1.6 STATUTORY ANNUAL REPORT PROCESS

PROCESS	Timeframe
AR & FS to AG · Submit 2021/2022 Draft Annual Performance Report and Financial statements to Auditor General. · Compile and submit Municipal Audit file to the Auditor General	31 August 2022
Submit 2021/2022 Annual Report (as per agreement with AG) to Auditor General	31 October 2022
Audit Report Receive audit report on annual financial statements from the Auditor General	30 November 2022
Table Draft AR & AFS Mayor tables draft AR and AFS at council	25 January 2023
Advertise draft AR & AFS for public input and place on municipal website	25 January- 16 February 2023
Advertise Oversight Committee Schedule inviting the Public to make presentations of the AR and AFS	01 February 2023
Portfolio Committee Meeting Submit Draft Annual Report to Portfolio Committees for inputs	01-02 &14 February 2023
1st Oversight Committee Meeting Oversight Committee pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report (10h00)	10 February 2023
2nd Oversight Committee Meeting Public hearings – The local community and any organ of state will be allowed to make representations on the annual report and AFS (10h00)	24 February 2023
3rd Oversight Committee Meeting Preparation of the draft oversight report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors (14h00)	09 March 2023
Oversight & Annual Report Adoption of Oversight report on AR & AFS by council	23 March 2023
Advertise approved Annual report- Place on Municipal Website	24 -31 March 2023
Submission of Oversight & Annual Report to Provincial Treasury and Office of the Premier	24 March 2023& 31 March 2023
Annual Report Guidelines Forwards guidelines to all Corporate Directorates on the submission of the Annual Report info	May 2023

It is important to achieve the above deadlines, not only to achieve legislative compliance, but to ensure the smooth running of municipal planning, budgeting, service delivery implementation and reporting cycles which all feed and depend on one another. The Municipal Annual Report also informs the planning process of other spheres of government, thus influencing our equitable share of future government grants.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics namely:

- Participatory,
- Consensus oriented,
- Accountable,
- Transparent,
- Responsive,
- Effective and efficient,
- Equitable, and
- Inclusive which follows the rule of law.

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

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

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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 in community work and the various social programmes in the municipal area.

2.1 POLITICAL GOVERNANCE

Note: Municipal Finance Management Act (MFMA) section 52 states:

The mayor of a municipality

a) Must provide general political guidance over the fiscal and financial affairs of the municipality.
b) In providing such general political guidance , may monitor and, to extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities.
c) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.
d) Presides at meetings of the executive committee;
e) Performs the duties including any ceremonial functions, and exercises the powers delegated to her by the municipal council.

The Theewaterskloof Municipal Council comprises of 27 elected councillors, made up out of 14 ward councillors and 13 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties.

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

Below is a table that categorised the councillors within their specific political parties and demographic representation for the 2021/22 financial year:

Executive Mayor: Alderman KI Papier 	**Function** • Is the Executive and Political Leader of the Municipality • Is the Social and Ceremonial Head of Council • Is the Chief Advisor of Council • Responsible for identifying the needs of the Municipality • Must monitor the Administrator • Supervises the delivery of services • Report to Council • Budgetary responsibilities
DEPUTY MAYOR: Cllr: JR Michels 	The Deputy Mayor acts in the absence of the Executive Mayor
SPEAKER: Cllr: DA Appel 	Is the chairperson of the Municipal Council and as such is authorized to dictate the proceedings during council meetings, though subject to the order rules, common law and constitutional prescripts. The Speaker is accountable to and reports to the Municipal Council. The Speaker must also ensure compliance with the Code of Conduct.

WHIP: Cllr MR Nongxaza (ANC) Cllr S Fredericks (DA)	Leads the Caucus meetings before Council meetings.
MAYORAL COMMITTEE: Cllr RMienies (ANC) Cllr H Syster(PA) Cllr M Nongxaza (ANC) Cllr M Mathews (GOOD) Cllr T Lesesa (ANC) Cllr J Michels (GOOD)	The Mayoral Committee assist the Executive Mayor, serve him/ her with advice and take decisions with the Executive Mayor in respect of designated powers.

EXECUTIVE MAYORAL COMMITTEE AND MEMBERS

The Executive Mayor of the Municipality Alderman, Karel Papier, assisted by the Executive Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. She has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested in the Executive Mayoral Committee, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Executive Mayoral Committee.

Below is a table that illustrates the Executive Mayoral Committee for the 2021/2022 financial year:

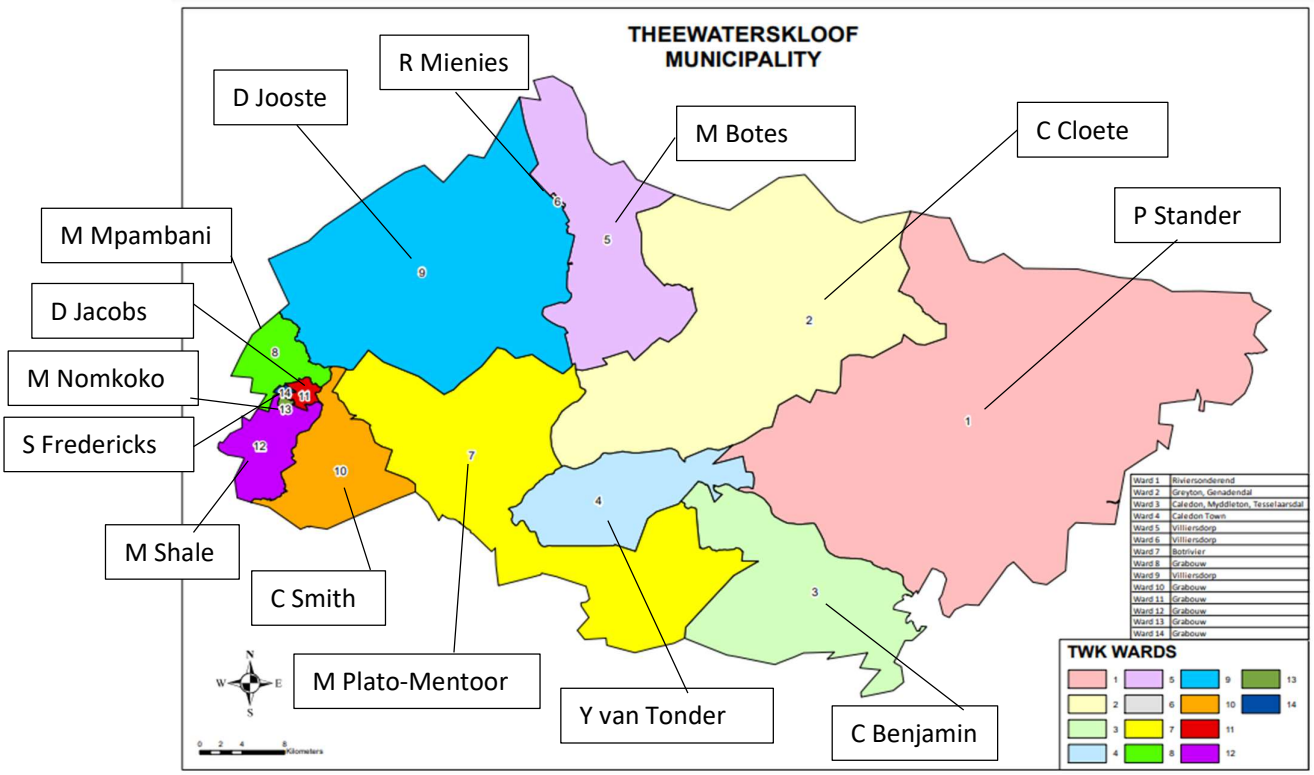
COUNCILLOR	POSITION	POLITICAL PARTY
Alderman KIJ Papier	Executive Mayor	PA
Councillor JR Michels	Executive Deputy Mayor	GOOD
Councillor DA Appel	Speaker	ANC
Councillor R Mienies	Executive Mayoral Committee Member	ANC
Councillor H Syster	Executive Mayoral Committee Member	PA
Councillor M Nongxaza	Executive Mayoral Committee Member	ANC
Councillor M Mathews	Executive Mayoral Committee Member	GOOD
Councillor T Lesesa	Executive Mayoral Committee Member	ANC
Councillor J Michels	Executive Mayoral Committee Member	GOOD

Theewaterskloof Municipality is governed in terms of an Executive Mayoral Committee system. The Executive Mayor, Alderman KI Papier, governs together with Deputy Executive Mayor, Cllr JR Michaels and a team of six Portfolio committee Chairpersons.

Committee	Chairperson
Financial Services	Cllr R Mienies
Technical and Electrical Services	Cllr H Syster
Human Settlements and Planning	Cllr M Nongxaza
Corporate Services	Cllr M Mathews
Community Services	Cllr T Lesesa
Economic Development	Cllr J Michels

FINANCIAL SERVICES COMMITTEE		TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES COMMITTEE		ECONOMIC DEVELOPMENT COMMITTEE		CORPORATE SERVICES COMMITTEE		COMMUNITY SERVICES COMMITTEE		HUMAN SETTLEMENTS AND PLANNING COMMITTEE	
R Mienies – Chairman	**ANC**	**H Syster – Chairman**	**PA**	**JR Michels - Chairman**	**GOOD**	**M Mathews – Chairman**	**GOOD**	**TP Lesesa- Chairman**	**ANC**	**RM Nongxaza – Chairman**	**ANC**
T Mangcayi	EFF	M Mathews	GOOD	BB Mkhwibiso	ANC	T Mangcayi	EFF	MR Nongxaza	ANC	BB Mkhwibiso	ANC
M Mpambani	ANC	BB Mkhwibiso	ANC	ML Mathews	GOOD	TP Lesesa	ANC	RL Mienies	ANC	H Syster	PA
J Mckenzie	GOOD	MA Nomkoko	ANC	MR Nongxaza	ANC	MS Shale	ANC	J Mckenzie	GOOD	ML Mathews	GOOD
M Koegelenberg	DA	PJ Stander	DA	S Fredericks	DA	C Smith	DA	YM Van Tonder	DA	M Plato-Mentoor	DA
CA Benjamin	DA	M Gana	SRWP	D Jooste	DA	M Botes	DA	DA Jacobs	DA	PJ Stander	DA
CT Cloete	DA	YM Van Tonder	DA	TB Zimmerman n	FF+	M Plato-Mentoor	DA	D Jooste	DA	S Fredericks	DA

Council Representation per Ward



2.1.1 COUNCILLOR PROFILE

Executive Mayor
Karel Papier

Deputy Mayor/ Economic Development
John Michels

Speaker
Derick Appel

Community Services
Tapelo Princess Lesesa

Human Settlements and Planning
Monwabisi Raymond Nongxaza

Corporate Services
Michele Mathews

Finance
Rinah Mienies

Technical and Infrastructure Implementation Services
Henry Syster

MPAC Chairperson
Thozama Mangcayi

Jennifer Mckenzie

Bongiwe Mkhwibiso

Mbongeni Nomkoko

Mzwanele Mpambani

Mamothipane Shale

Mhlawakhe Gana

Martha Koegelenberg

Samuel Fredericks

Carol Benjamin

Dawid Jooste

Denzil Jacobs

Theunis Zimmerman

Christiaan Cloete

Mekie Plato-Mentoor

Petrus Stander

Michelle Botes

Craig Smith

Yvonne van Tonder

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	**Ward Represented/ Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
	FT/PT			%	%
D Appel	FT	Council Meeting	PR	100%	0%
KIJ Papier	FT	Executive Mayoral Committee	PR	100%	0%
JR Michels	FT	Economic Development Committee and Executive Mayoral Committee	PR	100%	0%
RM Nongxaza	FT	Human Settlements and Planning Committee, Community Services Committee and Executive Mayoral Committee	PR	100%	0%
TP Lesesa	FT	Community Services Committee; Corporate Services Committee; Executive Mayoral Committee	PR	100%	0%
ML Mathews	FT	Corporate Services Committee, Economic Development Committee, Human Settlements Committee and Executive Mayoral Committee	PR	100%	0%
RL Mienies	FT	Financial Services Committee; Community Services Committee; Executive Mayoral Committee	Ward Represented	100%	0%
H Syster	FT	Technical and Infrastructure Implementation Services Committee; Human Settlements and Planning Committee;	PR	100%	0%

		Executive Mayoral Committee			
M Koegelenberg	PT	Financial Services Committee	PR	85%	15%
S Fredericks	PT	Human Settlements and Planning Committee, Economic Development Committee	Ward Represented	100%	0%
PJ Stander	PT	Technical and Infrastructure Implementation Services Committee; Human Settlements and Planning Committee	Ward Represented	100%	0%
CT Cloete	PT	Financial Services Committee	Ward Represented	100%	0%
CA Benjamin	PT	Financial Services Committee	Ward Represented	100%	0%
YM van Tonder	PT	Technical and Infrastructure Implementation Services Committee; Community Services Committee	Ward Represented	100%	0%
M Botes	PT	Corporate Services	Ward Represented	100%	0%
M Plato-Mentoor	PT	Corporate Services; Human Settlements and Planning Committee	Ward Represented	100%	0%
M Mpambani	PT	Financial Services Committee	Ward Represented	95%	5%
D Jooste	PT	Community Services Committee; Economic Development Committee	Ward Represented	90%	10%

C Smith	PT	Corporate Services Committee	Ward Represented	95%	5%
DA Jacobs	PT	Community Services Committee	Ward Represented	100%	0%
MS Shale	PT	Corporate Services Committee	Ward Represented	100%	0%
MA Nomkoko	PT	Technical and Infrastructure Implementation Services Committee	Ward Represented	95%	5%
J Mckenzie	PT	Financial Services Committee; Community Services Committee	PR	100%	0%
BB Mkhwibiso	PT	Technical and Infrastructure Implementation Services Committee; Human Settlements and Planning Committee; Economic Development Committee	PR	95%	5%
TB Zimmermann	PT	Economic Development Committee	PR	100%	0%
T Mangcayi	PT	MPAC Chair, Financial Services Committee; Corporate Services Committee	PR	95%	5%
M Gana	PT	Technical and Infrastructure Implementation Services	PR	85%	5%

2.1.2 POLITICAL DECISION-TAKING

Meetings of Council were scheduled as follows for the period 01/07/2021 to 30/06/2022:

1. Council Meetings = 12
2. Special Council Meetings = 9
3. Council-in-Committee Meetings = 9
4. Special Council-in-Committee Meetings = 9

All meetings are scheduled in the Town Hall, Caledon and the public is invited to attend these meetings.

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

Notice of the approval of the Draft IDP and 2022/2023 Draft Budget and the IDP and 2022/2023 Budget were advertised in the local newspapers as well.

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

Agenda-items submitted to Council for discussion:

1. First Quarter = 44
2. Second Quarter = 92 and 2 items were referred back due to various reasons.
3. Third Quarter = 68 and 5 items were referred back due to various reasons
4. Fourth Quarter = 118

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

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

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

A key priority of the Management Team has been to establish a solid leadership core within the organisation which permeates through to middle and supervisory management levels.

The Management Team Structure is outlined in the table below:

Municipal Manager

Acting

Boy Manqoba Ngubo

Director: Development and Corporate Services

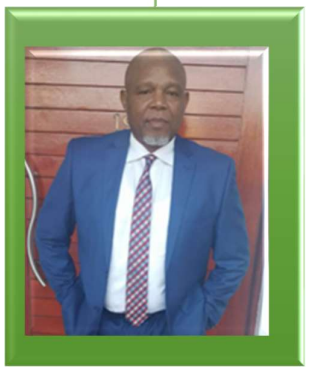
Acting J Amansure

Director: Finance

Acting A Riddles

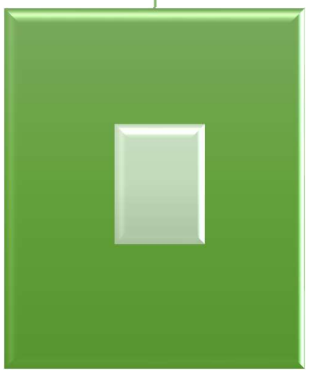
Director: Development and Community Services

Acting W Solomans-Johannes



Director: Economic Development and Planning

Acting H Gxoyiya



Director: Technical and Infrastructure Implementation Services

Vacant

2.2.1.1 FUNCTIONS AND RESPONSIBILITIES

The administration is divided into six directorates each with various sub-directorates that are responsible for specific functional areas. While clear distinctions are made in terms of functions and responsibilities sub directorates work in close liaison with each other in the interest of efficient and the promotion of service delivery.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa Section 41, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

2.3 INTERGOVERNMENTAL RELATIONS

Intergovernmental structures give effect and concrete expression to inter departmental communication. To adhere to the principles of the Constitution section 41 as mentioned above the Municipality participates in the following intergovernmental structures:

	IGR STRUCTURE	TYPE OF PARTICIPATION AND BENEFITS DERIVED
NATIONAL	Local Government ICT (LGICT) Network (Please note that this is mainly an "open online forum", although there are special meetings, workshops and events being scheduled across the country)	The LGICT Network is a service hosted by SALGA that provides: • a real-time platform for information exchange, networking and collaboration for ICT Managers in local government. • a platform where ICT Managers in local government rate service providers and report about service, satisfaction and quality in order to separate the "husks from the grain".
	National Joint Operational And Intelligence Structure (NATJOINTS) Structure	Coordination of crime combating operations
	National Road Traffic Management Coordinating Committee (NRTCC) / Law Enforcement And Transport Committee (LETCOM)	Coordination of traffic operations
PROVINCIAL	IDP Managers Forum	Reflect on IDP Indaba processes Reflect on the impact of the IDP Analysis process. Discuss processes and methodologies that should guide the annual IDP review. Serve as a platform where key planning information is shared, good planning practices and successfully implemented programmes are celebrated, and where gaps are identified.
	Records Provincial Public Participation Forum Forum	Record legislation applicable to the functions applicable to document management in the municipality.
	Provincial Public Participation Forum	Public Participation processes in the district / upcoming ward committee elections in 2021 after the municipal elections and the preparations therefor.
	SALGA Provincial HR Development Working Group	• A platform for Councillors within the Province to give input into collective bargaining as well as policy issues. • This forum also receives feedback from National and Provincial Bargaining Forums. • It is also a platform for information sharing and to discuss issues of mutual interest;
	HR Practitioners Forum	• A forum used to draft policy, give input into various topics such as legislation, agreements etc. • This forum also serves as a platform for HR managers to network and share best practice • Receive feedback from SALGA in respect of negotiations etc.
	Risk Management Forum	This is where the uniformity of risk implementation is confirmed, new challenges and benchmarking takes place. Training

		needs are identified and conducted within the district level which is cost effective. The strategic decisions on risk management anything and else that the district might require from the CRO are discussed in the risk management forum.
	Skills Development Form	The Skills Development Forum is where we discuss the training that is offered by LGSETA like learnerships, study bursaries, skills programs according to the IDP objectives and even the payment of Mandatory, Discretionary grant as municipality is paying levy of 1% to SARS in terms of skills and development.
	CFO Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	SCM Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	Municipal Accountants Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	Property Rates Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	Chief Audit Executive Forum	Discuss methodologies, standards, challenges and serves as an information sharing platform.
	Western Cape Local Government ICT Managers Forum	• To create a platform for ICT Managers to discuss ICT- specific issues • To create a space for information sharing, knowledge exchange and inter-provincial cross pollination • To manage, co-ordinate and support the implementation of ICT initiatives, ICT-related activities in order to strengthen support and avoid duplication • To obtain inputs and comments on national- and provincial processes and initiatives that have an impact on ICT's, and • To achieve standardization for benchmarking and reporting purposes on critical activities.
DISTRICT INTERGOVERNMENTAL STRUCTURES	District IDP Managers Forum	• A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality
	Provincial Joint Operational And Intelligence Structure (PROVJOINTS) Structure	Coordination of crime combating operations
	Provincial road traffic management coordinating committee (PRTMCC) / provincial law enforcement and transport committee (PLETCOM)	Coordination of traffic operations
	Department of Environmental Affairs MOP meetings	Feedback on all EIA and Basic assessment NEMA regs.
	Biodiversity management DEADP	Control meetings on Alien eradication management

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

2.3.1 JDMA IMPLEMENTATION STRATEGY Review: 2021/22 Financial Year

INTRODUCTION

Prior to 2019, the Western Cape Government (WCG) made a strategic decision to introduce the principles of co-planning, co-budgeting and co-implementation based on geographical areas and this decision was approved by the Premier's Coordinating Forum (PCF).

This resulted in the launch of the **"Joint District and Metro Approach (JDMA)"** in the Western Cape Province during November 2018.

In the 2019 State of the Nation Address the President raised the urgency for adopting a district-based approach to "speed up service delivery, ensuring that municipalities are properly supported and adequately resourced". COGTA then announced the District Development Model. By that time the JDMA was already institutionalised and operationalised in the Western Cape.

The Joint District and Metro Approach (JDMA) is a geographical district and team based, citizen focused approach, with a single implementation plan to provide developmental initiatives and government services to the people.

The key principle being Collaboration: co-planning, co-budgeting, co-implementation that translates to service delivery in communities.

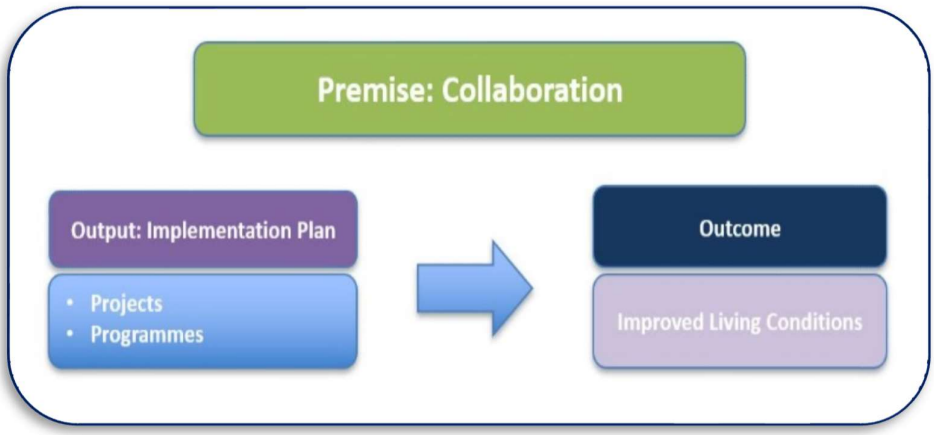
The JDMA created a collaborative space which enabled a conducive environment to effect project implementation and to ultimately positively impacts the lives of communities.

JDMA: UNDERPINNING PRINCIPLES

JDMA: DEFINED

- The Joint District and Metro Approach (JDMA) is a geographical and team based, citizen focused approach with a Single District Plan to facilitate developmental initiatives and government services to the people.

- The approach is thus a joint collaboration between National, Provincial and Local (Metropolitan, District and Local) Government, private sector and other stakeholders.



JDMA: OBJECTIVES

- To promote horizontal interface between Western Cape Government (WCG) Departments;

- To promote vertical interface between national, provincial and local government;

- To enhance co-planning, co-budgeting and co-implementation to ensure the silo approach is minimized;

- To avoid duplication and maximizing impact through combined coordination efforts;

- To enhance alignment of long-term and short-term planning as well as alignment between different sectoral planning;

- To strengthen and enhance the capacity to support local government;
- To promote sustainable development in order to contribute to equality, poverty eradication and job creation;

- To ensure increased oversight over financial management and monitoring, including budgeting and expenditure controls; and

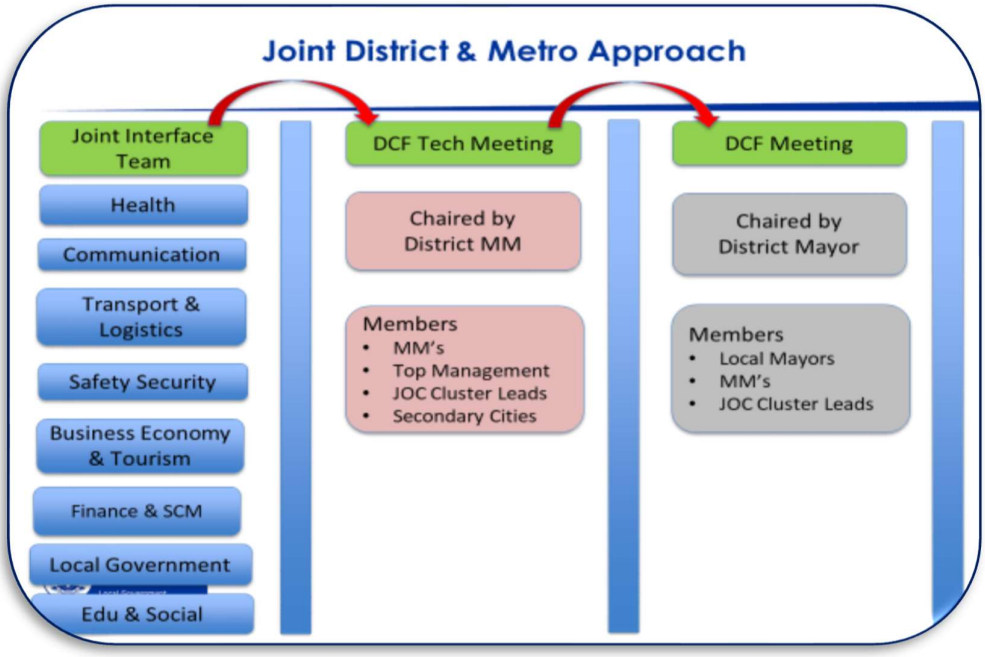
- To strengthen monitoring and evaluation of project implementation.

JDMA: GOVERNANCE ARRANGEMENTS

- In the five districts, the JDMA Interface Teams make use of District Coordinating Forums (DCFs) and their technical committees (DCF Techs) as governance instruments to:

    - Identify municipal strategic and planning priorities as well as operational requirements and address them through the development and implementation of a single plan per district;
    - Monitor the implementation of projects identified in the Single District Plans; and
    - Identify and address any service delivery challenges through collaboration.

- JDMA Interface Teams were constituted comprising sufficiently mandated National and Provincial departmental and municipal representatives chaired by a JDMA Team Leader from the Western Cape Department of Local Government (DLG). Other stakeholders subsequently joined the various projects, which includes, NGO's and Donor partners and which are invited to Interface meetings when specific matters are on the agenda.



JDMA: INSTITUTIONALISATION

- After the initial endorsement by the Western Cape Provincial Cabinet, the JDMA was supported by the Premier's Coordinating Forum in June 2019 and was followed by an extensive consultation process to secure buy-in from district and local municipalities; Western Cape Government (WCG) departments and national departments with a footprint in the Western Cape - several national departments came on board during 2021.

- The initial focus was on the five districts whilst a separate process was being explored for the City of Cape Town which would result in the methodology as a JDMA, inclusive of the City.

JDMA: SINGLE DISTRICT PLAN

In line with the Provincial approach for each District to develop its own "Single District Plan", the Overberg followed suit with its first plan of such a nature developed in 2021/22. These plans will firstly consist of strategic/catalytic projects that will positively impact on the strategic and economic trajectory within a geographical space and secondly, operational projects that aims to strengthen and improve the systems, processes, and operations in a municipality. In combination, these projects will inform the **Single District Plans.**

These plans form the basis of all developments for the future and will guide planning, budgeting and implementation over the medium to longer terms. The draft operation support plans for the Local Municipalities are attached hereto and will be further refined and signed off by the respective municipalities in the coming weeks.

JDMA: COOPERATION MODEL OF CHOICE
(some examples)

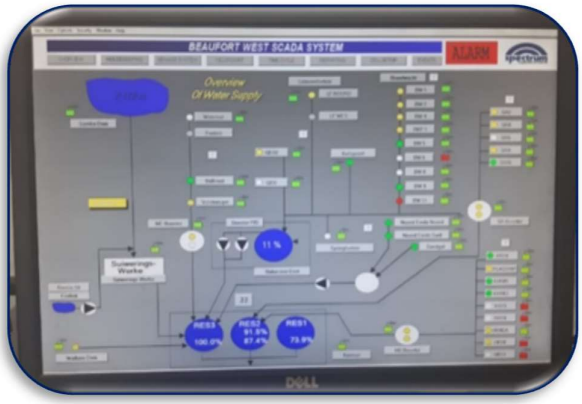
The JDMA model proved its versatility in terms of facilitating cooperation and management of complex and multi sector projects. Successes achieve in this space can be highlighted as follows:

DROUGHT RESPONSE PLAN (DRAP) IN THE GREATER KAROO

- The Department of Local Government is the lead department for coordinating the drought response in the Western Cape Province. The Department adopted the JDMA methodology, which proved to significantly improve the performance and impact of the DRAP.

- The successful implementation of the DRAP had further benefits for the communities in the Greater Karoo that will still be experienced for years to come. The extent and urgency of the drought required that all role-players work together to find solutions. New relationships were formed between community members as well as between officials from the different spheres of government. It is anticipated that these relationships will continue to grow and will be very beneficial to address other infrastructure related challenges in future. The drought response further required a collaborative effort from both the citizen and government, thereby cultivating a culture of enhanced community interface and involvement.

- The success achieved to date further prevented any town from running out of water, which in turn ensured continued economic growth and development. Local Economic Development and job creation can therefore continue as the implementation of the medium- and longer-term actions builds towards water resilience and sustainability.



COVID-19 HOTSPOT RESPONSE, HUMANITARIAN SUPPORT

Organized Agriculture was approached to assist with humanitarian support during the challenges brought about by the COVID-19 Pandemic. Farmers were identified that made available citrus to be distributed to needy households during the lockdown period.

- 85 Tons of citrus was made available by farmers that was initially only distributed in the Overberg, but given the volumes available, the West Coast and Cape Winelands Districts also benefitted from this tis project. This project contributed to the humanitarian efforts in the Province.

SUPPORT TO THE OVERBERG WATER BOARD

Following complaints from users of water supplied by Overberg Water, including municipalities and agricultural users, the JDMA team, with the support of DWS were mobilised to provide support to the Water Board to restore quality services.

TO DATE THE FOLLOWING HAVE BEEN COMPLETED:

- Conditional and functional assessment conducted of the infrastructure, capacity of the works and pumps, the extent and level of operations and maintenance and functionality of the treatment processes of the extended water system.

- Introduction of new communication strategies with all users.
  - Extensive meetings with all users and customers – ongoing

- Addressing immediate actions, i.e.
  - SCM processes completed to replace sand filters & securing contractors to deal with breaks in the short term.
  - Infrastructure financing applications submitted to the National Treasury.

JDMA: STRATEGIC VALUE ADD

From an Overberg point of view, the following can be highlighted as some of the strategic value add of the JDMA Approach. The approach:

- Introduced and engrained a culture of cross-border and cross- boundary collaboration across multi-disciplinary project teams;
- Created an enabling space for networking and the building of relationships towards a common goal;
- Is contributing to restore trust in governance from external stakeholders and partners;
- Created a single platform and a single conversation in and about a geographic space that promotes co-planning, co-budgeting and co-implementation;
- Identifies and implement strategic/catalytic projects that positively impacts on the strategic and economic trajectory within a geographical space, and
- Positively impacts on the holistic planning, budgeting and coordination regime of the WCG.

The level of institutionalisation has allowed "reflection, review and redress" – to encourage a culture of continued growth and development to the advantage of the citizens of the Western Cape.

OVERBERG JDMA: UNPACKED

GENERAL INFORMATION

OVERBERG DISTRICT
General Information

Member Municipalities:	Overberg DM, Overstrand LM, Cape Agulhas LM, Swellendam LM & Theewaterskloof LM
Functionality of IGR Structures	DCF T and DCF (Functional and meeting regularly)
Municipal Interface Team	Established and functional – representation evolving
Status: Institutionalisation of JDMA	
DCF adopted the JDMA as oversight and implementation platform	Yes, DCF Resolution 20 November 2020.
Functionality of Interface Team	Yes, Interface Team is functional. Chaired by the DLG Lead Involvement of key stakeholders secured (Provincial & National Departments, Parastatals and the Private Sector). Active participation of Municipal representatives.
Status: Implementation plan	Interface team drafted the implementation plan, consisting of both catalytic and operational projects. The Plan is reviewed, revised and updated on an annual basis. **Status: Awaiting Consideration & Endorsement by the DCF.**

JDMA OVERBERG: INTERFACE TEAM

OVERBERG JDMA PARTNERS

National Departments	
Department	**Name of Official**
Water and Sanitation	John Roberts
Agriculture, Land Reform and Rural Development	Esmerelda Reid
Saps	Brig Donovan Heilbron
National Public Works and Infrastructure	Singatha Maholwana
Small business development	Winston Baatjies
SALGA	Nkosinathi Mthethwa (National) Loyiso Njamela/ Armstrong Mpela
LGSeta	Aneeka Jacobs
Wesgro	Sibylle Pfeiffer
Transnet	Cobus Albertse

Additional Committees
Economic Cluster (Chaired by Solly Madikane)

Provincial Departments	
Department	**Name of Official**
Agriculture	Japie Kritzinger (Head Office)
Social Development	Dianne De Bruyn (District)
	Charles Harris (Prov. Office)
Transport and Public Works	Nicky Brown (Head Office)
Health	Wilhelmina Kamfer (District)
Community Safety	Fuad Davis (Head Office)
Human Settlements	Elmay Pelser (Head Office)
Provincial Treasury	Malcolm Booysen (Head Office)/ Steven Kenyon (Head Office)
Education	Lance Abrahams Gerrit Coetzee (Head Office) Hillary Smith
Economic Development	John Peters (Head Office)// Fayruz Dharsey (Head Office)/ Johann Bester (Head office)
Environmental Affairs & Development Planning	Helena Jacobs (Primary) Thea Jordan (Alternate) Project specific representatives: Lance Mcbain-Charles, Belinda Langenhoven (Waste Management) Keshni Rughoobeer & Raudhiyah Sahabodien (Development Facilitation and Spatial planning)
Department of Cultural Affairs and Sport	Yvette Herbst
IDP Cluster (Chaired by Nikki Duplessis; Support: Charmaine Mabasa)	

OVERBERG TEAM EXPANDED

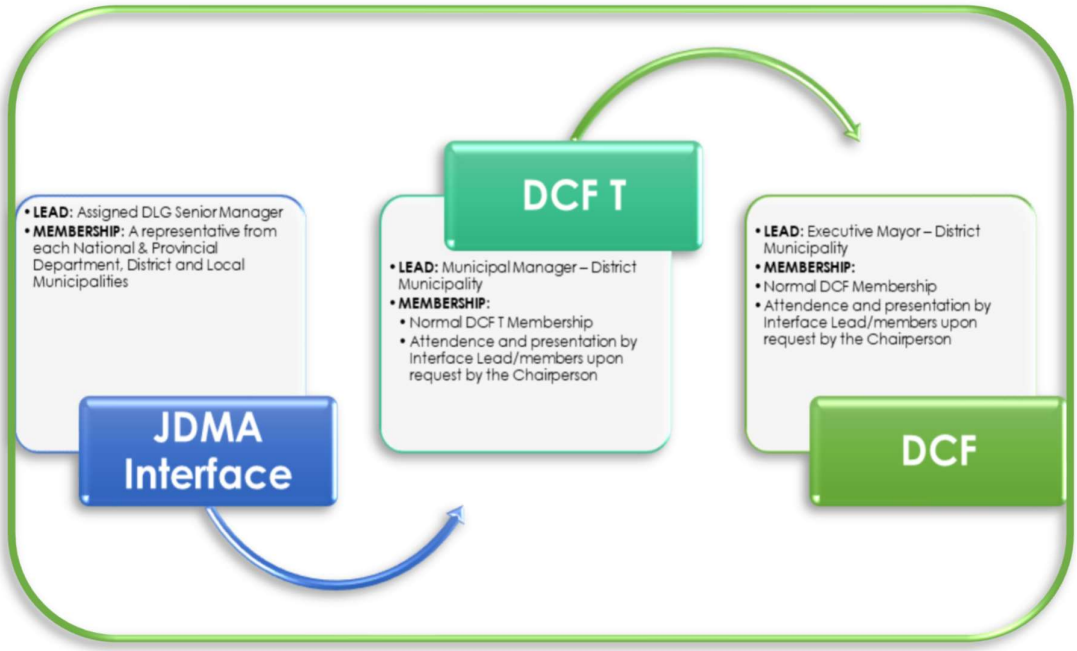
Due to the responsiveness of the JDMA in the Overberg, the team have been expanded significantly.

The Overberg Interface Team also now includes other National and International Organisations such as LGSETA, WESGRO, Transnet and Dutch Government that is enabling further development and investment in the Overberg District.

JDMA PROCESS MAP

The JDMA structures in the Overberg have been established and are stable and functional.

After following due process, consideration and final endorsement of both the Implementation Plan and projects to be supported, vests with the Overberg DCF.



OVERBERG JDMA INTERFACE AND PROJECT MEETINGS

For the Interface Team to engage effectively on project progress, structured individual & project meetings have been taking place to ensure that progress is unpacked and understood, and any hold-ups or challenges are addressed before the Interface Team meetings.

All municipal representatives and affected National and Provincial representatives are invited to attend the meetings.

The following table depicts the project meetings held during the 2021/22 financial year leading up to the review of the Implementation Strategy:

No	Date	Description	Stakeholders
1.	19 January 2022	Overberg District – Updating on the TPA	• Overberg District Acting MM and CFO
2.	24 January 2022	Overberg Water	• Municipal Managers and DLG Infrastructure
3.	27 January 2022	Steering Committee meeting on Buffeljagsdam Pre-Feasibility Study	• Department of Agriculture • Swellendam Municipality • Overberg District Municipality
4.	27 January 2022	Development of Clinics in Overstrand Municipal Area	• Department of Health • Department of Transport and Public Works • Overstrand Municipality
5.	28 January 2022	Pre-waste meeting	• Department of Environmental Affairs and Development Planning
6.	7 February 2022	Introduction to JDMA	• Theewaterskloof Municipal Manager
7.	8 February 2022	Overberg Water	• Overberg District Municipality • Swellendam Municipality • Theewaterskloof Municipality • Cape Agulhas Municipality
8.	8 February 2022	Shared Services – Pound for stray animals	• Department of Local Government • Overberg District Municipality • Theewaterskloof Municipality • Overstrand Municipality
9.	8 February 2022	Face to Face: Meeting with Mayor, Municipal Manager and CFO	• Overberg District • JDMA Team
10.	9 February 2022	Waste Management	• Department of Environmental Affairs and Development Planning
11.	9 February 2022	JDMA Interface Team Meeting	• JDMA Municipal Reps • Provincial Departmental Reps • National Departments

No	Date	Description	Stakeholders
12.	10 February 2022	Rectification and upgrade of external toilets	• Human Settlements • Overberg District Municipality • Theewaterskloof Municipality • Swellendam Municipality
13.	14 February 2022	Possible partnership with WESGRO	• Wesgro
14.	15 February 2022	Upgrading of Rail Access	• Overberg Executive Mayor • Transnet
15.	15 February 2022	Possible investment opportunities with Dutch (Flying Swans)	• Overberg Executive Mayor • (Flying Swans)
16.	16 February 2022	Overberg Water (Next steps)	• DLG officials
17.	16 February 2022	JDMA briefing session with TWK-MM and Director: Comm Services and Safety	• DLG Officials
18.	23 February 2022	Overberg Pound for Stray Animals	• Department of Local Government • Overberg District Municipality • Theewaterskloof Municipality • Overstrand Municipality
19.	24 February 2022	JDMA: CoGTA visit preparation	• DLG officials
20.	28 February 2022	Overberg Pound for Stray Animals	• DLG officials • Theewaterskloof Municipality • Overstrand Municipality
21.	7 March 2022	Overberg JDMA Project Site Visit	• DLG officials
22.	9 March 2022	DCF T Preparation meeting	• All Sector Departments • All Municipal Representatives • JDMA Support Team
23.	24 March 2022	DCF Meeting	• All Municipal Managers • All Municipal Mayors
24.	31 March 2022	Transnet Project Meeting	• Cobus Albertse (Transnet) • JDMA Team leader
25.	1 April 2022	Shared Services Pound	• DLG • All Municipal Representatives • JDMA Support Team
26.	6 April 2022	Site Visit - TWK Rectification (HS)	• Department of Human Settlements • DLG • JDMA Support Team
27.	8 April 2022	Overberg Dutch Visit	• Dutch delegation • Minister of Local Government • JDMA Support Team
28.	20 April 2022	Prep: National Minister visit	• All Sector Departments • All Municipal Representatives and Municipal Manager • Executive Mayor • JDMA Support Team

No	Date	Description	Stakeholders
29.	24 May 2022	Overberg JDMA Interface Team Consultation Session - Review of the Overberg JDMA Implementation Strategy	• All Sector Departments • All Municipal Representatives • JDMA Support Team
30.	30 May 2022	Overberg JDMA - Rectification Project	• All Sector Departments • All Municipal Representatives • JDMA Support Team
31.	31 May 2022	JDMA Debrief	• JDMA Support Team
32.	1 June 2022	Buffeljagsdam project Steering Committee	• Department of Agriculture • JDMA Support Team • Overberg Mayor
33.	2 June 2022	Pounds Shared Services Project - Overberg District JDMA	• DLG • All Municipal Representatives • JDMA Support Team
34.	8 June 2022	Flying Swans - Overberg District JDMA Discussion	• Flying Swans • JDMA Support Team
35.	9 June 2022	Cape Agulhas Asset Care Journey and Pledge	• DBSA • Cape Agulhas Municipality
36.	9 June 2022	Waterfront Development Discussion- Overberg District JDMA	• Wesgro • ODM • Overstrand • JDMA Support Team
37.	9 June 2022	Suiderstrand Road - Overberg District JDMA	• DTPW • Cape Agulhas • JDMA Support Team
38.	9 June 2022	Grabouw Development Agency - Overberg JDMA	• Wesgro • Overstrand • JDMA Support Team
39.	9 June 2022	Transnet Meeting Prep Session	• Municipal Mayors Cape Winelands and Overberg • JDMA Support Team
40.	15 June 2022	Follow-up Meeting: Pounds Shared Services Project - Overberg District JDMA	• All municipalities • JDMA Support Team

JDMA PROJECT STATUS AS AT THE END OF THE 2021/22 FINANCIAL YEAR

Following the support & endorsement by the DCF, the Interface Team commenced with the implementation of the various projects in the District. At the end of this period, project implementation status can be reported as follows:

PROJECTS COMPLETED TO DATE

Name of Project	Lead Department	Recipient Municipality	Project Status	Next steps
Summary of all available provincial funding to municipalities	PT	All	Detailed schedule provided to all Municipal Managers	Project Complete Project to be repeated on an annual basis (Annexure A)
Expand on Rail Infrastructure	Transnet: Freight Rail	TWK	Upgrade rail from Somerset West to Grabouw	Project Complete
Red Tape Reduction: Ease of doing business	DEDAT	All	All municipalities assisted on an individual basis Individual sessions with all local municipalities were completed and specific challenges	Project Complete Where a need arises, the team will support individual municipalities.

			identified was addressed.	
Water Security	DWS Agriculture DLG	CAM TWK	Borehole Study: Cape Agulhas Borehole Study: Theewaterskloof	Projects Complete
Establishment of safe houses	LM DSD	CAM	Safe house established in Cape Agulhas – to be introduced in other local municipalities	Project Complete Best practice developed for sharing with other municipalities and other Districts
Safety Strategy & Plans	DM Police	All	Safety Strategy & Plans In place and operations – excellent support and cooperation from District police structures Safety plan is in place.	Project Complete - ongoing
Upgrade of basic services' infrastructure in Grabouw	DHS	TWK	NGO appointed to undertake an assessment of	Project Complete

			service requirements across the area	
High Mast Lighting	DLG	TWK	High mast lighting in Grabouw and Hermanus constructed and functional	Project Complete
Explore SMME, entrepreneurs hip development and job creation projects.	DEDAT	All	A SMME booklet developed and was workshopped with SMME's – distributed to all Municipalities	Project Complete
Eradicate Alien Vegetation	Agriculture	All	The Department of Agriculture appointed 7 alien clearing contractors across the District.	Project Complete
Funding secured and construction completed for a waste transfer station	DEA&DP		Greyton and Genadendal transfer station completed.	Project Complete
Master Planning		TWK Overstrand	Water & Sanitation	Project Complete Project Complete

(DBSA Funding)			Water & Sanitation	
Asset Management (DBSA Funding)		CAM	Asset management Programme	Project Complete

PROJECTS COMMENCED & UNDER WAY

Name of Project	Lead Department	Recipient Municipality	Project Status & Description
Expand on Rail Infrastructure	Transnet	All **(First JDMA cross-border project)**	Elgin Container Terminal in SCM process Introduction to the Agri Strategy planned for September 2022 Further consideration to be given to "waste to rail" opportunities.
Overberg: Drug Rehab Centre	DSD Police Health	All	Land ownership secured for the Dennehof resort: ODM Provincial Public Works being engaged to support capital refurbishment. Social Development being engaged to consider various operating/funding/governance models (PPP or NGO model considered). Support from SAPS secured.
Further Education opportunities	DOE	TWK	Grabouw: Construction of new primary school. Confirmation of available land being finalized with the Department of Transport and Public works. Possible "land swop" being considered that will also release land for other and further developments, i.e., new Clinic and Library.

Name of Project	Lead Department	Recipient Municipality	Project Status & Description
Water Security	DWS Agriculture	Swellendam	Effective functioning of the steering committee is effectively driving this project. The final steering committee meeting will take place on 17 August, after which the service provider needs to conclude the study and submit the final report to the Department of Agriculture.
Network of Safehouses	DSD Department of Community Safety Department of Health SAPS SALGA	All	**Strategic Intent:** To build a network of safehouses across the Overberg to serve as a safe haven for women and children. Larger venues, i.e. municipal halls and Thusong Centers identified per municipality to accommodate larger group work. Department of Health confirmed use these facilities for out-patient treatment to assist patience that require support with rehabilitation. SAPS confirmed support and will use the facilities to roll out prevention programmes. Social Development being engaged for further support/participation. Funding support being negotiated for a dedicated GBV safe house in Caledon (from DSD).

Name of Project	Lead Department	Recipient Municipality	Project Status & Description
			Business plans prepared & submitted to seek external funding for some of the support/prevention programmes.
Overberg District Business Network	DEDAT	Overberg District Swellendam Cape Agulhas Theewaterskloof Overstrand	The Overberg BNP entails the formation of a forum comprising businesses from across the district along with local and provincial government officials who will meet regularly to drive an agenda of business development and strengthen the synergies between the private and public sector. No Budget. First round of engagements held with the District and Local municipalities to conceptualise the project and to establish a long list of businesses to be approached.
Rectification and upgrade of external toilets in Railton and Genadendal	DLG Human Settlements	Swellendam TWK	Funding was allocated via the Overberg DM for the rectification and upgrade of external toilets in Railton and Genadendal (Rectification Project) from the Provincial JDMA Grant amounting to: o Swellendam – R799 000 o Theewaterskloof – R1000 000 Both Municipalities pledged co-funding for the projects. Both Municipalities in SCM processes to appoint Service providers. Additional support being sought for funding the project. Roll over process in progress.
Container Park in Swellendam	DEDAT Swellendam Municipality	Swellendam	DEDAT allocated R2.2m to Swellendam Municipality for the development of this facility in Smitsville.

Name of Project	Lead Department	Recipient Municipality	Project Status & Description
	SEDA will be co-opted		Construction contractor appointed and construction commenced.
Shared Services Pound	DLG	All	SCM processes under way to develop a shared service model, business operations strategy and governance arrangements for Overberg District and all Local Municipalities in the District to share a Municipal Pound. The project to cover both the "pound section" as well as an "LED component". Department of Agriculture & vetenary services secured to provide specialist assistance to small & developing farmers. Submission for the allocation of land to be used as commonage submitted to the National Department of Public Works and Infrastructure – awaiting outcome. Local Municipalities already commenced with the registering of small farmers & associated processes.
Small Harbor Development & Desalination Plant: Hermanus	National and Provincial Public Works and Infrastructure and DTPW	Overstrand	Awaiting update from National Department.
Waterfront Development: Hermanus	WESGRO	Overstrand	Discussions with WESGRO and Provincial International Relations commenced to determine the steps to be followed in further exploring this initiative. Explore linkages between the 2 projects.
Suiderstrand Road	DTPW	Cape Agulhas	WCG met with CAM and the municipality appointed a service provider to discuss

Name of Project	Lead Department	Recipient Municipality	Project Status & Description
			and inspect the proposed upgrade of OP4401, Suiderstrand Road. The limits of the proposed project, budget, design details, materials, environmental impact, construction methodology and responsibilities, plant and labour components, as well as the imminent first phase (1 km) for 2022/23 to be done by CAM. The MOA outline between parties i.e., CAM/DTPW for 2023/24 was handed over to CAM to be populated. Upon receipt of the draft MOA, WCG will legally vet and finalise the document. WCG and Overberg DM to arrange and communicate 2023/24 programme implications accordingly.
ECD Support Programme	WCED	All	The registration framework was completed and submitted to all municipalities. ECD Program moved to WCED on 1 April 2022 New ECD Registration Framework to be rolled out to the nominated. Dates to be confirmed by DSD.
Asset Management (DBSA Funding)		Swellendam	Asset management Programme – commenced & under way.
Capital Expenditure Framework (DBSA Funding)		Overstrand Municipality	Funding Secured for 2022/2023 financial year.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

Such participation is required in terms of:

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

2.4 COMMUNICATION, PARTICIPATION AND FORUMS

2.4.1 WARD COMMITTEES

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

2.4.2 FUNCTIONALITY OF WARD COMMITTEES

The purpose of a ward committee is:

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

Ward committees are elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the administration. Ward committees play a very important role in the development and annual revision of the Integrated Development Plan of the area.

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

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
One (1)	**COUNCILLOR PJ STANDER**	**Yes**	**2**	**0**	**2 (March 2022)**
	D Palmer				
	M Dyantyi				
	D Visser				
	K Tiemie				
	E Miles				
	S September				
	F Roux				
	D Leonard				
	A Mouton				
	C Botha				
Two (2)	**COUNCILLOR C CLOETE**	**Yes**	**1**	**0**	**2 (March 2022)**
	M Stallenberg				
	P Majiedt				
	M Hector				
	M Rouillard				
	V Jansen				
	R Tise				
	I Steenkamp				
	G Juries				
	N Weedon				
	C Josephs				
Three (3)	**COUNCILLOR CA BENJAMIN**	**Yes**	**1**	**0**	**4 (March 2022)**
	Z Bistoli				
	W Gamiet				
	S Gamadala				
	M Booysen				
	T Bippert				

	M Sauls				
	L King				
	C Avontuur				
	R Nissen				
Four (4)	COUNCILLOR Y VAN TONDER	Yes	1	0	1 (March 2022)
	E Jacobs				
	T Bippert				
	M Rousseau				
	L Kimber				
	G Rhode				
	M Oliver				
	K Scheepers				
	S Wildschut				
	L King				
	M Buys				
Five (5)	COUNCILLOR M BOTES	Yes	2	0	1 (March 2022)
	M De Lange				
	K Cuthbert				
	G Skog				
	C Nel				
	M Jacquemin				
	J Lintaar				
	R Jansen				
	J Plaatjies				
	T Xantibe				
	S Minnaar				
Six (6)	COUNCILLOR RL MIENIES	Yes	2	0	2 (March 2022)
	H Blignaut				
	J Nicholls				
	N Moldiba				
	A Venter				
	N Mlata				
	M de Lange				
	R Filander				
	M Letele				
	D Thomas				

	F Ntantiso				
Seven (7)	ALDERMAN M PLATO-MENTOOR	Yes	1	0	1 (March 2022)
	Johannes Syms				
	Rachardo Hanse				
	LukhanoBuyephi				
	Henry De Villiers				
	Alexander Mondry				
	Jan Visagie				
	Ian Andries				
	Melanie Barry				
	J Oliver				
	F Weeden				
Eight (8)	COUNCILLOR M MPAMBANI	Yes	1	0	0
	B Makhaza				
	Z Mketi-Mentile				
	P Likotsi				
	L Nobanda				
	R Swartz				
	V Tshazi				
	S Bam				
	D Mellom				
	U Ngonyama				
	N Van Rhodie				
	A Van Zyl				
Nine (9)	COUNCILLOR D JOOSTE	Yes	2	0	1
	G Skog				
	H Botha				
	H Blignaut				
	J Jooste				
	M De Lange				
	S Sykes				
	M Swarts				
	E Ambros				
	C Moses				
	M Linaar				
Ten (10)	COUNCILLOR C SMITH	Yes	1	0	1 (March 2022)
	J Couter				

	D Van Zyl				
	E Afrika				
	J Smith				
	A Moses				
	J De Bruin				
	FC Oppelt				
	G Skog				
	G Diedericks				
	NE Makeleni-Msiliba				
Eleven (11)	COUNCILLOR DA JACOBS	Yes	1	0	1 (March 2022)
	D Demas				
	P Mcetywa				
	A Jonas				
	I Wyngaard				
	L Nqoloba				
	A Roro				
	E Adams				
	N Ntsholo				
	A Van Zyl				
	D Kortje				
Twelve (12)	COUNCILLOR MS SHALE	Yes	1	0	1 (March 2022)
	L Madizeni				
	W Nomxhanya				
	S Nkqi				
	Y Nonduku				
	M Ncapayi				
	E Philander				
	N Van Rhodie				
	L De Bruyn-Davids				
	F Tshandana-Bebula				
Thirtheen (13)	COUNCILLOR MA NOMKOKO	Yes	1	0	1 (March 2022)
	T Frans				
	T Mxolisi				
	H Waterboer				
	N Nkconko				
	C Koopman				
	J Mintoor				

	B Van Schalkwyk				
	A Hoffman				
	A Inyinbor				
	T Tshungwana				
Fourteen (14)	**COUNCILLOR S FREDERICKS**	Yes	1	0	1 (March 2022)
	R Kamineth				
	R Magerman				
	J Fischer				
	C Van Wyk				
	M Gelderhuys				
	L Petersen				
	A De Vos				
	I Wyngaard				
	R Swartz				
	A Van Zyl				
	G Witbooi				

2.4.3 PUBLIC MEETINGS

Public Meetings					
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Dates and manner of feedback given to community**
Ward Councillor Report Back Meeting: 3rd Quarter (March 2022)					
Ward 1	8 and 9 March 2022	3	4	134	Public Meeting
Ward 2: Bereaville and Voorstekraal)	14-Mar-22	1	2	44	Public Meeting
Ward 2: Greyton, Heuwelkroon, Boschmanskloof)	16-Mar-22	1	3	37	Public Meeting
Ward 3: Bergsig	14-Mar-22	3	4	10	Public Meeting
Ward 3: Riemvasmaak	15-Mar-22	2	3	34	Public Meeting
Ward 3: Tesselaarsdal	22-Mar-22	1	3	40	Public Meeting

Ward 4	24-Mar-22	1	2	38	Public Meeting
Ward 5	16-Mar-22	1	2	34	Public Meeting
Ward 6	22-Mar-22	1	4	60	Public Meeting
Ward 6	24-Mar-22	3	2	41	Public Meeting
Ward 7	17-Mar-22	4	3	99	Public Meeting
Ward 8	14-Mar-22				Meeting was scheduled but could not take place
Ward 9	15-Mar-22	4	4	46	Public Meeting
Ward 10	15-Mar-22	1	10	12	Public Meeting
Ward 11	17-Mar-22	1	9	50	Public Meeting
Ward 12	23-Mar-22	1	5	12	Public Meeting
Ward 13	23-Mar-22	1	7	97	Public Meeting
Ward 14 Town	24-Mar-22	1	12	33	Public Meeting
Draft Budget Public Participation Meeting: April 2022					
Ward 1	11-Apr-22	1	3	125	Public Meeting
Ward 2	11-Apr-22	2	11	80	Public Meeting
Ward 3	20-Apr-22	1	4	43	Public Meeting
Ward 4	25-Apr-22	3	10	26	Public Meeting
Ward 5					
Ward 6	13-Apr-22	3	9	34	Public Meeting
Ward 7	21-Apr-22	2	9	83	Public Meeting

Ward 8	07-Apr-22	2	10	55	Public Meeting
Ward 9					
Ward 10	21-Apr-22	1	16	13	Public Meeting
Ward 11	26-Apr-22	1	15	46	Public Meeting
Ward 12	13-Apr-22	2	17	37	Public Meeting
Ward 13	20-Apr-22	1	19	79	Public Meeting
Ward 14	25-Apr	1	15	12	Public Meeting

2.4.1 COMMENT ON THE EFFECTIVENESS ON THE PUBLIC MEETINGS.

Our Ward Councillor Report Back meetings as well as the Draft Budget Public meetings were very well attended by the Public. We experienced public participation fatigue as meetings were arranged for a 3-week period in both cases. These meetings were effective as the community was given the opportunity to raise their issues and grievances with the Municipality. It also gave the newly elected Ward Councillors an opportunity to introduce themselves to their wards and get an idea of the issues and needs in the wards.

2.5 IDP PARTICIPATION AND ALIGNMENT

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

COMPONENT D: CORPORATE GOVERNANCE

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

2.6 RISK MANAGEMENT

Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) states that the "Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and

risk management and internal control" This legislation includes the implementation of risk management at Theewaterskloof Municipality. Risk management is part of the management measures that ensures the municipality meets the obligation to use the resources effectively, efficiently and economically.

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

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

The initiatives and actions performed by the Fraud and Risk Management Unit during 2021/22 include:

- Comprehensive annual departmental risk assessments, involving the heads of department and line managers, which contributed to the compilation of the most detailed risk register to date;
- Started with a district fraud and corruption event library for use during fraud and corruption risk assessments;
- Continuous emphasis on fraud and corruption risks and the related risk action plans;
- Compilation and monitoring of a district fraud and risk management implementation plan;
- Compilation of a District Cross-Cutting Report containing the transversal risks of the municipalities in the Overberg district;
- Engaging and involving all levels of management with the fraud and risk management activities;
- Monthly updates on risk action plans by managers and monitoring by the Fraud and Risk Management Unit.
- Quarterly compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council;
- Comprehensive review of the Fraud and Risk Management Strategy and Fraud and Risk Management Policy to incorporate the new COSO framework Enterprise Risk Management Integrating with Strategy and Performance and document the established fraud and risk management processes of Theewaterskloof Municipality.
- Annual review of the Combined Assurance Policy Framework;
- Performed a Fraud and Risk Management Maturity Assessment to determine the Municipality's maturity level;
- Improved co-operation between the RMU and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Auditor's independence;
- Fraud and Risk Management Committee performance evaluation through individual assessments by the members in the form of a questionnaire;
- Adding value of "best practice" developments to the Fraud and Risk Management Committee. Review of the risk register, incident and emerging risks and corrupt, fraudulent and unethical incidents are now standard agenda items for Fraud and Risk Management Committee meetings.

- Fraud and Risk management is now a standing agenda item for Audit and Performance Audit Committee meetings, where the Chief Risk Officer provide feedback.
- Performed a Business Continuity Framework session
- Developed a Fraud Risk Library with examples of fraud and corruption and one with examples of unethical behaviour.
- Organised an Anti-fraud and corruption training.

2.6.1 RISK MANAGEMENT COMMITTEE

Fraud and Risk Management Committee (FARMCO) was endorsed by the Municipal Manager on the 21 September 2015. The FARMCO is a high level advisory body that assists the Accounting Officer to fulfil his/her responsibilities for Fraud and Risk Management as set out in the MFMA, the Public Sector Risk Management Framework and corporate governance principles. The FARMCO operates within the parameters of a FARMCO Terms of Reference.

The FARMCO also oversees that risk management processes are implemented effectively; identified risks are managed effectively and provides timely and valuable reports on enterprise risk management to the Municipal Manager and the Audit Committee of the Municipality.

The table below indicates the membership and meeting dates.

TABLE: RISK MANAGEMENT COMMITTEE (RMC)

CAPACITY	MEETINGS
Chairperson: Municipal Manager	**29 July 2021**
Administrator: OHS & Risk Official	**13 October 2021**
Director: Finance	**31 March 2022**
Deputy Director: Community Services	
Deputy Director: Technical and Planning	
Deputy Director: Corporate Services	
Deputy Director: Planning	
Manager: Human Resources	**Specialised Contribution**
Manager: Information Technology	**Specialised Contribution**
Member of Performance and Audit Committee/	**Observer / Specialised Contribution**

3 Councillors as nominated by Council attend and act as observers at each Risk Management Committee
The Chief Risk Officer of the Overberg District Municipality shared risk management service and Chief Audit Executive of Theewaterskloof Municipality are standing invitees in an advisory and observation capacity

2.6.2 RISK ASSESSMENTS

The risk assessment process for 2021/22 commenced in February/ March 2021. The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk before taking controls into consideration) as well as residual risks (after taking existing control measures into consideration).

The risk assessment results were submitted to the FARMCO on 29 July 2021. The operational risks were recommended for approval by the Municipal Manager who subsequently signed them off and the strategic risks were recommended for approval by Council.

2.6.3 STRATEGIC RISKS FOR THE MUNICIPALITY

Risk Description	*Current Controls*	*Residual Risk*	*Risk Actions*
Slow Recovery of Potential Revenue	o Data Cleansing Project o Credit control and o Debt Collection unit	High	1. Implementation of Revenue Enhancement Framework 2. Report on Debt Collection Ratio and Credit Control Initiatives.

SCM under resourced and under capacitated.	○ Intern/ students assisting in the office.	High	1. Filling of vacant positions and acquiring budget for positions not budgeted for.
Limited Economic Growth and Over-reliance on the Agricultural sector	○ Outdated LED strategy	High	1. Update LED Strategy 2. motivate for additional funding at the adjustment budget to cover the possible shortfall based on testing the market.
Capacity to deliver against the housing demands	○ WC Housing Department - agent agreement. ○ Housing Project Budget System ○ Housing Application Process and Validation. ○ Housing Committee and Public Participation. ○ TWK housing unit - internal processes.	High	1. Review of Housing Pipeline 2. Ensure Alignment Of The 3 Year Infrastructure Plan With The Housing Pipeline 3. Implementation of Housing Pipeline
Lack of funding to manage the increase in demand for Basic Services within existing Informal Settlement	○ Municipal Capital and Operational Budget. ○ Public Participation ○ Operations Department's maintenance teams.	Medium	1. Draft an Informal Settlements Operational Plan and Submit to Council.
Inadequate Capital Funding to eradicate Infrastructure Backlog Timeously	○ Maintaining Status Quo (Make due with available resources)	High	1. Upgrade The Bulk Outfall Sewer In Caledon (Phase 4). 2. Construct A New Waste Transfer Station In Caledon (Phase 2). 3. Construct Riviersonderend Waste Transfer Station And Material Recovery Facility Off Station (Phase 2). 4. Submit Application For Funding For Landfill Sites To Potential Donors
Bulk water provision / Water Sustainability	○ Technical Drought Plan ○ General communication - Printed media and radio ○ Notifications (Possible Water restrictions) ○ Alternative provision through boreholes ○ Explore Water Source Alternatives on continuous basis	High	1. Implementation Bulk contribution policy. 2. Upgrade The Waste Water Treatment Works At Caledon Phase 2.
Ageing and deterioration of fleet and small plant.	○ Vehicle monitoring system in place to prevent abuse/misuse of vehicles. ○ Repairs and Maintenance Budget. ○ Annual limited Capital Acquisitions	High	1. Upgrade Of Fleet (Detailed budget linked to procurement of specific vehicles in 2020-2021). 2. Report on Procurement Plan (Acquisition of Vehicles). 3. Appoint Service Providers for maintenance and Repairs of fleet. 4. Implement a Feasibility Study Plan On Fleet Replacement, Upgrade And Management
Slow Recovery of Potential Revenue	○ Data Cleansing Project. ○ Credit control and Debt Collection unit	High	1. Implementation of Revenue Enhancement Framework. 2. Report on Debt Collection Ratio and Credit Control Initiatives.

Non-Compliance with Permit Conditions	○ Existing Infrastructure _ ○ Limited Supervision	High	1. Manage the SLA's pertaining to Waste, Water and Sewerage 2. Report on Operations as so far as budgeting & supervision and maintenance / replacements / upgrades. 3. Explore better allocation of budget and resources to meet compliance requirements (Staff capacity and OPEX).
Unlawful Land Invasion	○ Squatter control policy ○ Land Invasion Unit	High	1. Implementation of SOP for Land Invasions and Illegal Structures.
Not filling of senior vacancies due to budgetary constraints	○ Increase debt Collection to improve income. ○ Expend rates base to improve income ○ Utilize other staff to conduct the function	High	1. Secure funding for the Senior positions and start with recruitment process.

2.6.4 RISK POLICIES AND STRATEGIES

The Municipality has a Fraud and Risk Management Policy, Fraud and Risk Management Strategy, Fraud and Risk Management Charter in place that were reviewed by FARMCO on 13 October 2021, see Council approval below:

NAME OF DOCUMENT	DEVELOPED YES/NO	COUNCIL APPROVAL
RMC Terms of Reference	Yes	Not yet approved by Council
Risk Management Policy	Yes	Not yet approved by Council
Risk Management Strategy	Yes	Not yet approved by Council

2.7 ANTI-CORRUPTION AND FRAUD

Section 6(2) (c) of the Municipal Systems Act (MSA) stipulates that the municipality must take measures to prevent corruption, section 83(1) (c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m) (i) obligates the municipality to institute supply chain measures to combat fraud and corruption, favouritism, and unfair and irregular practices. The Prevention and Combating of Corrupt Activities Act defines corruption and specific corrupt activities and imposes a reporting obligation on the Accounting Officer.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings regulates the reporting, investigation, and disciplinary proceedings regarding allegations of financial misconduct, including fraud and corruption.

Table: FRAUD PREVENTION AND ANTI-CORRUPTION DOCUMENTS

NAME OF DOCUMENT	DEVELOPED Yes/No	COUNCIL APPROVAL
Fraud Prevention and Anti-Corruption Strategy	Yes	Not yet approved by Council
Fraud Prevention and Anti-Corruption Policy	Yes	Not yet approved by Council
Fraud Prevention and Anti-Corruption Plan	Yes	Not yet approved by Council

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

TABLE 56 IMPLEMENTATION STRATEGIES

KEY RISK AREAS	KEY MEASURES TO CURB CORRUPTION AND FRAUD
Policy	A Fraud Prevention and Anti-Corruption Policy is a key defence mechanism because it emphasises that the Municipality has a formal framework in place to deal with fraud and corruption. It answers key questions such as: · What is fraud and corruption? · How do we deal with it when it arises? · What are the roles and responsibilities? · What are the sanctions?
Institutional arrangements	The creation of specific structures (e.g., a fraud and risk committee) and the definition of roles and responsibilities facilitates coordination and management of programme implementation. At municipal level these would include structures such as internal audit and the external audit committees.
Systems and control	With well-structured and documented systems and controls in place gaps and loopholes are nullified that are often used to perpetrate fraud and corruption. These systems and controls also enable monitoring and management mechanisms that will facilitate detection where there are attempts to override or circumvent such systems and controls. Importantly, systems and controls will ensure compliance with policies and regulations. Supply chain management is a good example of where systems and controls are crucial in preventing fraud and corruption
Fraud and corruption risk management	All organisations have systems and controls in place with varying levels of structure and detail. Despite this, organisations are still vulnerable to fraud and corruption because systems and controls are not properly implemented, or their inherent gaps and weaknesses can be exploited. Conducting fraud and corruption risk assessments enables organisations to test the integrity and completeness of their systems and controls with a view to implementing measures that strengthen areas of weakness and closing gaps. This approach proactively allows the organisation to prevent fraud and corruption
Training, awareness and communication	Making managers, staff, suppliers, and customers aware of the risks of fraud corruption, how to deal with it, what the consequences are and why it is important to prevent and fight it are key weapons in building up an organisational culture that opposes fraud and corruption. Training will make managers and staff aware of what to watch out for so that they do not willingly or unwillingly participate in acts of fraud and corruption. Communicating successes in dealing with fraud and corruption serves as deterrent to others and builds the corporate image of an institution.

2.8 AUDIT COMMITTEE

2.8.1 PERFORMANCE AND AUDIT COMMITTEE REPORT

THEEWATERSKLOOF MUNICIPALITY

2021/2022 ANNUAL REPORT OF THE PERFORMANCE AUDIT AND AUDIT COMMITTEE

Speaker, Executive Mayor, Members of Council, The Municipal Manager, Directors, Ladies and Gentlemen, it is my duty to deliver the annual report of the Performance Audit and Audit Committee (PAC) to Council for the financial year ending 30 June 2022.

Performance Audit and Audit Committee

As a statutory, independent committee its duties and responsibilities are clearly articulated in the Municipal Finance Management Act, Act 56 of 2003 and the PAC Charter as approved by Council.

Council approved the revised PAC Charter on 25 February 2022.

The current PAC was appointed by Council on 10 March 2022 and 26 April 2022.

The PAC consisted of four (4) independent members who are all appropriately qualified, who are financially literate and who are acquainted with the Risk Management and Performance Management disciplines.

The previous PAC conducted self-assessments during January 2022 in order to measure its performance. Management conducted assessments of the PAC during March 2022. The results of the assessments were reviewed and discussed at the PAC Meetings of 1 April 2022 and 3 June 2022. The outcome of the review was satisfactory.

The PAC held 6 (six) meetings during the financial year under review. Four (4) of the PAC meetings for the financial year were virtual meetings.

The PAC placed emphasis on the importance of all the Directorates being represented at their meetings to attend to questions being asked for clarity.

Dates of Performance Audit and Audit Committee meetings:

- **Old Committee**
  - 30 August 2021
  - 3 September 2021
  - 26 November 2021
  - 21 January 2022
- **New Committee**
  - 1 April 2022
  - 3 June 2022

Composition of Performance Audit and Audit Committee and Attendance of Meetings:

Name of Member (Old Committee)	Number of Meetings Attended
R Gani (Chairperson)	4
EP Lakey	3
W Zybrands	4

Name of Member (New Committee)	Number of Meetings Attended
Appointed 10 March 2022:	
EP Lakey (Chairperson)	2
R Gani	2
V Jobe	2
Appointed 26 April 2022:	
B Vink	1

Internal Audit

In terms of the IIA (Institute of Internal Auditors) standards, the Internal Audit unit must undergo an internal quality assessment. In January 2022 the PAC evaluated the Internal Audit unit and in March 2022 the Management Team evaluated the Internal Audit unit. The results of the evaluations were discussed at the PAC meetings of 1 April 2022 and 3 June 2022.

An External Quality Assurance Review was performed for the Internal Audit Department in 2021. Internal Audit gave quarterly feedback to the PAC regarding the Action Plan compiled to address findings raised in the Quality Assurance Review. The PAC is satisfied that all findings are addressed and implemented as per action plan compiled and approved by the PAC.

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

In line with the MFMA, Internal Audit provides the PAC and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by a risk based Internal Audit plan, internal audit assessing the adequacy of controls, mitigating the risks and the PAC monitoring implementation of corrective actions.

The Internal Audit Department issued 22 audit reports during the period under review: (1 July 2021 - 30 June 2022)

- 99 findings were made.
- 32 of these findings were regarded as significant (serious). Management agreed with all these findings and timelines have been set to address these findings. Management gives quarterly feedback on the status of these findings to the Performance- and Audit Committee; and
- The remaining 67 findings were regarded as housekeeping (minor transgressions which could easily be rectified) and remains the responsibility of administration to address and the PAC to oversee.

All the audits on the approved 2021/2022 annual internal audit plan were completed. The following internal audit reports were issued during the period under review:

- Supply Chain Management 4th Quarter 2020/2021;
- Performance Management 4th Quarter 2020/2021;
- Compliance to Acts Assessment 4th Quarter 2020/2021;
- Water Distribution Losses Audit;
- Solid Waste 2nd Quarter 2021/2022;
- Waste Water Audit;

- Performance Management 1st Quarter 2021/2022;
- Risk Management Audit;
- Supply Chain Management 1st Quarter 2021/2022;
- Performance Management 2nd Quarter 2021/2022;
- Compliance to Acts Audit 1 July – 31 December 2021;
- Maintenance on Roads Audit;
- Governance Audit;
- Ad Hoc Water Use Licence Audit;
- Supply Chain Management 2nd Quarter 2021/2022;
- Performance Management 3rd Quarter 2021/2022;
- Solid Waste 4th Quarter 2021/2022;
- Land Invasions Audit;
- ICT Audit;
- Supply Chain Management 3rd Quarter 2021/2022;
- Cash Management and Investment Audit; and
- Recovery of Revenue Audit.

In addition to the reports issued above, the following reviews were reported to the PAC by Internal Audit:

- 2020/2021 Year End Inventory Counts on behalf of the Auditor General
- Solid Waste 1st Quarter 2021/2022;
- Solid Waste 3rd Quarter 2021/22;
- 2020/2021 Draft Annual Financial Statements Review;
- 2020/2021 Draft Annual Report Review;
- Quarterly Internal Audit Follow-up (follow-up on status of all outstanding Internal Audit findings and PAC recommendations made; reported every quarter);
- Auditor General Action Plan Follow-up (follow-up on status of all outstanding Auditor General Findings; reported every quarter); and
- 2021/2022 Tariffs Review.

The Effectiveness of Internal Control

Internal control is the system of controls and directives that are designed to provide cost effective assurance that assets are safeguarded, that liabilities and working capital are efficiently managed and that the municipality fulfils its mandate, in compliance with all relevant statutory and governance duties and requirements.

The PAC reviewed all the Internal Audit reports.

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

- Solid Waste;
- Waste Water;
- Water Distribution Losses;
- Supply Chain Management; and
- Information and Communication Technology.

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

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

Risk Management

The minutes of the Fraud and Risk Management Committee as well as the Risk Management Implementation Plan are presented to the PAC. A member of the PAC attends FARMCO meetings.

The PAC raised its concern regarding the lack of FARMCO meetings held during the year and the risks associated with the fact that FARMCO meetings do not take place at least quarterly.

The PAC is also concerned that the 2022/2023 Risk Registers has not been compiled by 30 June 2022. This negatively influences the compilation of the Risk Based Internal Audit Plan.

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

The following risks were identified by the PAC for further action:

- Understaffed Supply Chain Management Unit;
- Vacancies of the MM and Directors positions;
- The lack of a functional Bid Adjudication Committee;
- ICT Security in particular cyber-attacks;
- Various risks posed by Waste Management and rehabilitation costs;
- Underspending of the Capital Budget; and
- Water losses.

Performance Management

The PAC have reviewed the 2021/2022 Draft Annual Performance Report of the municipality as well as the quarterly SDBIP Performance Reports submitted to it by the Internal Audit Department. The PAC is concerned that the non-financial KPI's are not updated timeously and requested that Management ensures that non-financial KPI's are updated timeously within 10 days after the end of each quarter.

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

The PAC raised its concern regarding targets being set lower than the previous year's performance and targets not being realistic and the low spending of the Capital Budget. Other matters such as the PMS not adequately used as an early warning system and the measurement criteria used also caused concern.

The PAC reviewed the 2020/2021 Annual Report before submission to Council and was satisfied that the information presented to them was adequate and reliable.

Compliance with Legislation

The PAC is well informed and satisfied with reports regarding the Status of Compliance with Legislation in TWK. A compliance report was presented to the PAC bi-annually containing the following legislation:

- Supply Chain Management Regulations;
- Municipal Finance Management Act;
- Planning and Performance Management Regulations;
- Investment Regulations;
- Budget and Reporting Regulations;
- Property Rates Act;
- Municipal Structures Act;

- Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers;
- Municipal Systems Act; and
- Disaster Management Act.

Evaluation of Financial Statements

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

The PAC has:

- reviewed and discussed the budget statements (section 71 reports) on a quarterly basis;
- reviewed, discussed and provided input on the unaudited draft Annual Financial Statements on 30 August 2022 prior to submission to the Auditor-General. The draft AFS were methodically scrutinised with the CFO;
- reviewed the process followed in the preparation of the Annual Financial Statements;
- reviewed the processes for compliance with legal and regulatory provisions; and
- reviewed the skills and adequacy of staff in the Finance Department

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

Auditor-General

The PAC discussed the following with the Auditor-General:
- Auditor General Audit Strategy for the 2020/2021;
- The report of the Auditor-General for the 2020/2021 audit; and
- High audit costs / saving options.

The PAC provided oversight over the quarterly reports regarding the status of the Audit Action Plan (Containing actions to be taken to resolve findings made by the Auditor-General in the 2020/2021 Management Report).

Information and Communication Technology

The ICT Manager reports to the PAC on the status of Information and Communications Technology on a quarterly basis.
The PAC raised its concern regarding Disaster Recovery in terms of ICT.

Appreciation

The PAC wishes to express its appreciation to the Management of the Municipality and the Internal Audit Department for the co-operation and information they have provided to enable us to compile this report.

Mr EP Lakey
Chairperson of the Performance Audit and Audit Committee
October 2022

2.9 SUPPLY CHAIN MANAGEMENT

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

SCM implemented a system in conjunction with Provincial Treasury and the Western Cape Supplier Database to ensure that prospective supplier ID numbers are run through the persal system to avoid non-compliance.

In order to supply goods or provide services to the municipality, the business needs to be registered on the Supplier Database and also on the CSD. The business is then able to quote and bid for services and goods as advertised by the municipality.

What is a Quotation?

A quotation is an informal offer to perform work, render a service or supply goods at a price. Request for Quotation (RFQ) is a form of procurement where processes and procedures have been relaxed in accordance with pre-determined transactional ceiling costs.

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

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

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

Quotations usually include quite a bit of details. In the quotation, the supplier will include a breakdown of the factors that have led to the specific price, such as taxes/VAT, material costs, labor, etc. Also included is the time frame for when a service will be completed or for when the goods will be delivered.

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

What is a Bid?

A bid, previously called a tender, is a formal offer to perform, render a service or supply goods at a price. The bidding process is a detailed, document driven process, which requires the potential supplier to complete and submit a document within a predetermined timeframe.

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

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

Get registered

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

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

CSD (Central Supplier Database):

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

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

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

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

Access bids or quotations via:

- Our website
- Notice boards
- Newspapers

Tips for Completing/Submitting Your Offer

1. Obtain the actual tender document as quickly as possible

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

2. Read the terms and conditions of the tender carefully

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

If the meeting is not compulsory, we suggest you attend the meeting nevertheless, as you will gain insight into what is expected of the successful bidder and you can then make an informed decision as to whether to apply for the tender and what to highlight in your application in order to increase your chances of success.

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

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

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

3. Submit before closing date

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

4. Price Competitively - Demonstrate you competency

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

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

5. Confirm that your tender documents have been received

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

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

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

2.10 BY-LAWS

The following by-laws were passed for during the financial year of 2021/2022:

1. By-Law On Municipal Land Use Planning (04 March 2022)
2. Immovable Property By-Law (03 June 2022)

2.11 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the Municipal Finance Management Act (MFMA) as well as other relevant legislation from the South African legal framework. This would be the formal legislative requirement, but the social and community benefits are obviously substantial. A website is a core essential requirement, tool and resource for any organisation in the modern time and economy. Social media is a massive tool in modern day communication and various channels are utilised by various ages and generations. The municipality is striving to expand the services it hosts and publishes on the website, additionally also the news and communication functionality to the broader public and other social media platforms.

The municipal website strives to be a mechanism to promote accountability and transparency to communities and share relevant information which is accurate and timeously updated according to our internal capacity and available information. The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation and remains a constantly changing and dynamic mechanism for community engagement and communication. Core focus areas currently remain SCM processes, quotation and tenders as well as vacancies and notifications of meetings with the Agenda's and Minute's as received from the secretariat.

The municipal website serves as an integral part of the Municipality's communication strategy along with other forms of communication & social media. This is additional to our Facebook, Collab Citizen App and newest Instagram & Twitter pages as well.

HOW TO LINK AND VIEW YOUR MUNICIPAL ACCOUNT ON YOUR

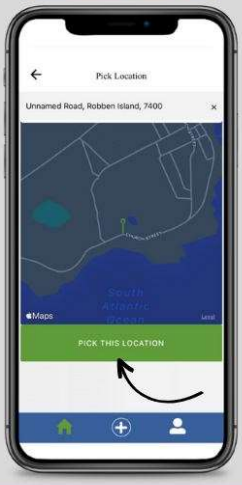
COLLAB CITIZEN APP

Step 1: Subscribe to a Channel (Municipality)

Tap on Channels

Tap on +

Pick your Municipal Area on the map



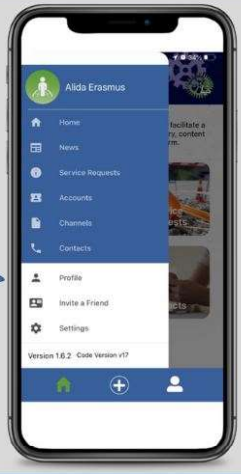
Tap on the Channel you want to subscribe to

Choose your Interest Types and tap on Submit

Step 2: Add your ID or Passport Number on your Profile

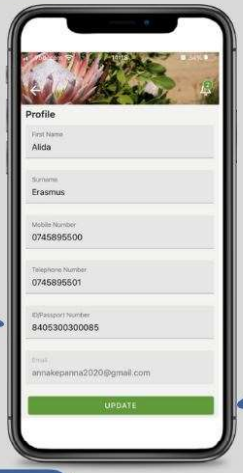
Tap on the Navigation Button

Tap on Profile



Type in ID or Passport Number

Tap on Update



Step 3: Link your Municipal Account

Tap on Accounts

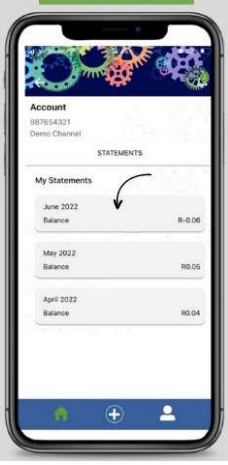
Tap on +

Tap on your Channel (Municipality)

Type your Account Number in & Tap on Verify

Status change to Approved once verified

Tap on Statement to view



Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents		Final Budget 21/22 - 09/07/2021 Adjustment Budgets (1) 21/22 - 31/08/2021 Adjustment Budgets (2) 21/22 - 11/02/2022 Adjustment Budgets (3) 21/22 - 28/02/2022 Adjustment Budgets (4) 21/22 - 01/04/2022 Adjustment Budgets (5) 21/22 - 27/05/2022
All current budget-related policies		27/05/2022
The previous annual report (Year 2020/21)		30/03/2022
The annual report (Year 2021/22) published/to be published		Draft - 31/08/2022
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2021/22) and resulting scorecards		Municipal Manager Performance Agreement D. Lubbe (16/07/2021)
All service delivery agreements (Year 2021/22)		Quarter 1 -28/11/2021 Quarter 2 -22/02/2022 (published) Quarter 3 -12/05/2022 (published)
All long-term borrowing contracts (Year 2021/22)		November 2022
All supply chain management contracts above a prescribed value for Year 2021/22		monthly as per policy
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2021/22		
Contracts agreed in Year 2021/22 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in Year 2021/22	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2021/22	Yes	Quarter 1 -14/10/2021 Quarter 2 -13/01/2022 Quarter 3 -14/04/2022 Quarter 4 -15/07/2022
Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		T2.10.1

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

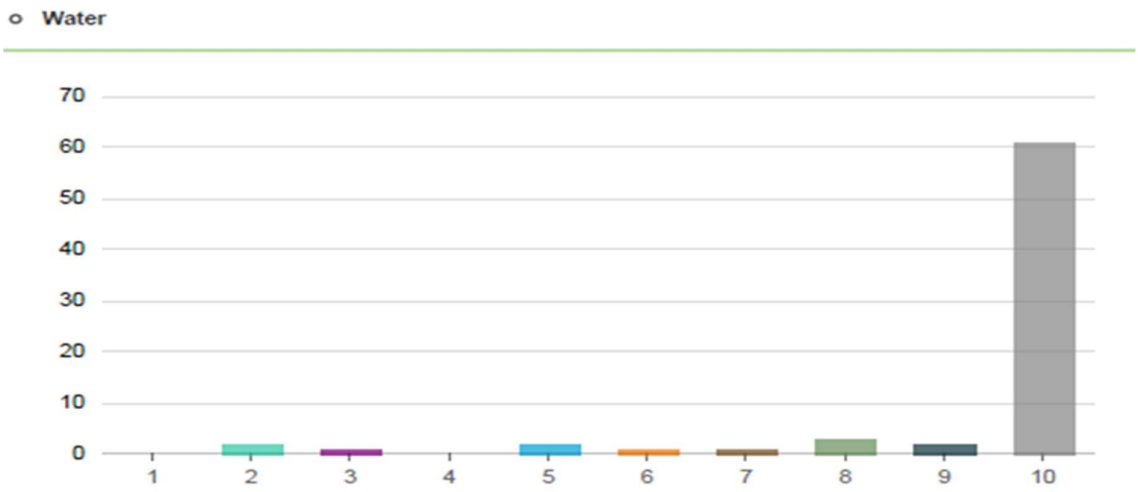
A client satisfaction survey was conducted to determine the level of satisfaction from the community. The survey was sent out with accounts and community members was requested to return the completed survey to the municipal offices.

The municipality in conjunction with the casino even give prices to participants to improve the level of participation.

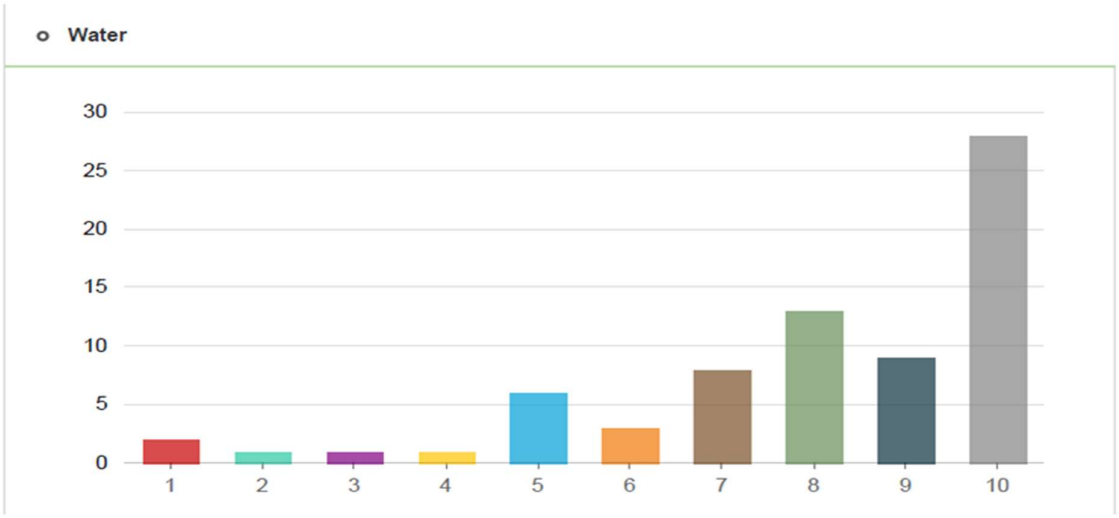
The results of the client satisfaction survey are as follows:

Importance vs. Satisfaction (Water)

Question 1 - How important are the following municipal services for you?

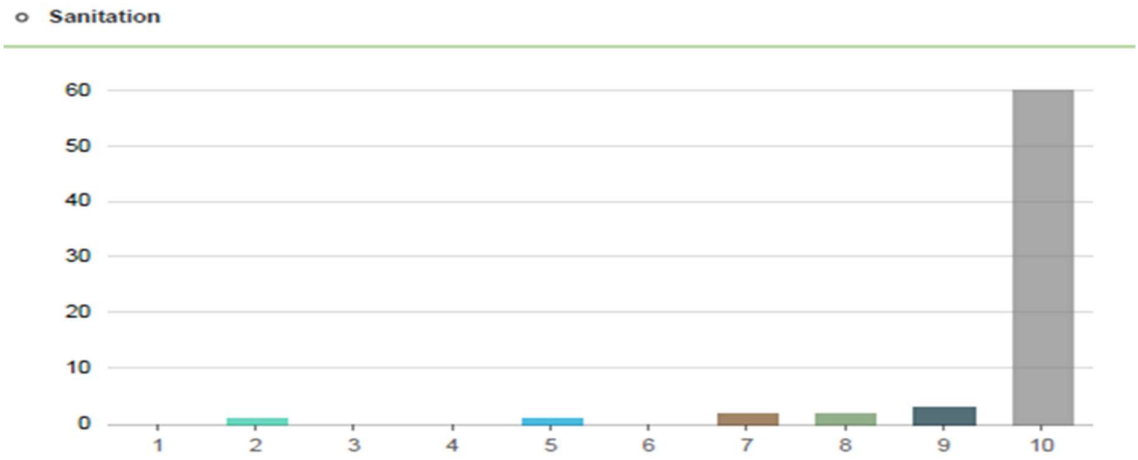


Question 2 - How satisfied are you with the following municipal services?

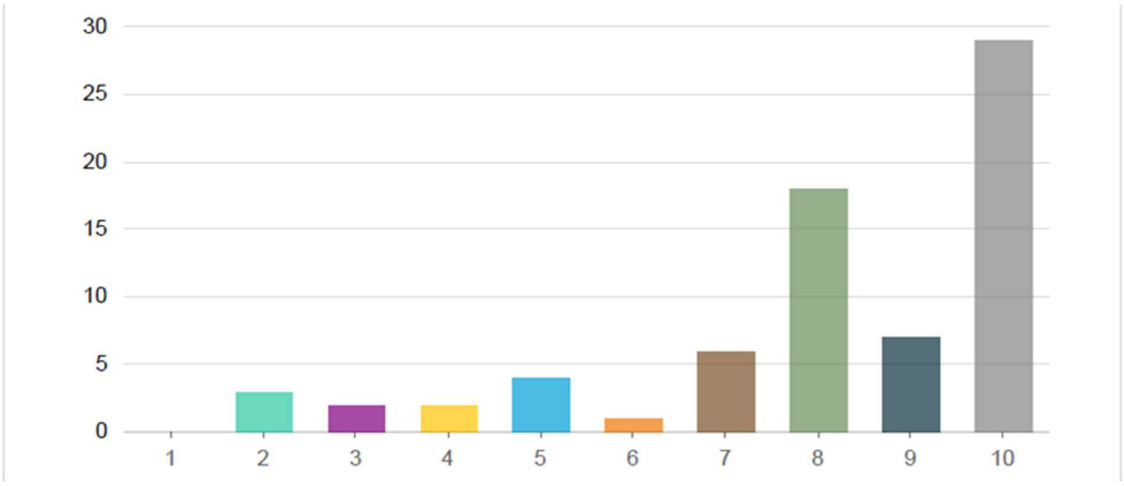


Importance vs. Satisfaction (Sanitation)

Question 1 - How important are the following municipal services for you?

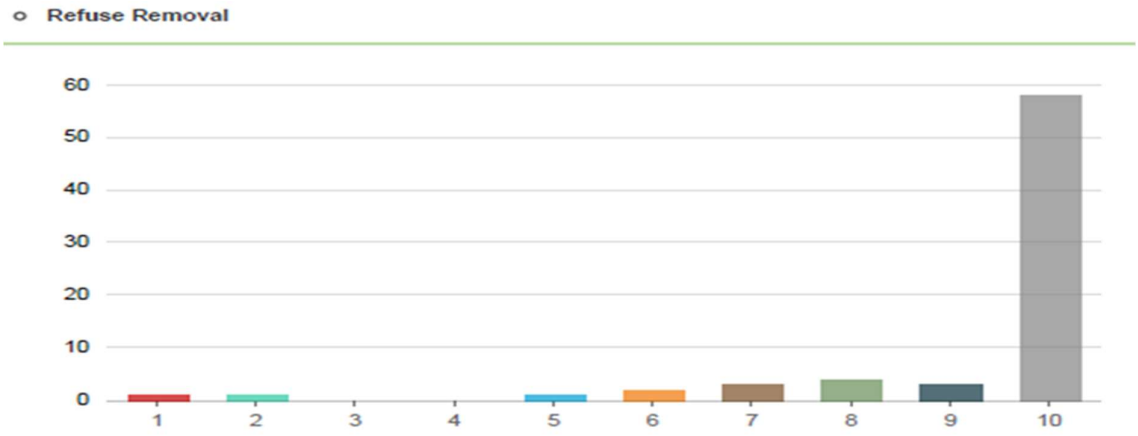


Question 2 - How satisfied are you with the following municipal services?

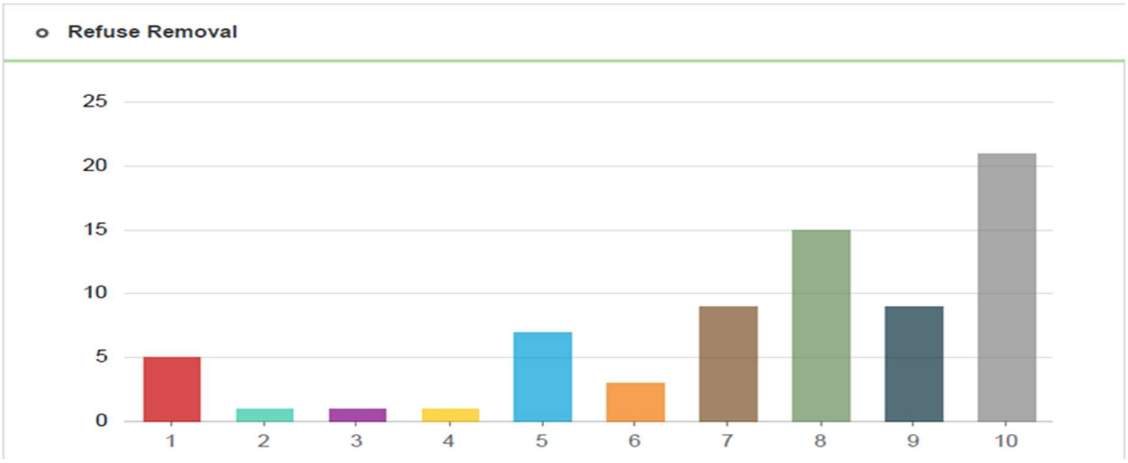


Importance vs. Satisfaction (Refuse Removal)

Question 1 - How important are the following municipal services for you?

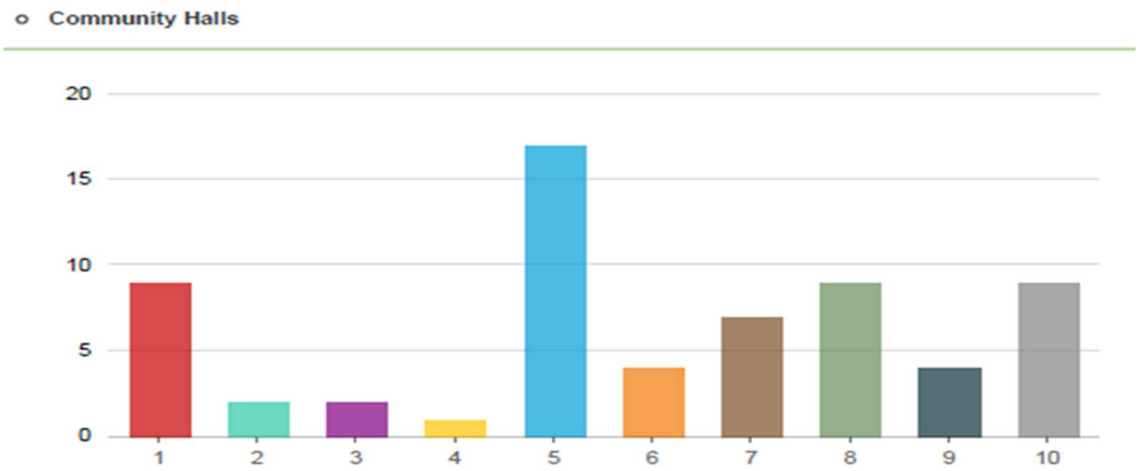


Question 2 - How satisfied are you with the following municipal services?

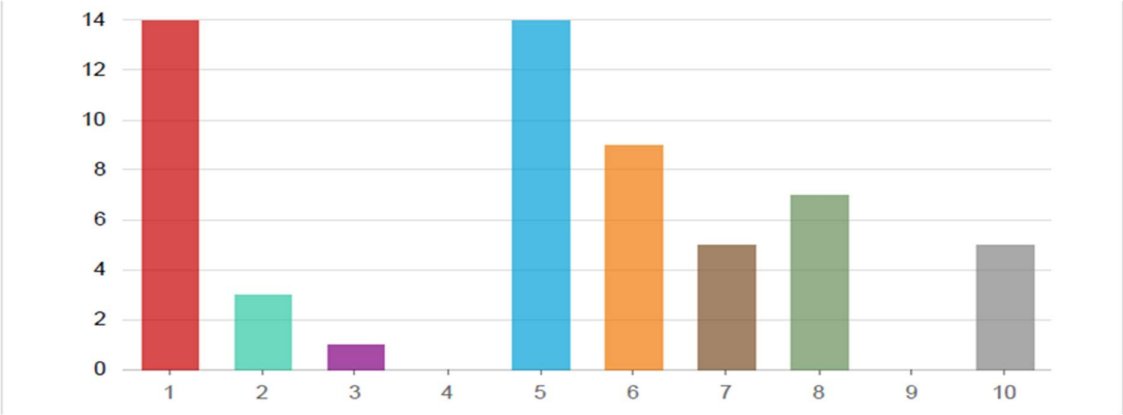


Importance vs. Satisfaction (Community Halls)

Question 1 - How important are the following municipal services for you?

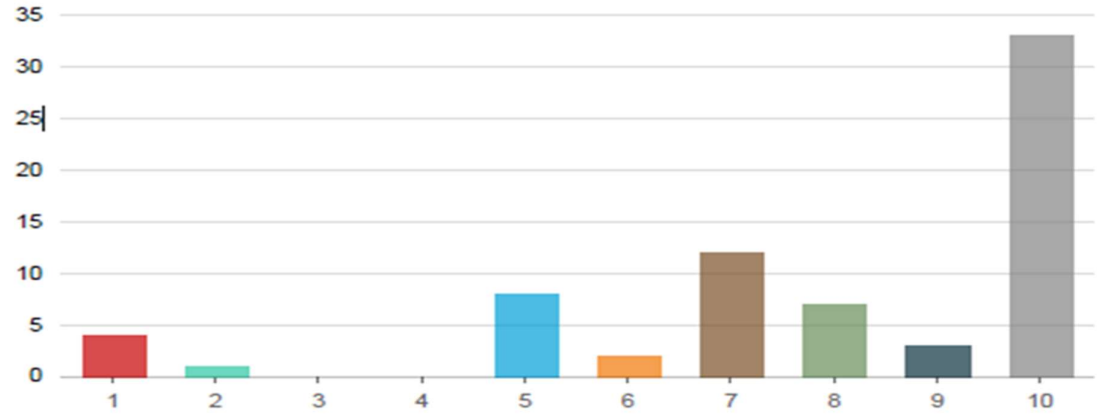


Question 2 - How satisfied are you with the following municipal services?

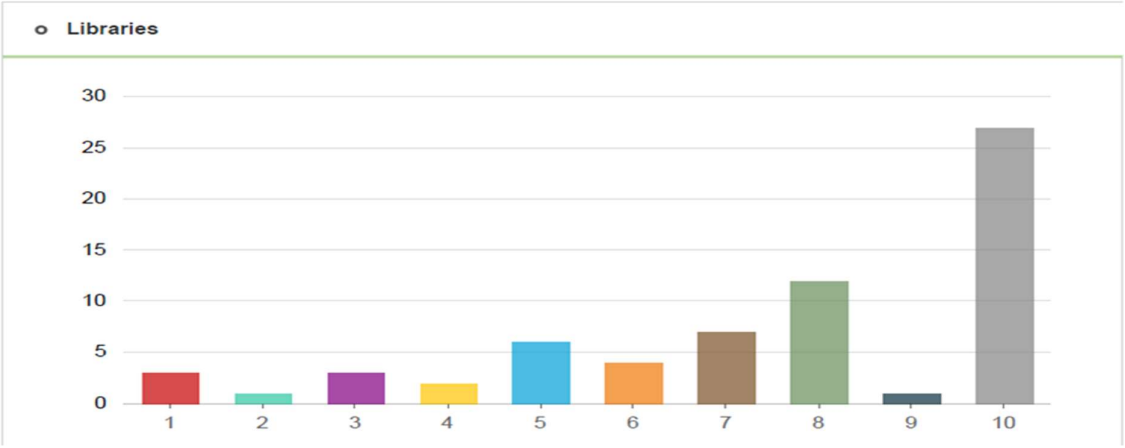


Importance vs. Satisfaction (Libraries)

Question 1 - How important are the following municipal services for you?

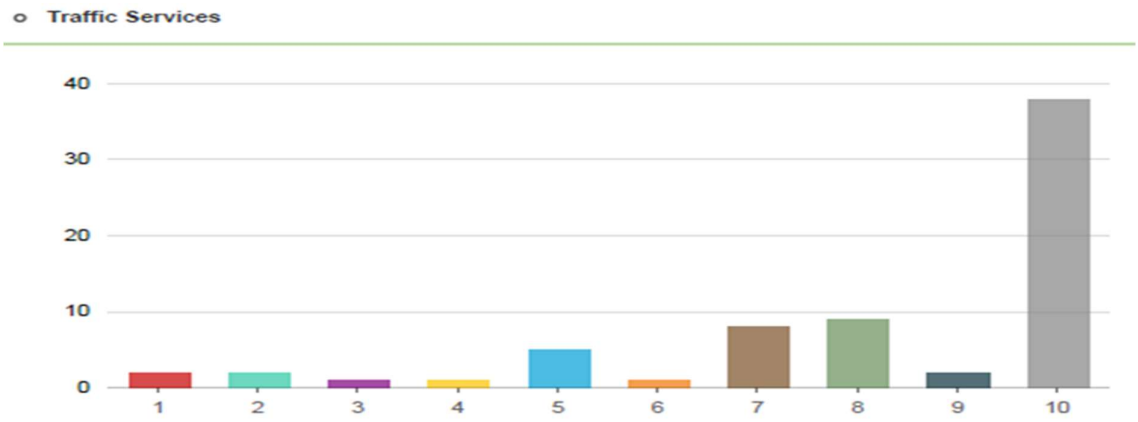


Question 2 - How satisfied are you with the following municipal services?

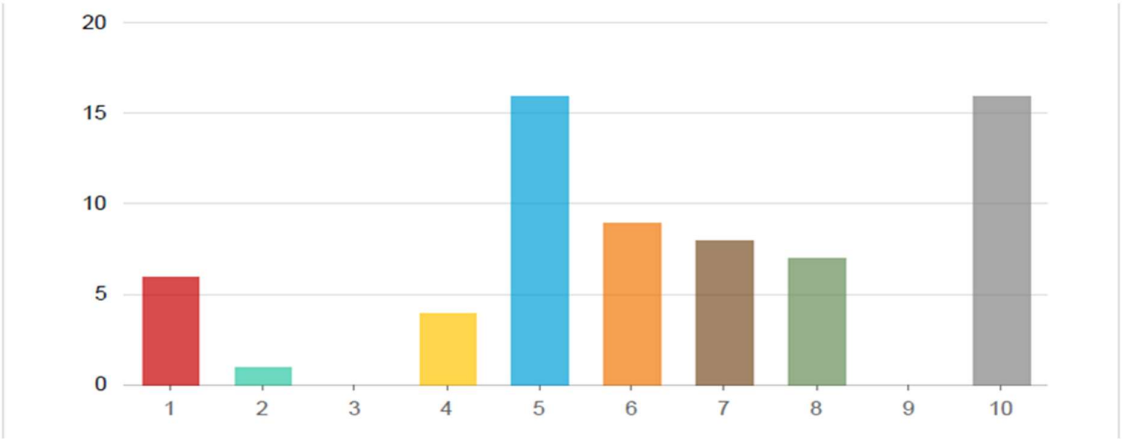


Importance vs. Satisfaction (Traffic Services)

Question 1 - How important are the following municipal services for you?

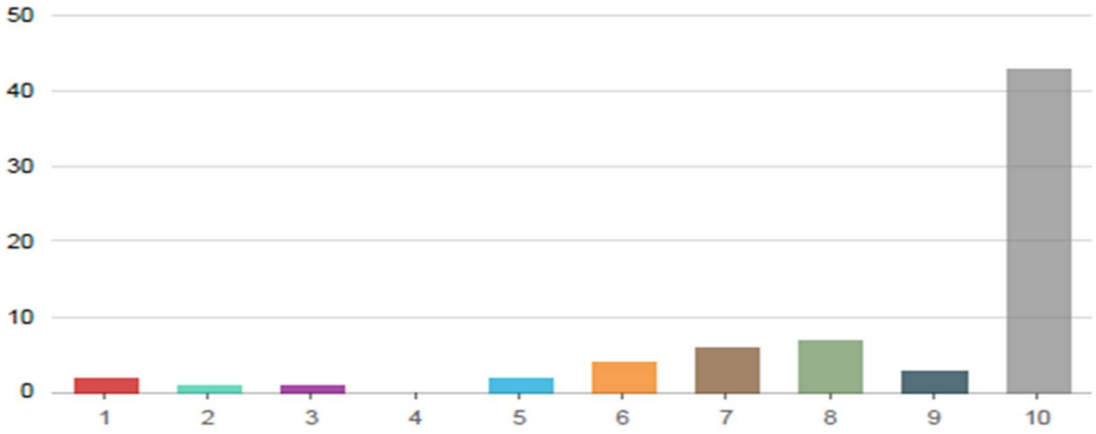


Question 2 - How satisfied are you with the following municipal services?

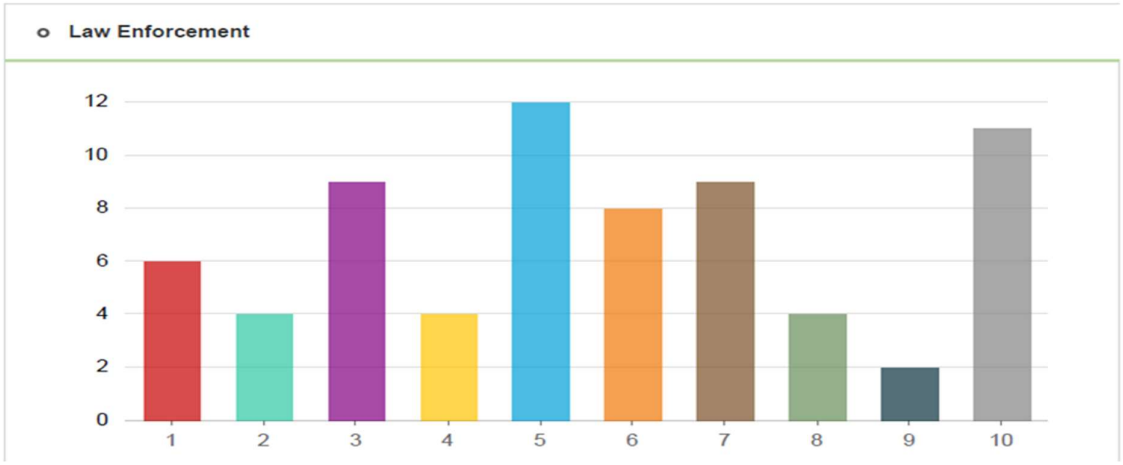


Importance vs. Satisfaction (Law Enforcement)

Question 1 - How important are the following municipal services for you?

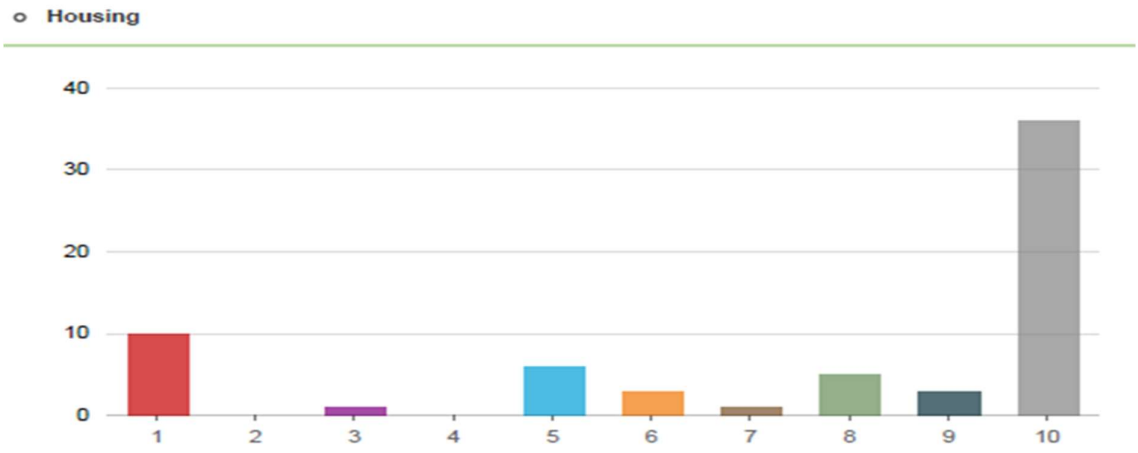


Question 2 - How satisfied are you with the following municipal services?

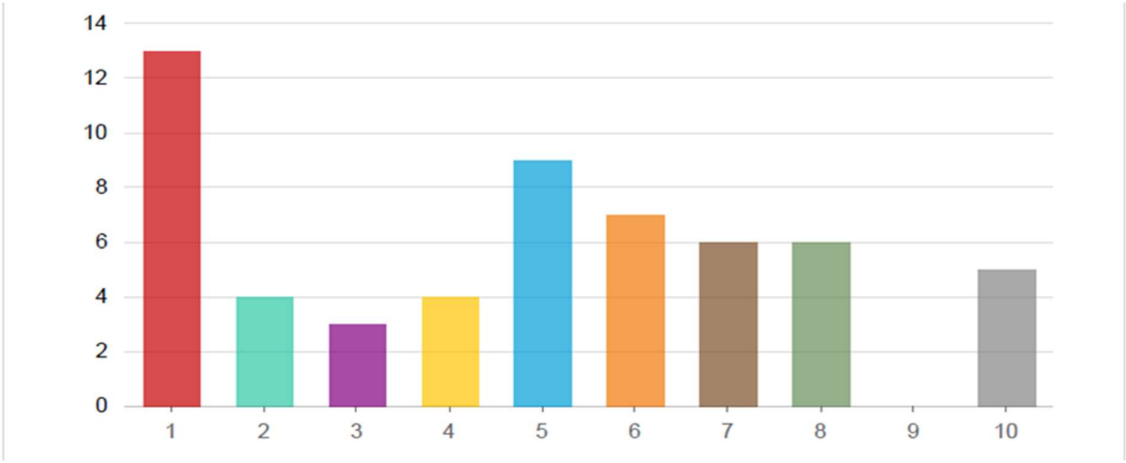


Importance vs. Satisfaction (Housing)

Question 1 - How important are the following municipal services for you?

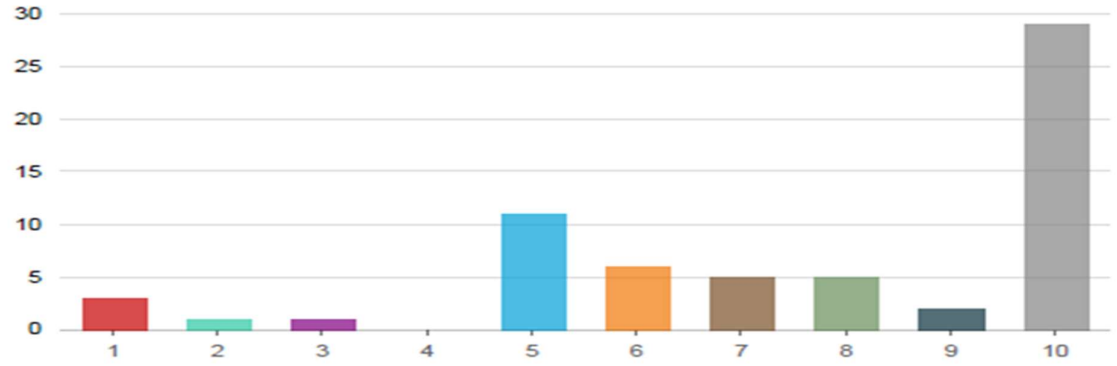


Question 2 - How satisfied are you with the following municipal services?

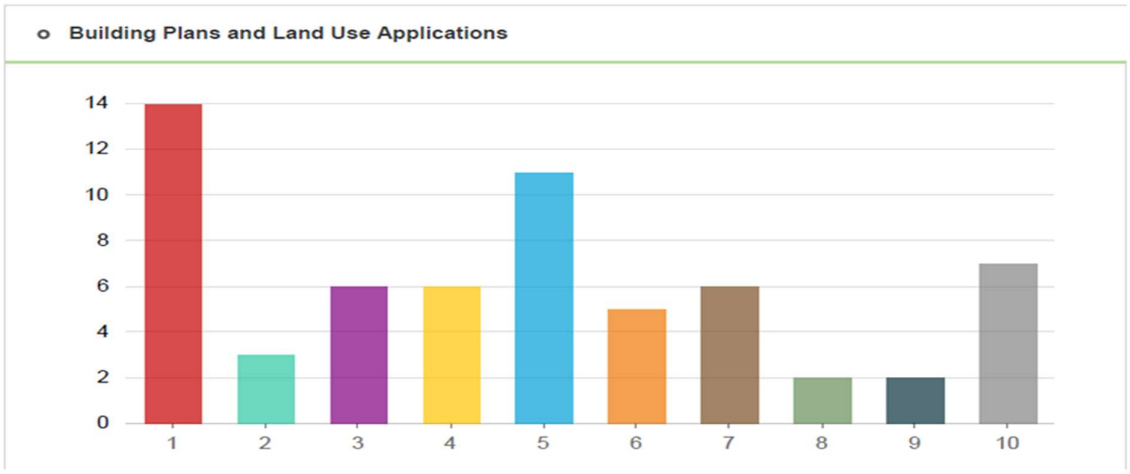


Importance vs. Satisfaction (Building Plans and Land use Applications)

Question 1 - How important are the following municipal services for you?

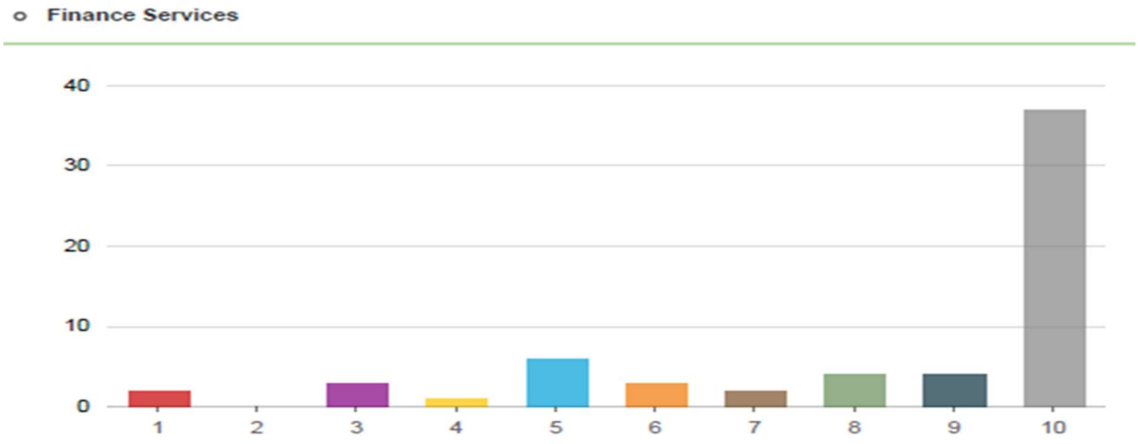


Question 2 - How satisfied are you with the following municipal services?

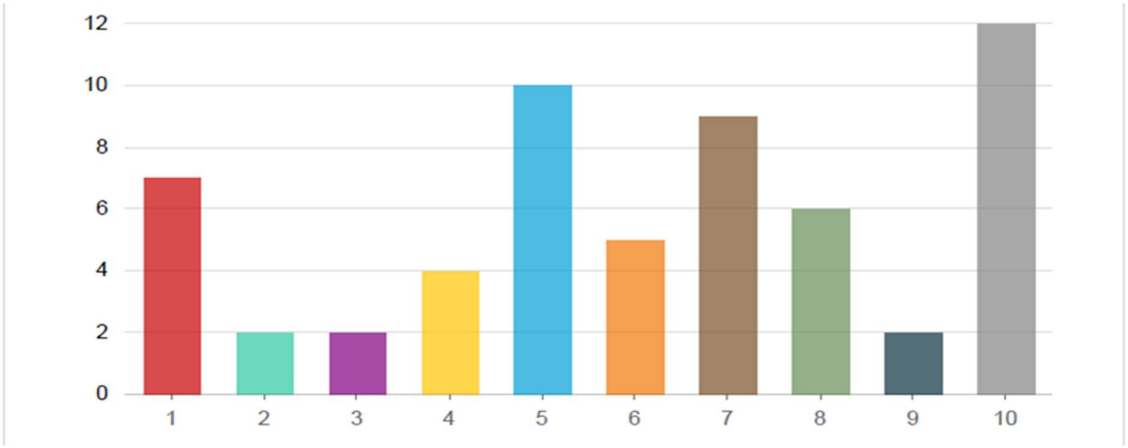


Importance vs. Satisfaction (Financial Services)

Question 1 - How important are the following municipal services for you?

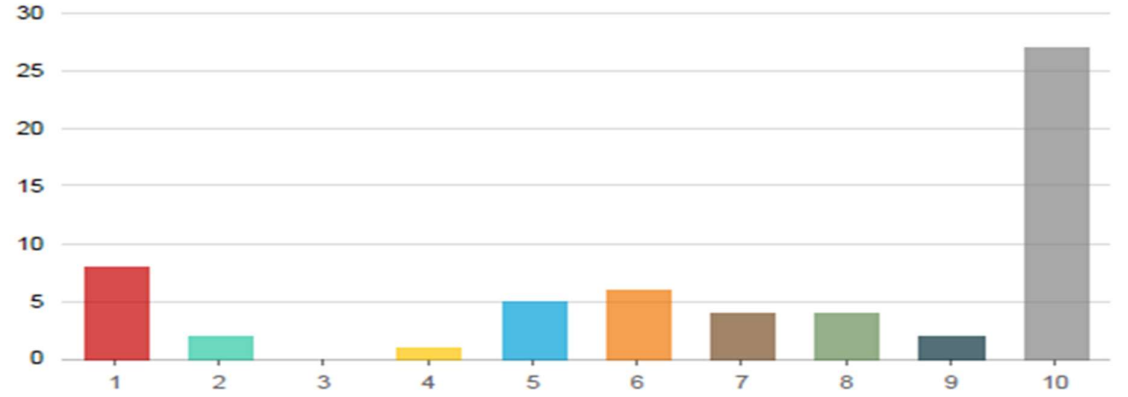


Question 2 - How satisfied are you with the following municipal services?

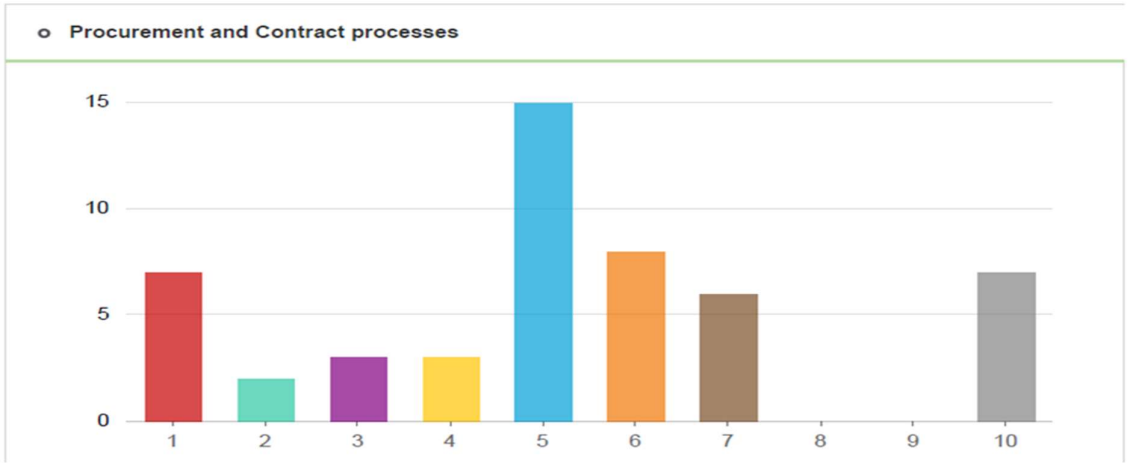


Importance vs. Satisfaction (Procurement and Contract Processes)

Question 1 - How important are the following municipal services for you?

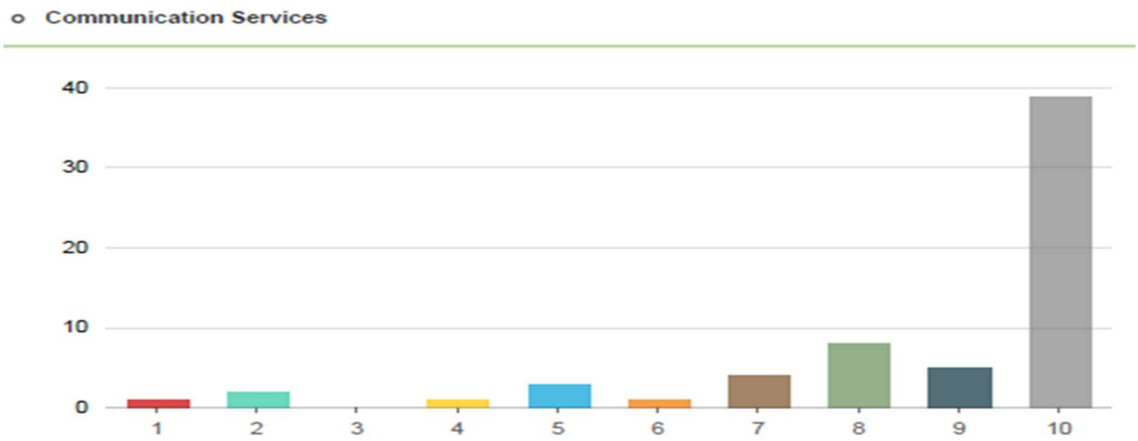


Question 2 - How satisfied are you with the following municipal services?

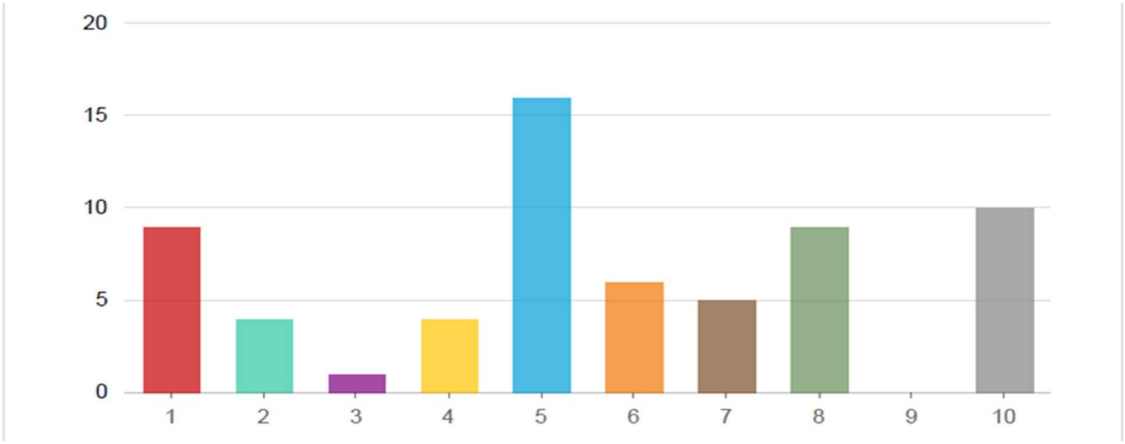


Importance vs. Satisfaction (Communication Services)

Question 1 - How important are the following municipal services for you?

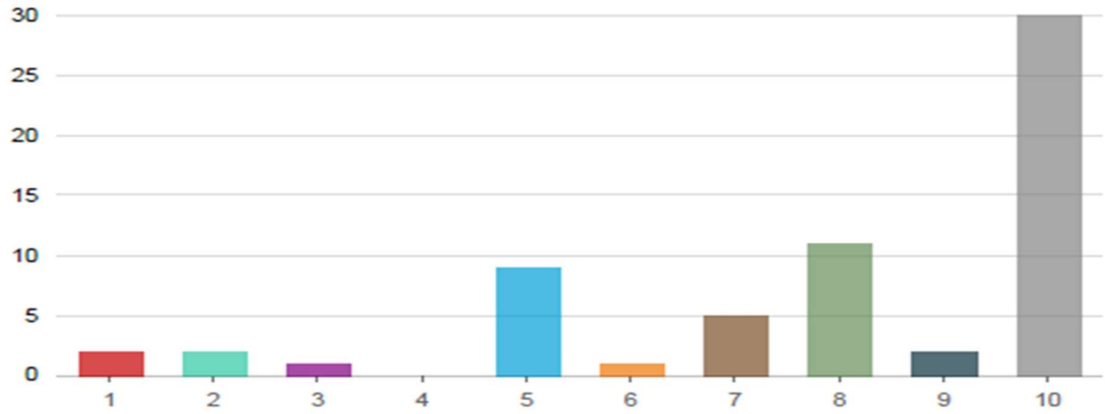


Question 2 - How satisfied are you with the following municipal services?

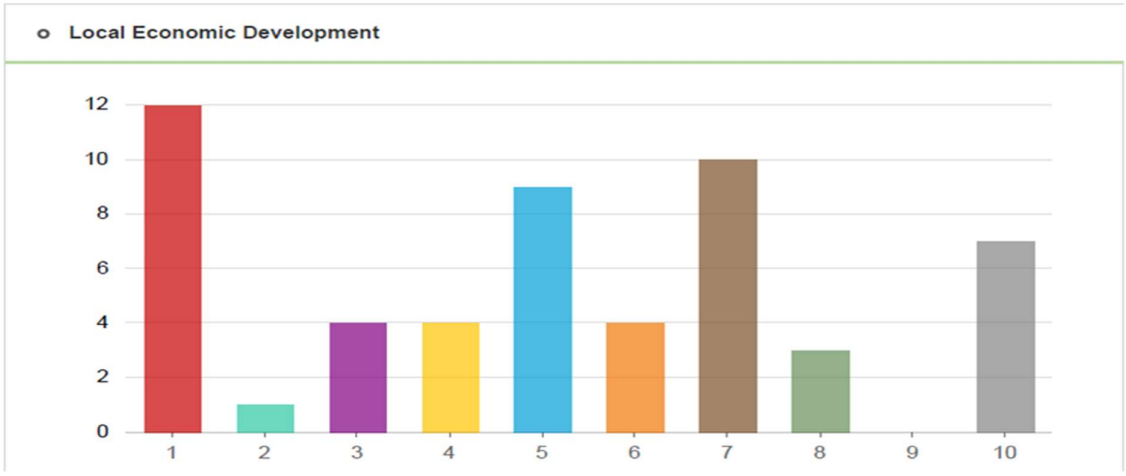


Importance vs. Satisfaction (Local Economic Development)

Question 1 - How important are the following municipal services for you?

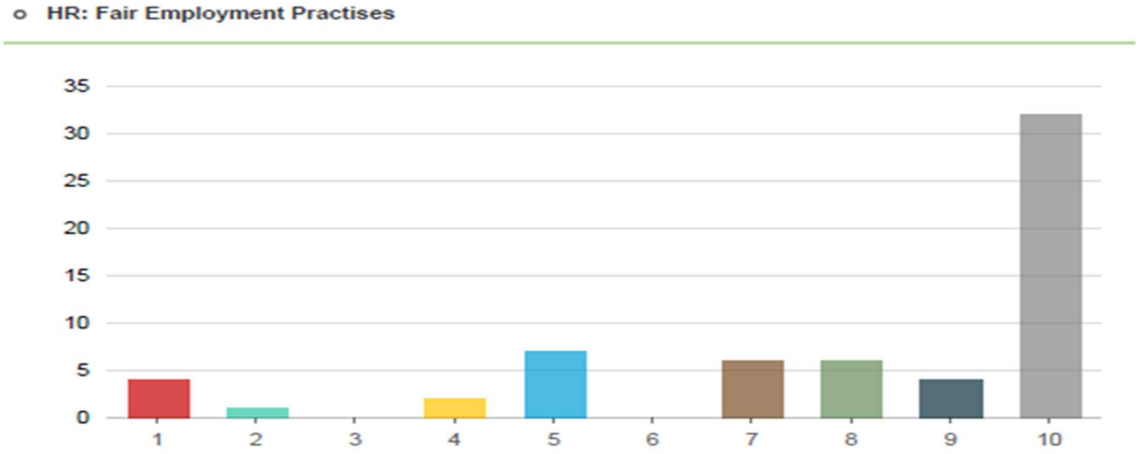


Question 2 - How satisfied are you with the following municipal services?

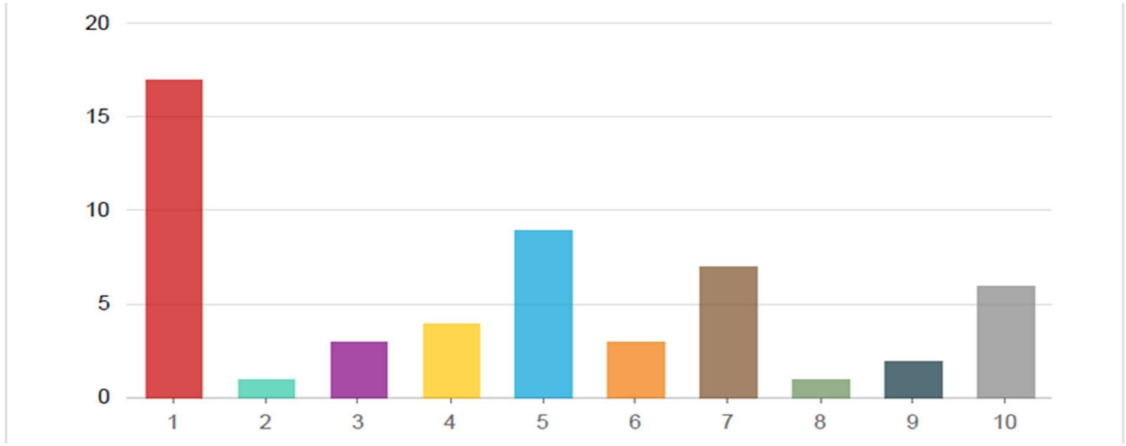


Importance vs. Satisfaction (HR: Fair Employment Practices)

Question 1 - How important are the following municipal services for you?

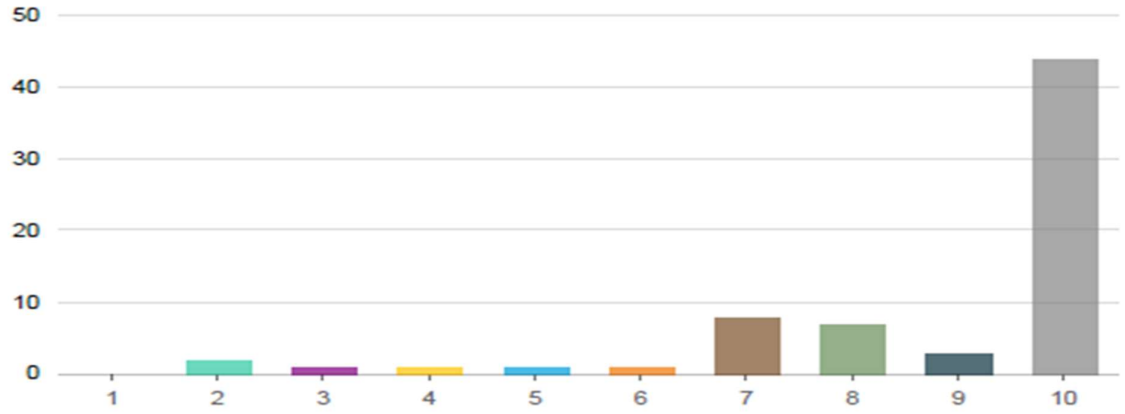


Question 2 - How satisfied are you with the following municipal services?

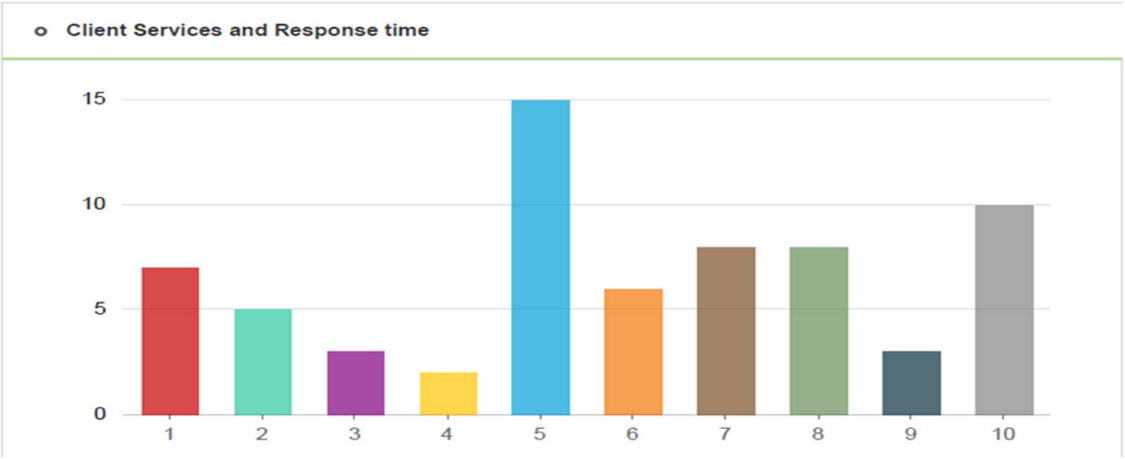


Importance vs. Satisfaction (Client Services and Response Time)

Question 1 - How important are the following municipal services for you?



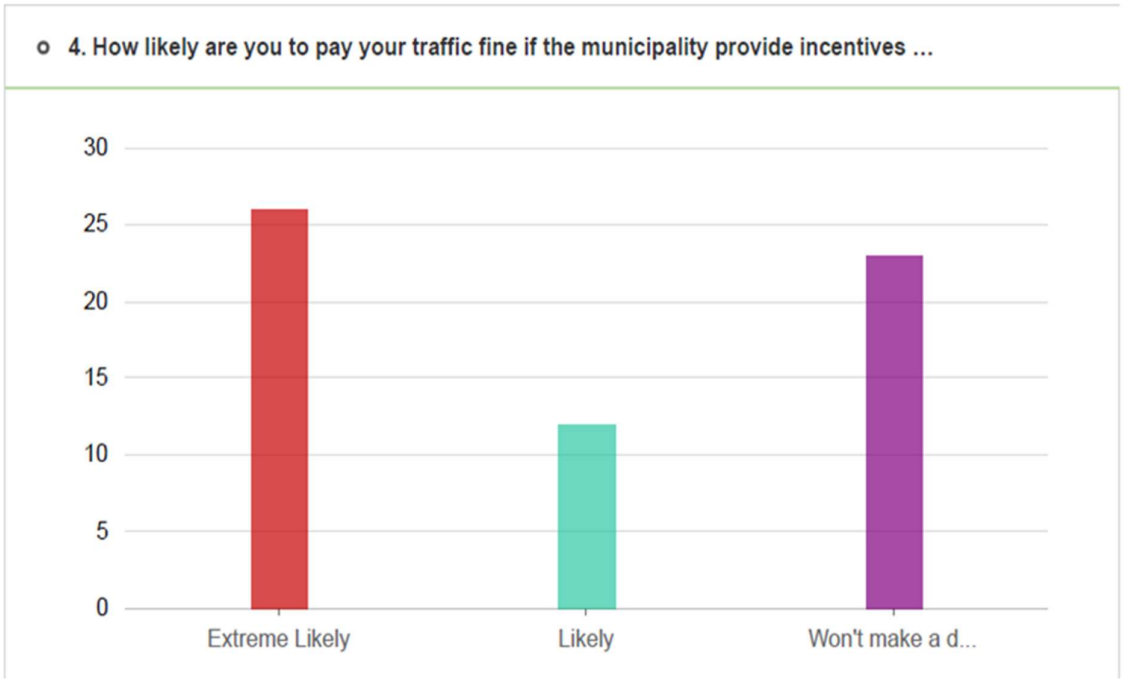
Question 2 - How satisfied are you with the following municipal services?



Question 3 - Please list three (3) services, from the above category, that you consider as a priority for the municipality to take note of?

1. Water
2. Sanitation
3. Refuse
4. Housing
5. Law Enforcement against Illegal rubbish dumping.
6. Law Enforcement against drugs and alcohol abuse

Question 4 - How likely are you to pay your traffic fine if the municipality provide incentives to pay e.g. 30% discount if you pay your traffic fine within one month?



Question 5 - Please provide two (2) reasons why you are not or would not pay your municipal account?

Unemployed	Open spaces does not get cleaned, becomes dumping sites	No attention to housing	Pensioner
Bad service delivery	No provision of water, sanitation and waste removal	Not taking care of sanitation	Some people are favoured – some do not pay
Too large wages/salary bills	Refuse removal does not occur on time	Brown water	Un-mitigating growth in squatter camps
Unavailability of services	To many employees who does nothing	Only person in the household who is working	High rates
Low service level	Incorrect spending of money	Only pay for services rendered	Gravel roads
Unfair billing system	Informal settlements waste water	High cost of living	Roads are not in a good condition
Rising costs	Poor services – water, sanitation, refuse, electricity and potholes	Financial problems	Streets does not get cleaned regularly

Question 6 - Please provide any three issues that in your view require the urgent attention or intervention of the Municipality?

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

Introduction

The Annual Performance Report is prepared and submitted in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 providing guidelines on the Annual Report. The Annual Performance Report covers the performance information from 01 July 2021 to 30 June 2022 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP). The report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) for 2021/2022. The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area as well as the performance per Municipal Directorate.

The Following are the Municipalities Key Performance Areas:

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

Legislative Background

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

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

a) the performance of the Municipality and each external service provider during

that financial year;

b) a comparison of the performance referred to in paragraph (a) with targets set

for performance in the previous financial year; and

c) measures taken to improve performance.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and

improvement will be conducted, organised and managed, including determining the roles of the different role players." This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

Performance Summary

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

MFMA Circular No.13 prescribes that:

The IDP and budget must be aligned;

The budget must address the strategic priorities;

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

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

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

The following elements necessitated the revision of the SDBIP:

<u>The adjustment budget</u>:

1. Numerous Adjustments during the 2021/2022 Financial Year
2. Auditor General's recommendation on the 2020/21 Performance Audit.
3. Comments Received from Internal Audit who assessed KPI's based on SMART principle.
4. The revision process was as follows:
5. One on one sessions were held with all the directors and their heads of departments were KPIs were drafted to ensure consistency with planned objectives, indicators, targets and also to ensure that the KPI's and targets set are based on the SMART principles.

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

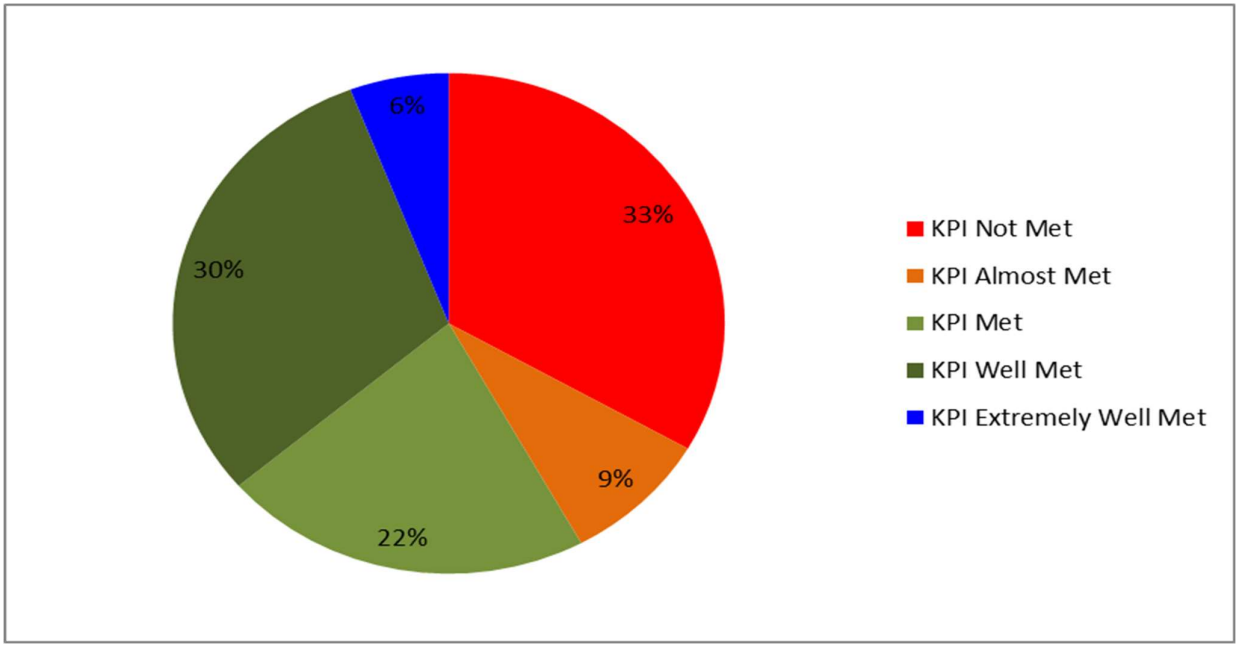
Category	Colour	Explanation
KPI Removed during Adjustment Budget		KPI's with no targets or actuals in the selected period
KPI Not Met		0% >= Actual/Target < 75%
KPI Almost Met		75% >= Actual/Target < 100%
KPI Met		Actual Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met	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

2021/2022 Performance Results

The following section will focus on the performance results achieved during the 2021/22 financial year.

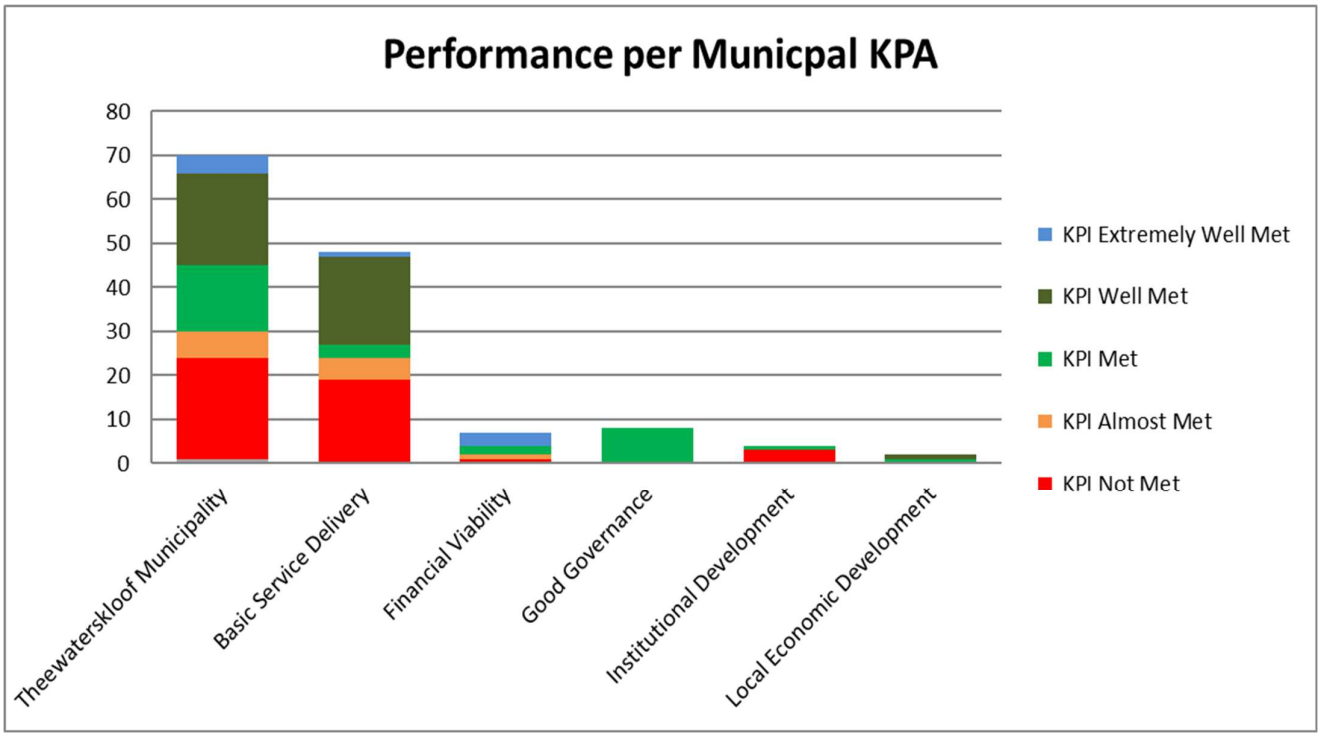
Summary of Results

	Theewaterskloof Municipality
KPI Not Met	23
KPI Almost Met	6
KPI Met	15
KPI Well Met	21
KPI Extremely Well Met	4
Total	**69**



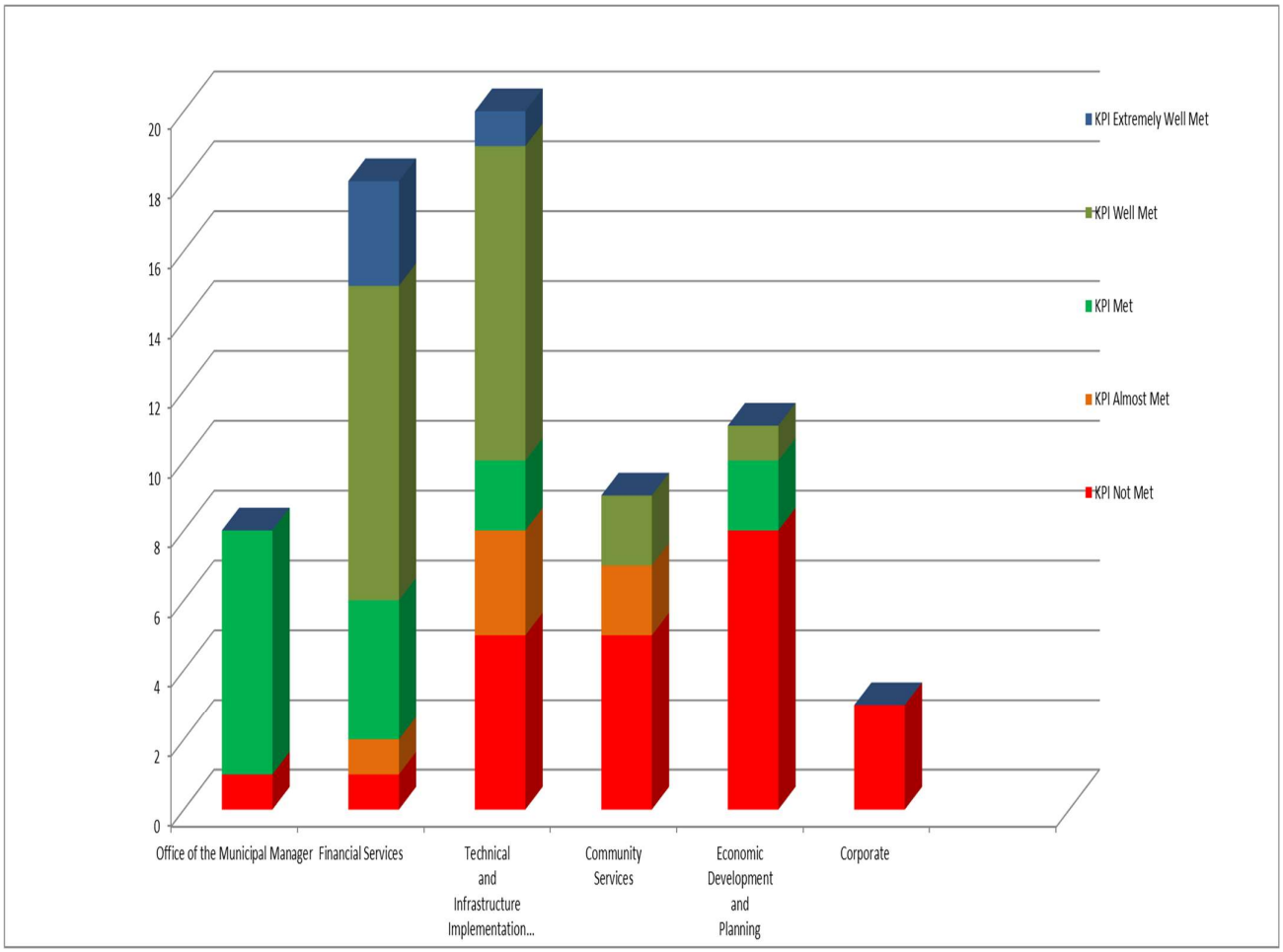
Theewaterskloof had a total of 69Toplayer KPI's that was measured during the 2021/22 financial year. 58% of all KPI's was either achieved or achieved above the expected target, 9% was almost achieved whilst 33% was not achieved. This is a regression on the performance of 2020/21 (73%) decreasing achievement by 15%.

		Municipal KPA				
	Theewaterskloof Municipality	**Basic Service Delivery**	**Financial Viability**	**Good Governance**	**Institutional Development**	**Local Economic Development**
KPI Not Met	23	19	1	0	3	0
KPI Almost Met	6	5	1	0	0	0
KPI Met	15	3	2	8	1	1
KPI Well Met	21	20	0	0	0	1
KPI Extremely Well Met	4	1	3	0	0	0
Total:	**69**	**48**	**7**	**8**	**4**	**2**



The Table above is indicatives that during the target setting the municipality placed it largest focused on Basic ServiceDelivery and Good Governance with 48 and 08 targets set respectively. The municipality achieved more than 50% of the targets in all of its key performance areas except in Institutional Development where it only achieved one of the 4 targets set. The lowest percentage achievement was for Institutional Development, where the municipality only achieved 25% of the targets set.

	Office of the Municipal Manager	Financial Services	Technical and Infrastructure Implementation Services	Community Services	Economic Development and Planning	Corporate
KPI Not Met	1	1	5	5	8	3
KPI Almost Met	0	1	3	2	0	0
KPI Met	7	4	2	0	2	0
KPI Well Met	0	9	9	2	1	0
KPI Extremely Well Met	0	3	1	0	0	0
Total	**8**	**18**	**20**	**9**	**11**	**3**



The Financial Services was the best performing department in terms of the KPI's set by achieving 89% of their targets set, followed closely by the Office of the Municipal Manager with 88% achievement.

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

THEEWATERSKLOOF MUNICIPALITY

SDBIP 2021/2022

OFFICE OF THE MUNICIPAL MANAGER

Internal Ref / Indicator Code	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance			Period to date as at 30 June 2022
											Actual	R	Departmental KPI: Corrective Measures
TL1	Good Governance	To ensure a healthy and productive workforce by creating a conducive working environment	Conduct a formal performance evaluation of the senior managers in terms of their signed agreements	Number of formal evaluations conducted	2	Signed scoring sheets	Accumulative	2	2	2	2	G	
TL2	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit the final IDP to Council by 31 May 2022	Final IDP submitted to Council	1	Proof of submission	Carry Over	1	1	1	1	G	

TL3	Financial Viability	To provide democratic, responsive and accountable government for the local communities	Submit the final annual budget to Council by 31 May 2022	Final budget submitted to Council	1	Proof of submissio n	Carry Over	1	1	1	1	G	
TL4	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit the Oversight Report to Council by 31 March 2022	Report submitted to Council	1	Proof of submissio n	Carry Over	1	1	1	1	G	
TL5	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit the Draft Annual Report to Council by 31 January 2022 (MFMA 127(2) and MSA 46(2)	Draft Annual Report submitted to council	1	Proof of submissio n	Carry Over	1	1	1	1	G	

TL6	Basic Service Delivery	To provide democratic, responsive and accountable government for the local communities	The percentage of the municipal capital budget spent on projects as at 30 June 2022 {(Actual amount spent on capital projects excluding orders/Total amount budgeted for capital projects)X100}	% of capital budget spent	63.00 %	S71 Report And Financial Statements	Last Value	95.00 %	95.00 %	63%	69%	R	The municipality is busy to redefine its processes to eliminate blockages in procurement processes. Various SOPs have been developed that will address certain critical challenges. These SOPs will be implemented before Sept 2022. The appoint of directors is in advanced stage with various interviews having taken place. This will ensure stability and continuous operations of the BAC. Additional critical positions in SCM department is also in final stage. Procurement plans will be strictly monitored and accountability will be enforced.
TL7	Good Governance	To provide democratic, responsive and accountable government	Submit Annual Performance Report (APR) to the AG by	Annual Performance Report Submitted	1	Confirmation by AG	Accumulative	1	1	1	1	G	

		for the local communities	31 August 2021										
TL8	Institutional Development	Refine and improve the institutional capacity of the municipality	Signed Performance agreements for all S56/57 appointments by 31 July 2021 or within 30 days after employment	Number of Performance Agreements Signed	2	Signed Agreements	Accumulative	2	2	2	2	G	

Overall Summary of Results			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	7
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		**8**

FINANCIAL SERVICES

Internal Ref / Indicator Code	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2022		
											Actual	R	Departmental Corrective Measures
TL40	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Compile an Audit Action Plan to Address AG Audit findings in the Management Report and submit to management by 31 January 2022 for approval	Plan completed and submitted to management	1	Minutes of Management Meeting during which plan was approved	Carry Over	1	1	1	1	G	
TL41	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Award tenders in line with SCM Policies and Regulations that result in not more than 1 successful appeal per annum during the financial year	Number of successful SCM related appeals	0	Register of appeals referred and written response on outcome of appeals	Reverse Last Value	1	1	0	0	B	

TL42	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Achieve a debtor payment percentage of 85% as at 30 June 2022 ((Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved	86.68%	Section 71 Report/Financial Statements	Last Value	85.00 %	85.00 %	86.68	83,92	O	A hybrid approach was permitted by the Municipal Manager in August 2022. 1) A debt collection tender was advertised to outsource the legal process of debt collection from 2022/2023 and 2) to utilize internal capacity to proceed with normal debt collection actions as per approved Debt Collection Policy and SOP's.
TL43	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2022 ((Total Operating Revenue-Operating Grants)/Debt Service Payments (i.e. interest + redemption) due within one year)	Ratio achieved	21.16	Section 71 Report	Last Value	11	11	21.16	19,04	B	

TL44	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	4.07	Section 71 Report	Last Value	1.20	1.20	4.07	3,65	B	
TL45	Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors	85.80%	Section 71 Report	Reverse Last Value	65.00 %	65.00 %	85.8	95,79	R	A hybrid approach will bepermitted by the Municipal Manager from August 2022. 1) A debt collection tender was advertised to outsource the legal process of debt collection from 2022/2023 and 2) to utilize internal capacity to proceed

													with normal debt collection actions as per approved Debt Collection Policy and SOP's.
TL46	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide 6kl free basic water per month to all indigent households during the 2021/22 financial year	Number of indigent households receiving free basic water	5 744	Report From The Financial System With Registered Indigent Households	Last Value	5 600	5 600	5744	6 236	G2	
TL47	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide 70kwh of free basic electricity per month to all indigent households (Excluding Eskom) during the 2021/22 financial year	Number of indigent households receiving free basic electricity	2 586	Report From The Financial System With Registered Indigent Households	Last Value	2 200	2 200	2586	2 663	G2	
TL48	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide free basic refuse removal to indigent households in terms of the equitable share requirements during the	Number of indigent households receiving free basic refuse removal	5 713	Report From The Financial System With Registered Indigent Households	Last Value	5 600	5 600	5713	6 313	G2	

			2021/22 financial year										
TL49	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Provide free basic sanitation to indigent households in terms of the equitable share requirements during the 2021/22 financial year	Number of indigent households receiving free basic sanitation	5 677	Report From The Financial System With Registered Indigent Households	Last Value	5 600	5 600	5677	6 278	G2	
TL50	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Number of residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the services during 2021/22 financial year	Number of residential properties which are billed for water or have prepaid meters	16 070	Report From The Financial System Indicating Billed Debtors	Last Value	14 920	15 900	16070	15 933	G2	

TL51	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (excluding ESKOM areas) and billed for the services during the 2021/22 financial year	Number of residential properties which are billed for electricity or have prepaid meters (excluding ESKOM areas)	7 490	Report From The Financial System Indicating Billed Debtors	Last Value	7 100	7 500	7490	7 525	G2	
TL52	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Number of residential properties for which refuse is removed once per week and billed for the services during the 2021/22 financial year	Number of residential properties which are billed for refuse removal once a month	16 096	Report From The Financial System Indicating Billed Debtors	Last Value	15 220	16 000	16096	16 045	G2	
TL53	Basic Service Delivery	To ensure continuous and sustainable maintenance , replacement	Purchase smart (utility) water meters by 30 June 2022	Number of smart water meters purchased	2 100	Invoices and Goods Received Note	Accumula tive	2 000	2 000	2100	2 500	G2	

		s and upgrades of municipal infrastructure											
TL54	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Number of residential properties connected to the municipal waste water sanitation/sewer network for sewerage services (inclusive of septic tanks) irrespective of the number of water closets (toilets) and billed for the services during the 2021/22	Number of residential properties which are billed for sewerage	15 483	Report From The Financial System Indicating Billed Debtors	Last Value	15 268	15 268	15483	15 537	G2	
TL55	Good Governance	To provide democratic, responsive and accountable government for the local communities	Achieve an unqualified audit opinion for the 2020/21 financial year	Unqualified audit opinion achieved	1	Signed Audit Report	Last Value	1	1	1	1	G	

TL56	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit the final annual budget to Council by 30 May 2022	Final budget submitted to Council	1	Council minutes	Accumulative	1	1	1	1	G	
TL57	Good Governance	To provide democratic, responsive and accountable government for the local communities	Submit the Annual Financial Statements to the Auditor General (AG) by 31 August 2021	Annual Financial Statements submitted to the AG	1	Acknowledgement of receipt	Accumulative	1	1	1	1	G	

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	4
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	9
B	KPI Extremely Well Met	150.000% <= Actual/Target	3
	Total KPIs:		**18**

ECONOMIC DEVELOPMENT AND PLANNING

Internal Ref / Indicator Code	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2022		
											Actual	R	Departmental Corrective Measures
TL11	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Construct top structures for Grabouw RooiDakke by 30 June 2022	Number of top structures constructed	54	Completion certificate	Accumulative	75	75	54	0	R	It was resolved that the Department will sent a letter to the Municipality addressing it's concerns on which the municipality should have to respond. The letter was received

													on the 29th of June 2022 and the municipal manager responded accordingly.
TL12	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Construct top structures for Grabouw Hillside by 30 June 2022	Number of top structures constructed	41	Completion certificate	Accumulative	25	25	41	0	R	Expedite the statutory submission in order to advertise the tender for the engineering service in order to get the site ready for the construction of top structures.

TL13	Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	Construct top structures for Riviersonderend by 30 June 2022	Number of top structures constructed	0	Completion certificate	Accumulative	23	23	0	0	R	Deviation submitted to the MM to appoint a contractor immediately to build the top structures subject to the approval of additional funding from the Provincial Department of Human Settlement
TL14	Local Economic Development	Promote the second and township economy (SMME Development)	Create temporary work opportunities in terms of EPWP by 30 June 2022	Number of temporary work opportunities created	456	Participants list	Accumulative	320	320	456	394	G2	

TL15	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Service 50 sites for Grabouw Hillside by 30 June 2022	Number of sites serviced	50	Practical Completion certificate	Last Value	50	50	new	0	R	Expedite the statutory submission in order to advertise the tender for the engineering service in order to get the site ready for the construction of top structures.
TL16	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Service 100 sites for the Villiersdorp Destiny by 30 June 2022	Number of sites serviced	0	Practical Completion certificate	Last Value	100	100	new	0	R	Contractor to establish site by the end of July 2022.

TL17	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Service 164 sites for Villiersdorp Berg en Dal by 30 June 2022	Number of sites serviced	0	Practical Completion certificate	Last Value	164	164	new	0	R	Contractor to be on site by the end of July 2022.
TL18	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Service 272 site for Botrivier Beaumont by 30 June 2022	Number of sites serviced	0	Practical Completion certificate	Last Value	272	272	new	168	R	Tender for phase 2 to advertised once EIA approval is obtained
TL39	Basic Service Delivery	Improved Environment Management	Submit a progress report to management on the status of the EIA process for the	Number of reports submitted	0	Proof of submission	Last Value	1	1	0	1	G	

			BotrivierService Sites (TRA) project by 31 May 2022										
TL63	Local Economic Development	To provide democratic, responsive and accountable government for the local communities	Submit the Draft SDF to Council by 31 March 2022	Draft SDF submitted to Council by 31 March 2022	1	Council agenda	Last Value	1	1	1	1	G	
TL64	Basic Service Delivery	Promote the second and township economy (SMME Development)	Review terms of reference for all informal settlement committees and submit to management by end of March 2020	Terms of Reference submitted to management	1	Management Minutes	Accumulative	1	1	1	0	R	The department has already established committees in various informal areas within the municipality. TOR's and social compact agreemen

													ts will be entered into with each informal settlement committee after the election and induction of the committee members is concluded

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	8
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		**11**

CORPORATE SERVICES

Internal Ref / Indicator Code	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2022		
											Actual	R	Departmental Corrective Measures
TL59	Institutional Development	Refine and improve the institutional capacity of the municipality	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2022 [(Actual amount spent on training/total personnel budget)x100]	% of the personnel budget spent	0.14%	Budget Expenditure Report	Last Value	0.53%	0.53%	0.14%	0.22%	R	Manager: Human Resources and Risk Management : The restrictions of the Covid-19 Pandemic prevented the Employer to continue with some training courses which had to be cancelled. This had an effect on the % spend on the training budget. The municipality

													has learned from this experience and employees are now more comfortable with online/virtual classes. Should a similar situation occur in future this model will be used.
TL60	Institutional Development	Refine and improve the institutional capacity of the municipality	The number of people from employment equity target groups employed (new appointments) in the three highest levels of management in compliance with the	Number of people employed	1	Appointment letters and Equity Plan	Accumulative	2	2	1	0	R	No permanent appointments on the three highest levels. The Municipality will strive to comply with its equity targets once positions have been advertised for permanent appointment

			equity plan by 30 June 2022										
TL62	Institutional Development	To provide democratic, responsive and accountable government for the local communities	Complete the annual risk assessment and submit to the Risk Committee by 30 June 2022	Completed risk assessment submitted to the Risk Committee	0	Minutes of Risk Management Committee with Assessment	Last Value	1	1	0	0	R	The meeting could not take place due to unavailability of members and a new date will be identified.

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	3
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		**3**

COMMUNITY SERVICES

Internal Ref / Indicator Code	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2022		
											Actual	R	Departmental Corrective Measures
TL58	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Limit unaccounted water to less than 18% as at 30 June 2022 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified _ x 100}	% unaccounted water captured in the report	38.10%	Quarterly Report from Technical Service to Director Community Services	Reverse Last Value	18.00%	18.00%	38.10 %	37.47	R	Mr Armoed is working in conjunction with the water losses steering committee to establish initiatives to implement in all towns

TL61	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Spend 95% of the project budget approved for the procurement of new fleet vehicles by 30 June 2022{(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	59.57%	Capital Expenditure Report	Last Value	95.00%	95.00%	59.57 %	93%	O	Enforce Delivery dates as indicated by follow up and communicatio n with institution: See information as attached Due to underspend. The municipality procured all the required fleet, the unspent portion relates to VAT reallocated to votes after payments was made.
TL65	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Report on the upgrade of Pineview Sportsgrounds and land swop with the department.	Nr of Reports submitted	0	Report to council	Accumulativ e	1	1	new	0	R	The Pineview Park upgrading will now be the only priority and it was communicated as such to National and Provincial Sport Departments.

TL66	Basic Service Delivery	Improve the social fabric of the TWK community	Assemble the Modular Library - Bereaville by 30 June 2022	Modular Library assembled	0	Completion Certificate	Last Value	1	1	new	0	R	Letter of support has been obtained from the funding dept DCAS, confirming their support in roll over application, provided that the contractor has been appointed within the 2021/22.

TL68	Basic Service Delivery	Increased community safety through traffic policing, bylaw enforcement and disaster management	Spend 95% of the allocated capital budget for the implementation of the digital mobile Two-Way Radio Communication System by 30 June 2022	% budget spent	0.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	0.00%	R	Reason: The reason for the delay is as a result of the global shortage of electronic chips for telecommunications equipment. The service provider OEM (Hytera) advised that the equipment will only be released on 30 June 2022 from the factory in the USA. Thereafter, additional time must be allowed for approximately two (2) weeks to ship the equipment from JHB to CPT. Equipment from tenderer

													will be delivered before Friday 02 Sept 2022. Process of installation will follow thereafter. Contract performance in place to monitor the progress. Phases are stipulated.
TL71	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal	Achieve an average of 90% water sample compliance with SANS 241 micro biological indicators Water Treatment	Average % water compliance in terms of SANS 241 achieved	98.39%	Independent Laboratory Test Results (IRIS System)	Last Value	90.00%	90.00%	98.39 %	98.46 %	G 2	

		infrastructure	Works {(% achievement all WTW's/WTW's tested) by 30 June 2022										
TL72	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Install and replace 1 800 pre-paid/smart water meters by 30 June 2022	Number of prepaid /smart water meters installed by 30 June 2022	936	Signed-off installation job cards	Accumulative	1 800	1 800	New	1 955	G2	

TL73	Basic Service Delivery	Improved Environment Management	65% of effluent samples comply with permit values {(% compliance of all WWTW's achieved / the number of WWTW's tested)}	Average % achieved	45.83%	Independent Laboratory Test Results (IRIS System)	Last Value	65.00%	65.00%	45.83	64.03 %	O	Load shedding cause under erations and also caused unnecessary build-up of sludge that in turn cause blockages in the system. Due to cable theft all mechanical equipment cannot function on full capacity and it has a detrimental effect on the quality of the final effluent. The same applies for the mechanical failures. As corrective action, it should be considered to get generators at the WWTW. To address cable theft,

													security needs to be improved. To prevent mechanical failures, operators need to focus more on preventative maintenance on mechanical equipment rather than reactive maintenance. Final Effluent of Caledon and Greyton WWT plants will improve when upgrading is completed.

TL74	Basic Service Delivery	Increased community safety through traffic policing, bylaw enforcement and disaster management	Complete tender specification for the Construction of DLTC in Grabouw by the end of June 2022	Tender specification Approved	0	Signed Minutes of Bid Specification Meeting	Accumulative	1	1	new	0	R	Due to delays in the appointment of the consulting engineers the appointment could only be finalized in June 2022. This project will proceed now and will be completed in the 2022/23 Financial Year.

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	5
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	2
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		**9**

TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES

Internal Ref / Indicator Code	Municipal KPA	Strategic Objective	KPI Name	Description of Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Original Annual Target	Revised Annual Target	Past Year Performance	Period to date as at 30 June 2022		
											Actual	R	Departmental Corrective Measures
TL9	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	Spend 95% of the Municipal Infrastructure Grant by 30 June 2022	% MIG funding spent	88.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	88.00%	82%	O	An application for the rollover of unspent MIG will be submitted, however the conditions for roll over were not met

TL10	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Limit unaccounted electricity to less than 8.4% as at 30 June 2022 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) X 100}	% unaccounted electricity captured in the report	7.56%	Distribution Losses Report	Reverse Last Value	8.40%	8.40%	7.56%	6.60%	B	
TL19	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the project budget approved for the construction of high mast lights in Riversonderend and Caledon by 30 June 2022 {(Total actual expenditure for the	% budget spent	0.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	95%	G	

			project/Total amount budgeted for the project)x100}										
TL20	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the project budget approved for the internal electrification of Destiny Development in Villiersdorp by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	95.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	25.08%	R	Application to be made to DMRE for fund to be rolled over

TL21	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Replace Pole Mounted transformer Uisig.SSK3 by 31 March 2022	Pole Mounted transformer replaced	1	Completion certificate	Last Value	1	1	1	0	R	Material in store to complete project. The project was completed, however the due date of March 2022 was not achieved.
TL23	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the approved project budget for the installation of an energy efficiency street lights by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	0.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	95,70%	G2	

TL24	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the project budget approved for the upgrade of the Waste Water Treatment Works Phase 4 at Caledon by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	87.50%	Capital Expenditure Report	Last Value	95.00%	95.00%	87.5%	97,70%	G2	
TL25	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Complete the refurbishment of Villersdorp Water Treatment Works by 31 December 2021	Refurbishment Villersdorp Water Treatment Works completed	99	Completion certificate	Last Value	1	1	99%	1	G	

TL26	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the Capital Budget allocated for the Greyton Waste Water Treatment Works by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	49.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	49%	100,00 %	G 2	
TL27	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the project budget approved for the construction of Riviersonderend Waste Transfer Station and Material Recovery Facility Phase 3 by 30 June 2022 {(Total actual expenditure for the project/Total amount	% budget spent	96.94%	Capital Expenditure Report	Last Value	95.00%	95.00%	96.94%	99.97%	G 2	

			budgeted for the project)x100}										
TL28	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the approved project budget for the construction of a new Waste Transfer Station and Material Recovery Facility Phase 3 in Caledon by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100	% budget spent	20.18%	Capital Expenditure Report	Last Value	95.00%	95.00%	20.18%	98.91%	G2	

TL29	Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Spend 95% of the capital budget for the upgrade of Streets Grabouw, portion of Bos Street to Ou Kaapse Weg (ph2) by June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	37.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	37%	86,60%	O	More accurate cost estimate to be done in future. The municipality could not predict what impact covid 19 would have on prices.
TL31	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget for the Pipe Replacement (phase 2) - Caledon Basil Newmark Dam Water Pipe line by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for	% budget spent	1.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	1%	99.68%	G2	

			the project)x100}										
TL32	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget for the upgrade of streets and stormwater - Myddleton (Uitsig, Protea) by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	95.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	100%	G2	

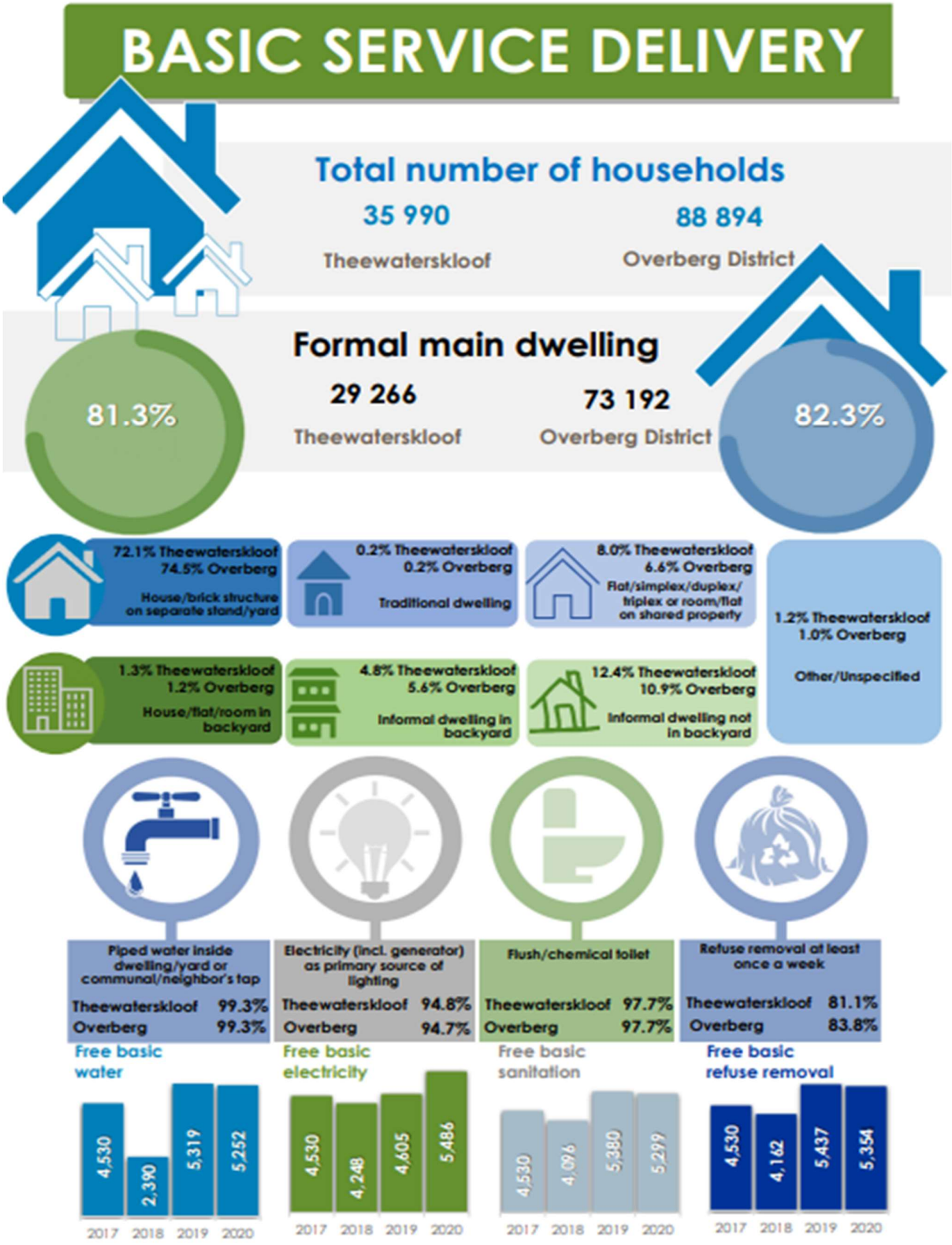
TL33	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget for the upgrade of streets and stormwater - Genadendal (Kuhnel Street) by 30 April 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	95.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	100	G2	
TL34	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget for the upgrade of streets and stormwater - Riviersonderend (Fullard Street) by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	95.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	100%	G2	

TL35	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget for the upgrade of streets and stormwater - Botriver (Protea Street) by 30 June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	95.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	91%	O	More accurate cost estimate to be done in future. The municipality could not predict what impact covid 19 would have on prices.
TL36	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget allocated for the Grabouw upgrade of roads and stormwater at Rooidakke (Phase 2) by June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	78.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	78%	1.33%	R	Manager: Civil Services: The tender process is due to be cancelled by SCM and available funding must be rolled over for re-advertisement of the tender in 2022/23

TL37	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget allocated for the Tesselaarsdal-bulk water upgrade phase 2 by June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	95.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	100%	3.78%	R	Manager: Cleansing/ Water and Sewerage: the available funds must be rolled over and the tender will be re advertised in 2022/23
TL38	Basic Service Delivery	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Spend 95% of the capital budget allocated for the upgrade of Botriver sewer reticulation Network by June 2022 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	95.00%	Capital Expenditure Report	Last Value	95.00%	95.00%	new	22.73%	R	Manager: Cleansing/ Water and Sewerage: the available funds must be rolled over and the tender will be re advertised in 2022/23

Overall Summary of Results

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	5
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	3
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	9
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
	Total KPIs:		**20**


BASIC SERVICE DELIVERY
Total number of households
35 990
Theewaterskloof
88 894
Overberg District
Formal main dwelling
81.3%
29 266
Theewaterskloof
73 192
Overberg District
82.3%
72.1% Theewaterskloof
74.5% Overberg
House/brick structure on separate stand/yard
0.2% Theewaterskloof
0.2% Overberg
Traditional dwelling
8.0% Theewaterskloof
6.6% Overberg
Flat/simplex/duplex/ triplex or room/flat on shared property
1.2% Theewaterskloof
1.0% Overberg
Other/Unspecified
1.3% Theewaterskloof
1.2% Overberg
House/flat/room in backyard
4.8% Theewaterskloof
5.6% Overberg
Informal dwelling in backyard
12.4% Theewaterskloof
10.9% Overberg
Informal dwelling not in backyard
Piped water inside dwelling/yard or communal/neighbor's tap
Theewaterskloof 99.3%
Overberg 99.3%
Free basic water
4,530
2,390
5,319
5,252
2017 2018 2019 2020
Electricity (incl. generator) as primary source of lighting
Theewaterskloof 94.8%
Overberg 94.7%
Free basic electricity
4,530
4,248
4,605
5,486
2017 2018 2019 2020
Flush/chemical toilet
Theewaterskloof 97.7%
Overberg 97.7%
Free basic sanitation
4,530
4,096
5,380
5,299
2017 2018 2019 2020
Refuse removal at least once a week
Theewaterskloof 81.1%
Overberg 83.8%
Free basic refuse removal
4,530
4,162
5,437
5,354
2017 2018 2019 2020

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.1 WATER PROVISION

3.1.1 INTRODUCTION TO WATER PROVISION

Theewaterskloof Municipality is the Water Service Authority for its service area. Theewaterskloof Municipality is located within the newly established Breede-Gouritz Water Management Area (WMA). Service Level Agreements are in place with Overberg Water Board, the Groenland WUA and the Elandskloof Irrigation Board for the provision of bulk raw water to some of the towns.

All residents in urban areas in the service area of the municipality have access to water services and free basic water is provided to all. It is however estimated that there might still be households on the farms in the rural areas with existing service levels below RDP standards. This estimate the service levels on the farms can only be verified through a detailed survey.

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

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

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

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

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

Greyton and Boschmanskloof: Greyton is supplied from two surface water sources and a borehole. The first surface water source is from a weir on the Wolwekloof mountain stream and the second surface water source is from an abstraction point in the Gobos River (Boesmanskloof). A borehole at the Gobos River also supply groundwater to the WTW.

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

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

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

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

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

The following Water Services Project was completed.

Project Description	Pipe Replacement Caledon – Basil Newmark
Contract Nr	ENG 21/2020/21 – Complete ENG 08/2021/22
Funding	LOANS - '077110103223 – R1,101,659 WSIG - '077110103221 – R1,129,325 COR- '077110103228 – R326,087 LOANS'077010100433 – R1,000,000
Consultant	N/A
Completion Date	30 June 2022
Spending	100%
Progress	REPAIRING SNAGS

3.1.2 WATER SERVICE DELIVERY LEVELS

The below mentioned tables reflect the latest available data. The data will be updated with the release of the census data.

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

3.1.3 HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

The below mentioned tables reflect the latest available data. The data will be updated with the release of the census data.

Households - Water Service Delivery Levels below the minimum						
						Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	29 745	29 745	27 052	27 756	27 756	27 756
Households below minimum service level	-	-	-			
Proportion of households below minimum service level	-	-	-			

Informal Settlements						
Total households	6 747	6 747	8 779			
Households ts below minimum service level	4 907	4 907	4997	1354	1354	1354
Proportion of households ts below minimum service level	13,45%	13,45%	12,62%	3,44%	3,44%	3,44%
						T3.1.4

3.1.4 ACCESS TO WATER

The below mentioned tables reflect the latest available data. The data will be updated with the release of the census data.

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2018/19	31 585	29 745	5 319
2019/20	34 588	27 052	5 252
2020/21	37 963	27 756	5 7 44

3.1.5 EMPLOYEES WATER AND SEWERAGE NETWORKS

Employees: Water and Sewerage Networks					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts Budgeted**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	30	30	27	3	10%
4 - 6	7	7	7	0	0%
7 - 9	8	8	8	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	46	46	43	3	7%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days T3.1.7

3.1.6 FINANCIAL PERFORMANCE: WATER SERVICES

Financial Performance: Water Distribution					
					R'000
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(264)	(2,500)	(2,613)	(2,196)	-16%
Expenditure:					
Employees					0%
Repairs and Maintenance	16,734	17,107	18,606	18,133	-3%
Other	43,394	13,534	9,529	5,803	-39%
Total Operational Expenditure	60,128	30,642	28,135	23,936	-15%
Net Operational Expenditure	59,864	28,142	25,522	21,740	-15%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.1.8

3.1.7 CAPITAL EXPENDITURE: WATER SERVICES

Capital Expenditure Year: Water Distribution					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**21,747**	**24,660**	**13,880**	**-36%**	
Capital - Drought Relief: Ground water monitoring infrastruc	–	,113	,113	**0%**	
Smart Meters Replacement	5,000	9,992	4,860	**-3%**	
Capital - Grabouw bulk water	,900	2,216	2,216	**146%**	
Tesselaarsdal- bulk water upgrade phase 2	4,096	4,096	,170	**-96%**	
Tesselaarsdal- bulk water upgrade phase 2	1,713	,397	–	**-100%**	
Water network upgrading - Caledon (Basil Newmark Raw Water,	1,000	1,000	,910	**-9%**	
Grabouw bulk water upgrade	–	,989	,989	**0%**	
Capital - Grabouw bulk water	–	,397	,58	**0%**	
Greyton housing bulk water	,400	,30	,30	**-93%**	
Water Network upgrading- Genadendal (Volk, Berg Street)	,400	–	–	**-100%**	
Water Network upgrading- Genadendal (Volk, Berg Street)	,750	,5	,5	**-99%**	
Upgrading of water network	1,000	,23	,5	**-99%**	

Villiersdorp - WTW refurbishment	2,174	1,045	,682	**-69%**	
Villiersdorp - WTW refurbishment	,326	–	–	**-100%**	
Villiersdorp - WTW refurbishment	,521	,521	,521	**0%**	
Villiersdorp- WTW upgrade	1,841	1,841	1,832	**0%**	
Greyton WTW Planning	,876	,876	,876	**0%**	
Botrivier - WTW refurb/upgrade	,250	,250	,250	**0%**	
Drought Relief Grant (Provincial)	–	,370	,195	**0%**	
Capital - Grabouw bulk water	,500	,500	,167	**-67%**	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.1.9

3.1.8 COMMENT ON WATER DISTRIBUTION SERVICES PERFOMANCE OVERALL

Capital - Grabouw bulk water (listed twice in the table): The variance is due to an adjustment of the budget in February and the late appointment of the contractor. The contractor was appointed in April, leaving insufficient time within which to spend the adjusted available funding.

Tesselaarsdal- bulk water upgrade phase 2 (listed twice in the table): The variance is due to the cancellation of the construction tender. As a result, no expenditure could be realised in terms of construction in 2021/22. The tender process was cancelled early in 2022/23.

Greyton housing bulk water: The variance is due to the downward adjustment of the available funding. Investigations into the supply of bulk water to the low-cost housing site revealed that an existing bulk water connection was already in place. It was never captured on the master plans. The project funding was therefore adjusted and allocated to other projects, where needed

Water can be purchased at all Municipal offices for the towns.

Other stores or locations where water can be purchased are:

TOWN	OWNER	VENDOR/SHOP	ADDRESS	CONTACT NUMBERS
CALEDON	IRENE CUPIDO		7 9TH AVENUE, BERGSIG	028 212 3437
CALEDON	SELWYN STEEDSMAN	SMS MOBILE	22 BOSDUIF STREET, UITSIG	028 212 3760
CALEDON	MOHAMME GIAS UDDIN	BEEHIVE/SAVERITE	15 PLEIN STREET	028 212 2291
GENADENDAL	RHODENE BRAAF	RHODES TUCK-SHOP	ERF 91 KOORLANDSKLOOF	074 282 5091
GENADENDAL	JAHED HASSAN	BUY-RITE	MARSVELD STREET	061 044 6453
BEREAVILLE	PAM VAN WYK		LONGSTREET	061 212 0154 (Linda - Manager)
GRABOUW	MOSTAFIZUR RAHMAN	GRABOUW SUPERMARK	STEENBRASWEG	021 859 2711
GRABOUW	SHUIPING HUANG	ZH MINIMARK	32 MAIN ROAD	021 859 5112
GREYTON	JAHED HASSAN	SDS SUPERMARK	ASTERAVENUE	061 044 6453
RIVIERSONDEREND	ABRHAM ANGHEBO	ROBOTH SHOP	12 CARNATION STREET	084 758 7235

3.2 WASTE WATER (SANITATION) PROVISION

3.2.1 INTRODUCTION TO SANITATION PROVISION

All the formal households in the urban areas of Theewaterskloof Municipality's Management Area are provided with waterborne sanitation facilities inside the erven. Communal ablution facilities are

provided in the informal areas as a temporary emergency service. The current sanitation service levels are included under Topic of the Administration, Information and Comprehensive Overview Report.

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

Table 2.2.1: Estimated cost to provide basic sanitation services to all households with existing sanitation service levels below basic minimum standard.

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

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

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

Free basic sanitation policy:

• Provision of the most viable sanitation facility to the poor household.

• Health and hygiene promotion must be provided in a co-ordinated manner and must be properly managed and adequately funded if free basic sanitation is to become a reality. This requires close collaboration between the EHPs of the Overberg District Municipality responsible for environmental health and Theewaterskloof Municipality.

• Subsidising the operating and maintenance costs. If the basic service is to be provided free to the poor then Theewaterskloof Municipality must ensure that the costs of providing the service are covered

by the local government equitable share and / or through cross-subsidies within Theewaterskloof Municipality's Management Area.

3.2.2 RESIDENTIAL SANITATION PROFILE

3.2.3 SANITATION SERVICE DELIVERY LEVELS

The below mentioned tables reflect the latest available data. The data will be with the release of the census data.

Sanitation Service Delivery Levels				
				*Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	29 745	29 745	29 745	30 638
Flush toilet (with septic tank)	867	867	867	867
Chemical toilet				
Pit toilet (ventilated)				
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	30 612	30 612	30 612	31 505
Minimum Service Level and Above Percentage	84%	84%	84%	84%

Sanitation/sewerage: **(below minimum level)**				
Bucket toilet				
Other toilet provisions (below min.service level)	4 309	4 309	4 309	4 309
No toilet provisions	1 571	1 571	1 571	1 571
Below Minimum Service Level sub-total	5 880	5 880	5 880	5 880
Below Minimum Service Level Percentage	16%	16%	16%	16%
Total households	**36 492**	**36 492**	**36 492**	**37 385**
****Total number of households including informal settlements***				T3.2.3

3.2.4 HOUSEHOLD: SANITATION SERVICE DELIVERY LEVELS BELOW MINIMUM

The below mentioned tables reflect the latest available data. The data will be updated with the release of the census data.

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

3.2.5 ACCESS TO SANITATION

The below mentioned tables reflect the latest available data. The data will be updated with the release of the census data.

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

The Grabouw WWTW was upgraded from 3.6 Ml/day to 8.5 Ml/day during 2012 to 2015. The capacity of the new WTW is adequate to meet the future treatment requirements. The average operation flow during 2021/2022 was 51% of the hydraulic design capacity of the plant.

The Municipality originally planned that the Greyton WWTW will be decommissioned in the future and the sewage will be pumped to the Genadendal WWTW, but objections were received from the Genadendal community. For Greyton WWTW, analysis of pond sizes shows that the anaerobic ponds and primary aerobic pond are adequately sized for current flow quantities, but the secondary aerobic ponds are inadequate in size resulting in inadequate retention time that leads to failure of the works as a whole to achieve effective sewage treatment with respect to the final effluent.The Genadendal WWTW was upgraded during 2007 and the current hydraulic design capacity of the WWTW is 0.721 Ml/day, which is adequate to meet the future treatment requirements. The average operational flow during 2021/2022 was 56% of the hydraulic design capacity.

The Riviersonderend WWTW consists of an oxidation pond system and has an estimated capacity of 0.7 Ml/day. The pond system allows for long retention times which produce effluent of high standard which is used for irrigating of the neighbouring golf course. The WWTW is operating close to its maximum hydraulic capacity and will need to be upgraded in the nearby future. The average operational flow during 2021/2022 was 119% of the hydraulic design capacity.

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

The capacity of the Villiersdorp WWTW was upgraded over the period 2013 to 2015 to a hydraulic design capacity of 3.5 Ml/day in order to comply with the special effluent quality standards as required by the DWS and to meet future treatment requirements. The average operational flow during 2021/2022 was 33% of the hydraulic design capacity.

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

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

WWTWs to be upgraded in the future WWTW	Short, Medium, Long Term
Caledon Upgrade of WWTW	Short
New Package Plant for Greyton	Short
Bot River Upgrade of WWTW Phase 2	Medium
Riviersonderend upgrade of WWTW	Medium

3.2.6 EMPLOYEES: SANITATION SERVICES

Employees: Sanitation Services (Water and Sewage Purification Works) incl. Suction Tank Services					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (Budgeted)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	24	24	22	2	8%
4 - 6	15	15	15	0	0%
7 - 9	14	14	12	2	14%
10 - 12	6	6	6	0	0%
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0
Total	60	60	56	4	7%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.2.7

3.2.7 FINANCIAL PERFORMANCE: SANITATION SERVICES

Financial Performance: Waste Water Management					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(47,954)	(50,231)	(50,699)	(50,188)	-1%
Expenditure:					
Employees					0%
Repairs and Maintenance	28,338	28,758	30,023	29,606	-1%
Other	17,590	18,359	19,740	18,053	-9%
Total Operational Expenditure	45,928	47,117	49,763	47,659	-4%
Net Operational Expenditure	(2,025)	(3,114)	(936)	(2,529)	170%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.2.8

3.2.8 CAPITAL EXPENDITURE: SANITATION SERVICES

Capital Expenditure: Waste Water Management					
					R' 000
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**21,194**	**13,118**	**12,258**	**-42%**	
Caledon - Bulk outfall sewer	3,011	1,546	1,046	**-32%**	
Caledon - Bulk outfall sewer upgrade	8,418	,908	,908	**0%**	
Grabouw 7000 housing bulk sewer investigation & planning	,250	–	–	**0%**	
Capital - Bulk Sewer Destiny Villiersdorp	–	–	–	**0%**	
Bulk Sewer Destiny Villiersdorp	–	–	–	**0%**	
Greyton housing bulk sewer	,400	,100	,55	**-45%**	
Botrivier sewer network upgrading (septic tank eradication)	2,100	1,100	,250	**-77%**	
Capital - WWTW upgrade	–	1,895	1,895	**0%**	
Caledon - WWTW upgrade	,590	,590	,590	**0%**	
Caledon - WWTW upgrade	9,565	9,565	9,292	**-3%**	
Capital - WWTW upgrade	–	,245	,245	**0%**	
Villiersdorp- upgrade WWTW	,40	,40	–	**-100%**	
Riviersonderend WWTW upgrade	2,962	,337	,337	**0%**	
Riviersonderend WWTW upgrade	–	1,725	,866	**-50%**	
Greyton WWTW	11,219	10,919	10,919	**0%**	
Greyton WWTW	5,700	–	–	**0%**	
Botrivier - WWTW upgrade	1,312	,137	,137	**0%**	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.2.9

3.2.9 COMMENT ON THE WASTEWATER SERVICES PERFOMANCE OVERALL

Villiersdorp- upgrade WWTW: The prospective consulting firm that would have been appointed had tax matter issue. Tax matters was not in order there for appointment could not be concluded.

Riviersonderend WWTW upgrade: The MIG funds had to be adjusted, the tender had to be cancelled due to insufficient funds.

3.3 ELECTRICITY

3.3.1 INTRODUCTION TO ELECTRICITY

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

Electricity (Distribution)

Activity

The quality of electricity supply impacts the economic growth of the municipality. Moreover, the constant supply of electricity is a necessary tool to improve the socio-economic conditions of Households and communities.

Theewaterskloof Municipality is responsible for the distribution and reticulation of electrical energy to all its consumers in a cost effective and safe manner. This service extends to include Caledon, Villiersdorp, Greyton and Riviersonderend, but do not take into account Grabouw,Genadendal,Botriver and Tesselaarsdal, which resides within the jurisdiction of Eskom.

The municipality has a mandate to distribute electricity subject to license conditions set by NERSA.

Strategic Objectives

- To evaluate all restraints placed on the department and develop strategies to ensure that the minimum service delivery standards of the Electrical Service Department are maintained.
- To ensure a safe, effective, economical and continued supply of electricity within the TWK Municipal supply area.

Electricity (Street Lighting)

Activity

The Management of all installations and maintenance of street lights for the municipal area forms part of Directorate Operational Services Key Performance areas.

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

Provision of Prepayment Electricity.

Electricity can be purchased at all Municipal offices for the towns where the municipality is responsible for the provision of electricity. Other stores or locations where electricity can be purchased are:

Merchant name	Address 1	Suburb
BOTRIVIER SUPERETTE	HOOFWEG, BOTRIVIER,	BOTRIVIER
AMIN MOBILE	2398 2D AVENUE SECTION	BOTRIVIER
NKOSINATHI SHOP BOTRIVIER	2954 MAIN ROAD	BOTRIVIER

CALEDON - SPAR	1 PIONEER STREET OVERBERG	CALEDON
BISMILLAH SUPERETTE	13 PLAIN STREET	CALEDON
MOUNT PLEASANT SUPERETTE	124 MALVA STREET	CALEDON
BILTONG DEN SUPERETTE	4 HOPE STREET	CALEDON
SH SUPERETTE	120 MAIN ROAD	CALEDON
MEGA SWEETS WHOLESALE & RETAIL	13 DONKIN STREET	CALEDON
UITSIG SUPERMARKET	23 SYSIE STREET	CALEDON
CAREN SHOP	67 STERLING STREET	CALEDON
DEON'S CAFÉ	56 STERLING STREET	CALEDON
MASLAH TUCK SHOP	20 ZAMBEZI STREET	CALEDON
MADINA SUPERMARKET CALEDON	21 DONKIN STREET	CALEDON
MERA SUPERETTE	34 PRINCE ALFRED ROAD	CALEDON
SAVERS LANE GENADENDAL	771 JENION WAY	GENADENDAL
KAAP AGRI VE ELGIN AGRIMARK	HOOF STRAAT	GRABOUW
GRABOUW - SUPERSPAR	N2 AND OUDEBRUG WEG	GRABOUW
VILLAGE SUPERMARKET	10 WORCESTER STREET	GRABOUW
VYEBOOM STOEPWINKEL	1 VYEBOOM HIGHWAY, VYEBOOM	GRABOUW
GREYTON SUPERMARKET	43 MAIN ROAD	GREYTON
CONTINENTAL CAFÉ	22 MAIN ROAD	RIVIERSONDEREND
SHELL RIVIERSONDEREND T/A BUYISIWE TRADING (PTY) LTD	SHELL RIVIERSONDEREND T/A BUYISIWE TRADING (PTY) L	RIVIERSONDEREND
CARICA SUPERETTE	6 ALPHA STREET	RIVIERSONDEREND
TAWAKAL TUCK SHOP	7 PLAYER STREET	RIVIERSONDEREND

CARICA CASH 'N CARRY	15 HOOFWEG	RIVIERSONDER END
DISCOUNT MINI MARKET	1 PRICE STREET	RIVIERSONDER END
SMALL TOWN SHOP	110 DISA LAAN	RIVIERSONDER END
SONASTRAAT NO5	DAHLIA CRESCENT & BEGONIA STREET	RIVIERSONDER END
SONSTRAAL CAFÉ	19 MAIN ROAD	RIVIERSONDER END
BRINKS - SPAR	29 HOOF STREET	VILLIERSDORP
AL AWAN 2	27 MAIN ROAD	VILLIERSDORP
SUPER SAVE VILLIERSDORP	7 B MAIN ROAD OK FOOD CENTRE	VILLIERSDORP
YONA YETHU SPAZA SHOP	288 MAIN ROAD	VILLIERSDORP
ESETHU SPAZA SHOP VILLIERSDORP	2DE LAAN, 26 GONIWE PARK, VILLIERSDORP	VILLIERSDORP
YONE YETHU SPAZA SHOP	289 MAIN ROAD	VILLIERSDORP

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

3.3.2 ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels				
				Households
Description	Year 2018/19	Year 2019/20	Year 2020/21	Year 2021/22
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: **(above minimum level)**				
Electricity (at least min.service level)	25	53	55	51
Electricity - prepaid (min.service level)	7 721	7 637	7 921	7 949
Minimum Service Level and Above sub-total	7 746	7 690	7 976	8 000
Minimum Service Level and Above Percentage	100%	100.00%	100.00%	100.00%
Energy: **(below minimum level)**				
Electricity (<min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources				
Below Minimum Service Level sub-total	-	-		
Below Minimum Service Level Percentage	-	-		

Total number of households	7 746	7 690		
				T3.3.3

3.3.3 EMPLOYEES ELECTRICITY SERVICES

Employees: Electricity Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	8	7	1	13%
4 - 6	1	2	1	1	50%
7 - 9	5	6	5	1	17%
10 - 12	5	7	5	2	29%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	21	25	20	5	20%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior Management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.3.6

3.3.4 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

Financial Performance : Electricity Distribution					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(115,372)	(136,590)	(135,219)	(125,039)	-8%
Expenditure:					
Employees					
Repairs and Maintenance	11,129	15,711	15,017	14,073	-6%
Other	84,086	98,275	98,044	96,388	-2%
Total Operational Expenditure	95,215	113,986	113,062	110,462	-2%
Net Operational Expenditure	(20,157)	(22,604)	(22,158)	(14,578)	-34%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.3.7

3.3.5 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

Capital Expenditure Year 2021/22: Electricity Services					
					R' 000
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**16,734**	**15,861**	**7,111**	**-58%**	
Machinery and Equipment (NEW)	130	75	75	**-42%**	
Machinery and Equipment (RENEWAL)	104	143	126	**21%**	
Electrification TWK Housing projects	6191	6191	1840	**-70%**	
Electrification TWK Housing projects	929	929	–	**-100%**	
Replace Streetlights with LED's	3043	3043	3014	**-1%**	
Replace Streetlights with LED's	457	457	335	**-27%**	
Caledon Site Saviwa high mast lighting	–	683	683	**0%**	
Highmastlights Site Saviva	–	46	46	**0%**	
Caledon Site Saviwa high mast lighting	–	100	74	**0%**	
Replace Polemounted Transformer Uitsig SSK3	1000	1000	504	**-50%**	
Palisades for Transformers	40	39	39	**-3%**	
Theewaterskloofhighmast lighting (RSE)	300	255	225	**-25%**	
Replace and upgrade MV and LV Networks Caledon street	2900	2900	150	**-95%**	
Computer Equipment (New)	17	–	–	**-100%**	
Furniture and Office Equipment (New)	13	–	–	**-100%**	
Personell Bucket (Street Lights)	950	–	–	**-100%**	
Vehicle (Street Lights)	600	–	–	**-100%**	
Machinery and Equipment (New)	60	–	–	**-100%**	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.3.8

3.3. 6 COMMENTS ON ELECTICITY SERVICES PERFOMACE OVERALL

Replace and upgrade MV and LV Networks Caledon street - Project cancelled. Funds rolled over to 22/23 financial year.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTION, WASTE DISPOSAL, CLEANING AND RECYCLING

3.4.1 INTRODUCTION TO WASTE MANAGEMENT

Theewaterskloof Municipality is committed to a system of waste management that will see the least possible amount of waste going to modern engineered landfills. This will be achieved through the use of education, law enforcement and material recovery and treatment plants. New and emerging technologies, where applicable and affordable, will also play a part in overall waste management. This will need a mind shift from all in Theewaterskloof Municipal area.

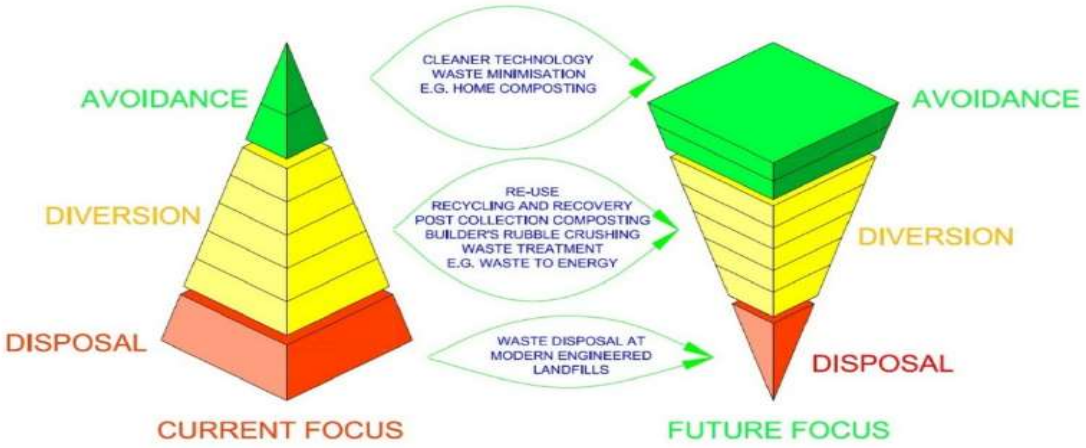


Figure 3-1: Waste Hierarchy

The analysis of the current waste management system has shown the following:

- All formal residential erven are receiving a weekly door-to-door waste collection service.
- Only builder's rubble and mix waste are disposed at the municipality's waste disposal site in Riviersonderend. This site has received a closure license and is due closure by 2024.
- Collected waste in Caledon are disposed at the municipality's licensed Caledon landfill.
- All collected waste in Grabouw, Villiersdorp, Genadendal, Greyton, Riviersonderend, Tesselaarsdal and Botrivier are disposed at the Regional landfill site Karwyderskraal.
- Genadendal and Greyton landfill sites have received closure licenses and are due closure by 2024 and 2025 respectively.
- Recycling and waste recovery is currently done in Grabouw, Villiersdorp, Caledon, Greyton and Riviersonderend.
- waste avoidance is not currently addressed by Municipal intervention but by national through the promulgation of legislation.
- Caledon, Greyton, Genadendal and RSE landfill sites, Villiersdorp and Grabouw Transfer Stations are currently audited internally and externally for permit/license compliance.

- ❖ the Villiersdorp and Botrivier landfill sites has been closed, but not yet rehabilitated
- ❖ The latest by-laws on waste management were promulgated in 2015.
- ❖ External Service provider is used to collect containerised waste from RSE, Grabouw, Villiersdorp, Genadendal, Greyton, Riviersonderned, Botrivier and Tesselaarsdal and delivered to the Regional Landfill Karwyderskraal.

Top priorities for Waste Management are the completion of transfer stations and MRF's in Caledon and Riviersonderend. Rehabilitation of landfill sites at Riviersonderend, Villiersdorp, Botrivier, Greyton, Genadendal and Caledon is also a top priority for the municipality although funding is a challenge.

3.4.2 SOLID WASTE SERVICE DELIVERY LEVELS

The below mentioned tables reflect the latest available data. The data will be updated with the release of the census data.

Solid Waste Service Delivery Levels				
				Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	36 492	36 492	36 492	36 492
Minimum Service Level and Above sub-total	36 492	36 492	36 492	36 492
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
Below Minimum Service Level sub-total	-	-	-	
Below Minimum Service Level percentage	-	-	-	
Total number of households	**36 492**	**36 492**	**36 492**	**36 492**
				T3.4.2

3.4.3 HOUSEHOLDS: SOLID WASTE SERVICE DELIVERY LEVELS BELOW MINIMUM

The below mentioned tables reflect the latest available data. The data will be updated with the release of the census data.

Households - Solid Waste Service Delivery Levels below the minimum						
						Households
Description	Year 2017/18	Year 2018/19	Year 2019/20	Year 2020/21		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual

	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	29 745	29 745	29 745	29 745	29 745	29 745
Households below minimum service level						
Proportion of households below minimum service level	-	-	-	-	-	-
Informal Settlements						
Total households	6 747	6 747	6 747	6 747	6 747	6 747
Households ts below minimum service level						
Proportion of households ts below minimum service level	-	-	-	-	-	-
						T3.4.3

3.4.4 EMPLOYEES SOLID WASTE MANAGEMENT (TRANSFER AND STREET CLEANSING)

Employees: Solid Waste Management Services (Transfer and Street Cleansing)					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	79	79	74	5	6%
4 - 6	5	5	5	0	0%
7 - 9	12	12	12	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	101	101	96	5	5%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days T3.4.5

3.4.5 FINANCIAL PERFORMANCE: WASTE MANAGEMENT SERVICES

Financial Performance : Solid Waste Management Services					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(49,325)	(50,277)	(52,400)	(49,409)	-6%
Expenditure:					
Employees	16,378	18,153	17,666	16,434	-7%
Repairs and Maintenance	5,287	6,725	6,080	5,208	-14%
Other	34,840	28,872	43,037	39,035	-9%
Total Operational Expenditure	56,504	53,750	66,783	60,678	-9%

Net Operational Expenditure	7,180	3,473	14,383	11,268	-22%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.4.7

3.4.6 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

Capital Expenditure : Solid Waste Management Services					
					R' 000
Capital Projects	**2021/22**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	**9,820**	**14,649**	**13,641**	**39%**	
Capital - Waste Transfer Station	4,783	4,783	4,689	**-2%**	
Caledon - Waste Transfer Station	–	3,824	3,824	**0%**	
Villiersdorp- Landfill rehabilitation	,562	,562	,35	**-94%**	
Riviersonderend - Waste Drop-off station	3,913	4,918	4,917	**26%**	
Greyton landfill rehab	,562	,562	,177	**-68%**	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.4.9

3.4.7 COMMENT ON THE WASTE MANAGEMENT SERVICES SERVICE PERFORMANCE OVERALL

Villiersdorp- upgrade WWTW: The prospective consulting firm that would have been appointed had tax matter issue. Tax matters was not in order there for appointment could not be concluded.

Riviersonderend WWTW upgrade: The MIG funds had to be adjusted, the tender had to be cancelled due to insufficient funds.

Caledon - Bulk outfall sewer: The tender process to appoint a Consulting Engineer for the remaining phases of the pipeline, was delayed by nearly a year. When the tender was finally awarded, the appointed consulting engineer encountered a SARS/Tax non compliance problem. The award was rescinded and another procurement process ensued. A new consulting engineer was appointed at the end of 21/22. The delay in appointing the first consulting engineer resulted in the variance as there was insufficient time within which to spend the adjusted funding.

Botrivier sewer network upgrading (septic tank eradication): The tender for phase 2 of this project was not awarded during 2021/22, and was subsequently cancelled early in 2022/23. No spending was possible and this resulted in the variance.

3.5 HUMAN SETTLEMENTS

3.5.1 INTRODUCTION TO HUMAN SETTLEMENTS

The Human Settlements is responsible for; facilitating the development of low-cost housing subsidy programmes; implementing incremental approaches to informal settlement upgrading; managing the grants allocated for the purposes; supporting and containing the informal settlements growth through education projects and land management; educating consumers of our services through targeted housing consumer education programmes; providing security of tenure through the title 6+deeds restoration programme.

Human Settlements Development Grants make up 26% (R 47 200 440) of the municipal capital budget (R 181 136 164) the second biggest contributor after loans, to the total municipal capital budget. Then department is responsible for the management basic service provision to 26 informal settlements. The current total informal structure count amounts to 10 767 of which Grabouw accounts for 50% (5385 structures) and Villiersdorp accounts for 38% (4062 structures).

Against this backdrop only R 2 813 258.00 of the 2021/22 municipal operating budget was made available for the management of informal settlements. This entails the provision of sanitation(toilets), waterpoints, emergency kits, personnel and labour and all other operational requirements which is not sufficient to cover the existing need within the municipal jurisdiction.

The total housing demand as per the housing demand database amounts to 12 817. Towns with the most informal settlements evidently have the highest demand, Grabouw 39% of the total demand (5072) and Villiersdorp 26% (3333) of the total demand. Over the next Medium-Term Expenditure Framework (MTEF) it is estimated as per the draft human settlements business plan that approximately

2322 serviced sites and 166 top structures will be delivered over the next three financial years. The indicates that the demand is far higher than what can be provided in the medium term.

HOUSING DEMAND ANALYSIS

Total registered housing demand 12 817

- Towns with the most informal settlements have the highest demand.
- It is highly likely that the demand is much higher based on the number of informal settlements and its rapid growth.

Unpacking the demand reveals that.

1. 86% of the total demand falls within the low-cost housing qualification income bracket.
2. 14% of the total demand falls within the affordable housing market.
3. 60% of the demand falls in the age category 49 and under.

Theewaterskloof Housing Demand Statistics

					Age						Category		
Town	Total	R0 – R3 500	R3 501 – R22 000	Total	18 - 30	31 – 40	41 – 50	51-60	60+	Total	Disabled	Backyarder	Farm Work
Botrivier	960	883	77	960	196	373	216	96	79	960	11	148	88
Caledon	1441	1342	99	1441	137	579	374	223	128	1441	20	206	88
Myddleton	60	57	3	60	8	21	12	12	7	60	2	8	0
Grabouw	5072	4105	967	5072	486	1746	1396	861	583	5072	49	889	645
Greyton/Genadendal	1024	967	57	1024	118	381	264	143	118	1024	9	96	16
Riviersonderend	830	765	65	830	64	336	196	133	100	830	10	126	65
Tesselaarsdal	97	94	3	97	10	41	9	20	17	97	0	18	1
Villiersdorp	3333	2772	561	3333	303	942	963	668	457	3333	25	199	652
Total	12817	10985	1832	12817	1322	4419	3430	2156	1489	12817	126	1690	1555

Informal Settlements

Towns with the most informal settlements evidently have the highest demand, Grabouw 39% of the total demand (5072) and Villiersdorp 26% (3333) of the total demand.

Theewaterskloof currently has 31 informal settlements with a total of 17 891 informal structures in the various towns. Grabouw accounts for 15 informal settlements with a total of 12 632 informal structures which amounts to 70% of the total informal structures

TOWN NUMBER OF SETTLEMENTS STRUCTURE COUNT

TOWN	NUMBER OF SETTLEMENTS	STRUCTURE COUNT
Grabouw	15	12 632
Villiersdorp	11	3 629
Caledon	1	989
Botrivier	1	389
Riviersonderend	1	142
Greyton/Genadendal	2	110
Total	**31**	**17 891**

Challenges / Delays

Relocation/Emergency Kits

The municipality is annually confronted with fire/flooding disasters within the informal settlements and the operational funding budgeted for is not sufficient to adequately aid communities.

is placing an additional burden on the municipality's resources and infrastructure as the **Farm evictions** municipality is sighted as respondent in all these cases with regards to the provision of temporary accommodation.

Employee Related Matters

The Human Settlements Department is currently understaffed and under capacitated. The vacancy for the Senior Development Officers for Grabouw and Villiersdorp remains vacant for more than 3 months. The permanent employment of a Project Manager and a Quality Assurance Officer is hampering the efficient management of projects and the effective monitoring of workmanship on site. The positions for Informal Settlements Management Officers for the towns of Villiersdorp and Caledon remain vacant which is critical to containment, growth of informal settlements and illegal invasion of municipal land. The overburdening of the Senior Development Officer of Caledon who currently must serve the areas of Caledon, Botrivier and Riviersonderend.

Adding to this the mentioned official is also the champion for the title deeds restoration programme and all these duties are being fulfilled without any form of compensation. The appointment of a qualified legal person or a conveyancing attorney would greatly assist in expediting the registration of title deeds and contracts. Urgent intervention is required, and the restructuring process should be used to address the capacity constraints of the department or run the risk of low morale and little productivity.

Achievements/Turnaround Mechanisms (November 2021-To Date)

- Employee Related Matters – Immediate relief provided in the form of emergency appointment to assist with the capacity constrains in the informal settlements management function. 33 EPWP workers appointed to survey all informal settlement areas to update and cleanse the informal settlements database. All vacant and funded positions including that of a project coordinator advertised and was filled. The department also appointed quality assurance officers for both the civils and top structure projects.

- 3 Informal Settlements Management Officers was employed to assist the management of informal settlements growth and implementing containment strategies.

- Riviersonderend 48 Top Structures (PHP) – Deviation approval obtained, and the contractor will establish site in August 2022.It is estimated that the contractor will established site in August 2022 and will commence with the construction of the remaining 48 units once the Land Surveyor has pegged the erven.

- Grabouw Rooidakke 1169: Installation of Civil Engineering Services (UISP) – All contractual disputes resolved, and all outstanding monies paid to the contractor. Contractor to establish site and commence with the 78 vandalised units as soon as funding is received from the department.

- Destiny Farm Villiersdorp /Berg en Dal – All contractual challenges resolved. ite handover meeting for the Berg en Dal bulk services were held on on the 7th of September 2022 and the contractor commenced with the works pertaining to the link sewer.

- Botrivier Beaumont / TRA 168 Sites – The project was completed in May 2022 and 168 enhanced service site was handed over to the municipality. Municipality immediately secured the site with the provision of security services when the contractor vacated the site.

- Caledon Riemvasmaak – Super-blocking
  The department submitted a report to the Human Settlements Portfolio on utilising the super blocking methodology to improve the basic services provision the informal settlement.

- Procurement Plans – The department is in the process of advertising 3-year tenders for the provision of:
  - Demolition of Illegal Informal Structures and Prevention of Illegal Invasion
  - Provision of Non-flush Chemical Toilets to the TWK area on an Adhoc Basis
  - Provision of Emergency Housing Relocation Structures.
  - Framework for Conveyancing Attorneys to Expedite Tittle Deed Registration

- Grabouw Gypsey Queen Development: Contractual disputes resolved, and EIA reimbursement funds released to the previous developer. Project incorporated into the Greater Grabouw Planning Development, funding already secured from the Provincial Department of Human Settlement for pre-feasibility planning.

- Provision of Basic Services- The Department procured 14 additional chemical toilets for the informal settlements of Kgutsong and Siyayayela. 20 Additional pre-cast was installed in the Riemvasmaak informal settlement. 85 Enhanced serviced sites have been completed in Grabouw Iraq informal settlements and relocations are imminent.

- Title Deeds Restoration Programme
  The municipality transferred 305 properties into the names of the applicable beneficiaries. A formal handover ceremony is planned for October 2022.

- Annual Housing Demand Database (HDD)
  The department is currently embarking on a roadshow to all the towns in TWK to give communities the opportunity to register on the HDD and to updatetheir status on the database. The programme has been extended until November 2022.

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

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

3.5.2 EMPLOYEES HUMAN SETTLEMENTS

Employees: Human Settlements (Including Informal Settlements)					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (Budgeted)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	0	0	0	0	0%
4 - 6	0	2	2	0	0%
7 - 9	2	3	3	0	0%

10 - 12	4	5	2	3	60%
13 - 15	0	1	0	1	100%
16 - 18	1	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	7	12	7	5	42%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior Management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. ***T3.5.4***

3.5.3 FINANCIAL PERFORMANCE: HOUSING SERVICES

Financial Performance: Housing Services					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(26,126)	(62,979)	(47,236)	(19,241)	-59%
Expenditure:					
Employees	5,694	5,810	5,215	5,532	6%
Repairs and Maintenance	597	2412	1658	1356	-18%
Other	11,898	17,348	15,370	2,489	-84%
Total Operational Expenditure	18,189	25,570	22,243	9,378	-58%
Net Operational Expenditure	(7,937)	(37,409)	(24,992)	(9,863)	-61%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.5.5

3.5.4 CAPITAL EXPENDITURE: HOUSING SERVICES

Capital Expenditure : Housing Services					
					R' 000
Capital Projects	**2021/22**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	**47,900**	**33,873**	**18,697**	**-61%**	
Caledon Riemvasmaak Planning	2,000	1,000	,244	**-88%**	

Rooidakke 1169: Installation of Civil Engineering Services (Water)	1,000	1,000	,117	**-88%**	
Rooidakke 1169: Installation of Civil Engineering Services (Sanitation)	1,000	1,000	–	**-100%**	
Rooidakke 1169: Installation of Civil Engineering Services (Stormwater)	1,000	1,000	,5	**-100%**	
Rooidakke 1169: Installation of Civil Engineering Services (Roads)	1,000	1,000	–	**-100%**	
Villiersdorp Berg en Dal : Installation of Civil Engineering (Water)	2,000	,500	–	**-100%**	
Villiersdorp Berg en Dal : Installation of Civil Engineering (Sanitation)	2,000	,750	–	**-100%**	
Villiersdorp Berg en Dal : Installation of Civil Engineering (Stormwater)	2,000	,750	–	**-100%**	
Villiersdorp Berg en Dal : Installation of Civil Engineering (Roads)	1,325	,325	–	**-100%**	
Gypsey Queen Planning	,575	,575	–	**-100%**	
Hillside (Planning)	–	1,000	–	**0%**	
Grabouw Rooidakke Extension Planning (Greater Grabouw Project)	3,000	5,000	2,719	**-9%**	
Grabouw Hillside: Installation of Civil Engineering Services (Roads)	1,125	,199	,199	**-82%**	
Grabouw Hillside: Installation of Civil Engineering Services (Stormwater)	1,125	,608	,395	**-65%**	
Grabouw Hillside: Installation of Civil Engineering Services (Water)	1,125	–	–	**-100%**	
Grabouw Hillside: Installation of Civil Engineering Services (Sanitation)	1,125	,86	1,006	**-11%**	
Grabouw Iraq Extension: Installation of Civil Engineering Services (Water)	,75	,105	,17	**-77%**	
Grabouw Iraq Extension: Installation of Civil Engineering Services (Roads)	,75	,75	,75	**0%**	
Grabouw Iraq Extension: Installation of Civil Engineering Services (Sanitation)	,75	,75	,75	**0%**	
Grabouw Iraq Extension: Installation of Civil	,75	,75	,75	**0%**	

Engineering Services (Stormwater)					
Cubicle Toilets	,700	1,400	,608	**-13%**	
Villiersdorp Destiny Farm: Installation of Civil Engineering (Roads)	1,750	1,750	1,750	**0%**	
Villiersdorp Destiny Farm: Installation of Civil Engineering (Sanitation)	1,750	1,750	1,750	**0%**	
Villiersdorp Destiny Farm: Installation of Civil Engineering (Stormwater)	1,750	,848	,848	**-52%**	
Villiersdorp Destiny Farm: Installation of Civil Engineering (Water)	1,750	–	–	**-100%**	
Greyton 595: Planning	1,500	,500	,308	**-79%**	
Botrivier Beaumont Land (Planning)	,500	,500	,298	**-40%**	
Botrivier Beaumont (interim services)	16,500	12,000	8,208	**-50%**	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.5.6

3.5.5 COMMENT ON THE HOUSING SERVICES SERVICE PERFORMANCE OVERALL

Caledon Riemvasmaak Planning

The final Environmental Basic Assessment Report could not be submitted because the storm water management plan was not part of the previous consulting engineers' scope of works, Contract for the service provider expired and claim from the department has not been paid to the municipality to re-appoint the service provider. Tranche 1.2 funding approved and consulting engineer to be appointed for the engineering designs. Spending low due to the fact that there was no engineer appointed to finalise the Storm Water Management Plan.

Grabouw- Rooidakke 1169: Installation of Civil Engineering Services

Approximately 921 sites have been serviced to date. Project stalled due to contractual dispute between TWK and the Implementing Agent. An application for the rectification of the bulk earthworks for work completed in phase 1-4 has been submitted and Department of Human Settlement will only look at the application once the implementing agent moves back to site and continue with works. Implementing Agent has re-established on site and is set to complete works by March 2023.

Villiersdorp - Berg en Dal: Installation of Civil Engineering Services

The contract with the service provider was deemed to have lapsed by the Auditor General and no activity could happen on site while the contractual issues was not resolved. All contractual documents have been signed. The project can only commence once the link sewer and water for Berg en Dal is installed. The implementation agent submitted an application for revised financial details on the project to the Provincial Department of Human Settlements to include the link sewer and water cost. Once the funding is approved contractor can establish site and commence with the works, which will improve spending.

Gypsey Queen Planning

Contractual disputes resolved, and EIA reimbursement funds released to the previous developer. Project incorporated into the Greater Grabouw Planning Development, funding already secured from the Provincial Department of Human Settlement for pre-feasibility planning.

Hillside Planning & Installation of Engineering Services

Contractor not yet appointed. The amendment of the site development plan triggered comments from the Department of Environmental Affairs, Cape Nature and the Water Catchment Management Agency, this has caused more delays for the implementation of phase 2 of the project. The cost to complete the works is higher than the approved amount of the funding resolution. Application for adjusted funding to align the funding with the latest subsidy quantum's submitted to the Department of Human Settlements and once approved the municipality can commence the procurement process for a contractor.

Grabouw Rooidakke Extension Planning (Greater Grabouw Project)

The service provider was previously instructed to focus on the land parcels located on the eastern corridor of the project hence pre-planning for the other portion was neglected. Additional cost incurred for the geo-technical investigations due to the scale of invasion on some of the prosed land parcels.

Grabouw Iraq Extension: Installation of Civil Engineering Services

85 Enhanced sited completed and ready for handover to beneficiaries. Relocation prioritisation must take place to prevent invasion on completed sites. The project could not proceed as the appointment of the consulting engineer lapsed resulting in works not being verified and signed off. The municipality re-appointed the consulting engineer and works on site re-commenced.

Villiersdorp Destiny Farm: Installation of Civil Engineering Services

The contract with the service provider was deemed to have lapsed by the Auditor General and no activity could happen on site while the contractual issues was not resolved. All contractual documents have been signed. The project can only commence once the link sewer and water for Berg en Dal is installed. The implementation agent submitted an application for revised financial details on the project to the Provincial Department of Human Settlements to include the link sewer and water cost. Once the funding is approved contractor can establish site and commence with the works, which will improve spending.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.6.1 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

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

In accordance with the approved indigent policy of the municipality the following qualifying criteria apply: a household where the combined or joint gross income of all occupants/residents/dependents, over the age of 18 years or who have potential earning capacity, is less than twice the monthly pension grant and can no longer afford to pay for the services provided by the council (subject to verification by Ward Councillor in consultation with the Ward Committee).

The "Spouse support/Care Grant" or "Child support Grant" should not be added to the Indigent Qualifying income threshold.

The municipality provides the following Free Basic Services to indigent households:

- Water: 6kl (all households)
- Electricity: 70kwh
- Weekly refuse Removal
- Free Sanitation

Council approved the broadening of the indigent scope by including two more categories:

1. **Deemed indigents**
    - **The National Framework for Municipal Indigent Policies** makes different provisions in terms of targeting the indigent.

    - Municipalities are moving towards the application of **multiple targeting** and or **combination targeting approaches**. They therefore cater for a **broader scope of indigent applications** and implement **various levels of indigent relief** based on their **own unique circumstances**.

        - **Geographical (zonal) targeting** where a particular area within the municipality is identified as poor and the tariffs for services provided in this area are adjusted accordingly.

        - **Targeting through lack of credit control:** in this case consumers of the service are billed but there is inadequate follow up to ensure payment. This non-sustainable approach is unfortunately widely applied, particularly in low-cost housing areas where poverty prevail and lack of credit control tools exist.

2. **Indigent Relief for Old Age Homes**

The qualification criteria for old age homes in order to receive indigent assistance on water, refuse and sewerage services are as follows:

- A 50% indigent assistance when more than 50% of the residence within an old age home receives less than twice the monthly grant for elderly persons; and
- A 40% indigent assistance when between 40% and 50% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 30% indigent assistance when between 30% and 40% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 20% indigent assistance when between 20% and 30% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- 10% indigent assistance when between 10% and 20% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- 5% indigent assistance when between 0% and 10% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- An application on the prescribed form, fully completed with the required Information and signed, must be provided.

The table below indicates the number of households that have access to free basic services.

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R 3 200 per month (Registered Indigents)								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2019/20	**34,610**	5435	5252	97%	5299	97%	2373	44%	5354	99%
2020/21	**35,594**	5792	5744	99%	5677	98%	2586	45%	5713	99%
2021/22	**35 990**	6442	6245	97%	6283	98%	2663	41%	6318	98%
T 3.6.3										

3.6.2 FINANCIAL PERFORMANCE: FREE BASIC SERVICES DELIVERED

Financial Performance: Cost to Municipality of Free Basic Services Delivered					
					R '000
Services Delivered	**2020/21**	**2021/22**			
	Actual	**Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Water	8,388	8,370	9,929	10,359	4%
Waste Water (Sanitation)	11,666	12,163	12,910	13,205	2%
Electricity	4,093	4,448	3,982	5,055	27%
Waste Management (Solid Waste)	13,138	13,821	14,501	14,824	2%
Total	**37,284**	**38,802**	**41,322**	**43,443**	**5%**
					T3.6.4

3.6.3 COMMENT ON FREE BASIC SERVICES DELIVERED

Municipalities also provide a package of free basic services to households who are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Theewaterskloof municipal area has increased slightly in 2022. The stressed economic conditions are expected to exert additional pressure on household income.

COMPONENT B: ROAD TRANSPORT

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

3.7 ROADS

3.7.1 INTRODUCTION TO ROADS

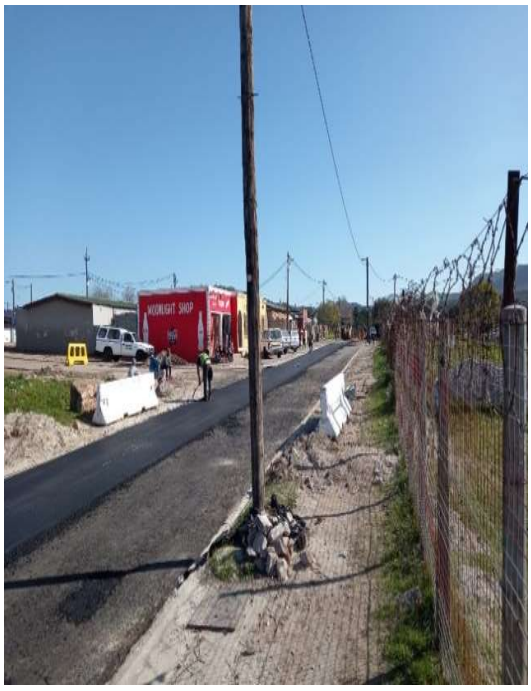
Due to ageing of current infrastructure the focus has shifted from only upgrading of roads from gravel to paved, and now also includes rehabilitation, resealing and maintenance projects funded out of capital funding.

Roads are being upgraded on a contract basis. A five year maintenance programme with priorities and budgets is available in the PMS as well as Integrated Transport Plan. There is little provision for pedestrian and bicycle travel in the municipal area apart from conventional sidewalks in the central business districts.

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

- CIVIL SERVICES

Project Description	**Upgrading of Bos Street and Rinstatement of Beverly Hills in Grabouw**
Contract Nr	ENG 06/2021/22
Funding	OWN: 072512200190: R414,830 (R0) MIG: '072512201268: R1557,498 (R0)
Consultant	N/A
Start Date	April 2022 - Project completed, but with savings
Completion Date	30 June 2022. Project completed, but with savings
Savings	R0



Projek Beskrywing	**Upgrading of Fullard Street – RSE**
Contract Nr	ENG06/2021/22
Funding	LOANS: 072512401263: R1 231 700 (Savings R0)
Consultant	N/A
Start Date	APRIL 2022
Completion Date	JUNE 2022

Project Description	Upgrading of Uitsig and Protea Street M/ton
Contract Nr	ENG 06/2019/20
Funding	LOANS: '072512101233: R1,240,511
Consultant	N/A
Start Date	December 2020
Completion Date	30 June 2020 (estimated)
Spending	R1,193,710.00 (VAT incl)
Progress	REPAIRING SNAGS

Project Description	Upgrading of Botrivier Roads
Contract Nr	ENG 06/2021/22
Funding	OWN: '072512701234: R365,586 MIG: '072512701263 : R740,000
Consultant	N/A
Completion Date	Contract Completed December 2020
Spending	100%

Project Description	Upgrading of Genadendal Roads
Contract Nr	ENG 06/2021/22
Funding	MIG - '072512501260: R1,269,644
Consultant	N/A
Start Date	April 2022
Completion Date	30 June 2021 (estimated)
Spending	100% (VAT incl)
Progress	REPAIRING SNAGS

Gravel Road Infrastructure				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year 2019/20	93.7	0	1.5	103.3
Year 2020/21	90.7	0	3	85
Year 2021/22	90,7	0	1,1	90
				T3.7.2

TARRED ROAD INFRASTRUCTURE

Asphalt Road Infrastructure					
					Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2019/20	164.3	0	1.5	0	operations
2020/21	167.3	3	0.28	0	operations
2021/22	168,4	1,1	3	0,5	operations
					T3.7.3

COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2019/20	no budget operational budget applies	no budget operational budget applies	operations	no budget operational budget applies	no budget operational budget applies	operations
2020/21	No new gravel roads	R13 572 069	operations	R13 572 069	R46 000	operations
2021/22	No new gravel roads	R7 200 000	operations	operations	operations	operations
						T3.7.4

3.7.2 EMPLOYEES: ROAD SERVICES

Employees: Road Services (Streets and Storm water) - including building maintenance					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	50	50	45	5	10%
4 - 6	13	13	12	1	8%
7 - 9	13	13	11	2	15%
10 - 12	7	8	7	1	13%
13 - 15	5	5	5	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	88	91	82	11	12%

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

3.7.3 FINANCIAL PERFORMANCE: ROAD SERVICES

Financial Performance: Road Services					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(7,414)	(12,928)	(8,477)	(7,270)	-14%
Expenditure:					
Employees	8,194	9,340	8,430	7,878	-7%
Repairs and Maintenance	24,674	25,935	26,010	24,499	-6%
Other	6,835	7,026	7,072	8,029	14%
Total Operational Expenditure	39,703	42,302	41,512	40,406	-3%
Net Operational Expenditure	32,289	29,374	33,035	33,136	0%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.7.8

3.7.4 CAPITAL EXPENDITURE: ROAD SERVICES

Capital Expenditure: Road Services					
					R' 000
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**6,450**	**1,279**	**-**	**-100%**	
Grabouw Hop-On Drop-Off PT Facility	4,421	–	-	**-100%**	
Construction of Driving Licence Testing Centre (DLTC) - Grab	2,028	1,279	-	**-100%**	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.7.9

3.7.5 COMMENT ON THE ROAD SERVICES PERFORMANCE OVERALL

Grabouw Hop-On Drop-Off PT Facility – Funds was moved to Adjustment Budget.

3.8 TRANSPORT (INCLUDING VEHICLE LICENCING & PUBLIC BUS OPERATION)

The transport sector is one of the growth drivers within TWKM. To realise the vision of creating a prosperous economy that: Sustained the natural environment and agriculture character of the area, creates opportunity and meets the needs of all residents and enables a financially viable Municipality.

The following proposal were detailed in the report as part of a turn-around strategy.

- Explore creative transport links between towns to increase accessibility to employment;
- A vintage rail project to boost tourism in the municipality;
- The development of a railway station in the town of Grabouw;
- Develop a rail link to Caledon; and
- Develop a rod and cycle route linking different areas within Theewaterskloof, linked to agri-tourism and biodiversity.

The SDF identifies the following urban nodes and rural settlements as key development nodes:
Botrivier;

Key Challenges as defined in the SDF 2019

- The western parts of Botrivier have poor access to the N2 National Road.
- Illegal access off the N2
- The northern and southern parts of the town are divided by the N2 National Road and there is no direct physical link between these two areas
- High level of poverty with 63% of the population earning less than R3 200 per month.
- There is no secondary school within or near Botrivier
- Lack of commercial development and investment in the town.
- The subsidised housing backlog1 is 735 persons (DoHS database, 2018).

Proposed Projects that affect Roads and Transport

- Tourism development should be encouraged as one the main economic growth sector.
- Development of the vintage rail initiative and upgrading the rail link between Cape Town and the Overberg District as a primary freight and passenger route. Terminates at the Elgin Station

- Two larger areas (Areas 9 and 10, as shown below) for mixed use development are also proposed along the R43 road, Thus access and NMT would be required.
- To accommodate the possible future demand for rail-based freight, space and opportunity should be provided along the railway line for freight and logistics related facilities and infrastructure, e.g. cold storage, transfer stations, turntable/turnaround area, etc. This could be accommodated in Areas 13, 14, 15 and 18, as shown below.
- Proposed activity streets along Waterkant and Plantation Streets
- Extending Plantation Street will link the proposed industrial and residential areas to the south of the N2 with the residential areas to the north of the N2.
- Pedestrian walkways and cycle routes (NMT) should be developed along Waterkant and Plantation Streets.

Caledon;
Key Challenges as defined in the SDF 2019

- Southern neighbourhoods of Caledon are spatially isolated from the primary services and employment opportunities.
- Limited employment opportunities, schools, clinics and community facilities exist within easy walking distance (1 km and less) from existing residential areas south of the railway line
- The upgrading of Chavonnes Road is required to unlock the development potential in the south.
- The subsidised housing backlog is 1 415 persons 1 (DoHS database, 2018).

Proposed Transport Projects

- Sufficient space exists to accommodate an electric vehicle charging station, strategically located along the N2 national road, given the expected average battery life of electric vehicles and distance from Cape Town.
- The opportunity exists to establish a public-private partnership with Transnet to develop a cultural/entertainment precinct at the Caledon Station
- Activity route along Charter and Sterling Streets
- Increased need for house, thus additional streets, NMT and PT will be required
- Hope Street is proposed as an activity street which could enable higher intensity economic development
- Secondary business nodes, proposed along the eastern end of Prince Albert Road, along Sterling Street, within the eastern part of Myddleton and at the intersection of the R316 route and the proposed collector route.
- Non-motorised transport routes (i.e. pedestrian walkways and cycle routes) are proposed along: Hope, Donkin, New, Church, sterling, Meul St and along the northern end of chavonnes Street.

Genadendal;

- Key Challenges as defined in the SDF 2019
- Poverty
- Lack of industrial and business erven
- No clearly demarcated town centre in any of the settlements.
- The subsidised housing backlog1 is 79 persons (DoHS database, 2018)

Proposed Transport Projects
The development of a peripheral economic zone along the main access road into Genadendal will improve accessibility to non-residential land uses and community facilities. A pedestrian walkway and cycle route (NMT) should be encouraged along this street.

Grabouw;
Key Challenges as defined in the SDF 2019

- Critical need for cemetery expansion. Suitable areas would need to be identified
- High level of seasonal migration to Grabouw linked with fruit farming
- High level of poverty
- Limited opportunity for industrial development exists within the town.
- The subsidised housing backlog is 5 2771 persons (DoHS database, 2018).

Proposed Transport Projects as stated in the 2019 SDF.

- The vintage rail initiative between Cape Town, Elgin, Botrivier and Caledon, had been proposed as a major initiative to unlock the tourism potential of the TWKM area.
- Many proposed residential and economic areas will required traffic impact assessments, new roads and PT.
- Activity streets along Ou Kaapse Weg and Oudebrug Road should improve accessibility to businesses and community facilities located in the central part of town
- Pedestrian walkways and cycle routes (NMT) and mix use development should be encouraged to develop along these streets.

Greyton;
Key Challenges as defined in the SDF 2019

- Spatial integration between Boschmanskloof and Greyton is needed to limit duplication of public facilities
- Lack of off-street parking for businesses in Primary Economic Area.
- A growing demand for commercial and tourism development
- The subsidised housing backlog1 is 306 persons (DoHS database, 2018)

Proposed Transport Projects as stated in the 2019 SDF.

- The intersection of Main Road and High Street forms the main tourism node for the town. A secondary tourism node is proposed at the intersection of Main Road and Caledon Street.
- An investigation must be conducted into the overall movement system of Greyton to provide much needed recommendations with regard to direction of traffic flow, the development of NMT, the provision of satellite parking areas and heavy vehicle movement through the primary economic node.
- Activity street along Main Road to improve accessibility to businesses and community facilities.
- A system of pedestrian routes is proposed along Main Road, Plantation Street and Park Street.

Riviersonderend;
Key Challenges as defined in the SDF 2019

- The N2 National Road bisects the town into northern and southern halves, which is a barrier for spatial integration
- North-south linkages across the N2 are partly restricted by traffic and safety concerns.
- There is a poor sense of place due to a poor streetscape along the N2.
- Infiltration of service trades/business uses into residential areas have affected the character of these neighbourhoods.
- The subsidised housing backlog1 is 850 persons (DoHS database, 2018).
- Lack of economic opportunities in areas further than 1 km (15 min walking distance) from the N2.

Proposed Transport Projects as stated in the 2019 SDF.

- The Sonderend Mountain Range and the scenery of the Sonderend River valley, the Kleinberg Mountain and the town's strategic location along to the N2 to provide ideal opportunities for tourism development.
- Miller Street and Alpha Street have been identified as important activity linkages/routes between Oostergloed and the Primary Economic Area. NMT facilities should facilitate integration and should improve accessibility to business and community facilities located near the CBD.
- Alpha Street links the proposed secondary business node with the CBD and pedestrian movement should be improved along this route which should also improve accessibility to the Primary Economic Area

Tesselaarsdal;
Key Challenges as defined in the SDF 2019

- Limited economic and employment opportunities exist in Tesselaarsdal
- There is a lack of road hierarchy to demarcate areas with different land use intensities.
- Not all properties have direct access to higher order, public roads and access to certain individual properties are by means of mutual agreement or servitudes right-of-way.

Proposed Transport Projects as stated in the 2019 SDF.

- No areas have been identified which require more detailed studies and precinct plans.

Villiersdorp.
Key Challenges as defined in the SDF 2019

- Physical, biophysical and ecological constraints such as the Elands River, steep slopes and valuable agricultural land limit opportunities for urban development and expansion.
- The main economic activities and employment opportunities are located along and to the east of the R43 Road, far to walk.
- Limited lower order convenience retail and community facilities within easy walking distance (1 km and less) from Goniwe Park.
- High levels of poverty exist.
- here is a large subsidised housing backlog, 3 644 persons in total (DoHS database, 2018)

Proposed Transport Projects as stated in the 2019 SDF.

- Appropriate commercial development surrounding the taxi rank located at the intersection of the R43 and Buitekant Street must also be encouraged.
- Buitekant Street links Goniwe Park with the town centre and its designation as an activity street should improve accessibility to businesses and community facilities. A pedestrian walkway and cycle route could be developed along the street to strengthen its connectivity.
- A detailed study to determine the development potential and options for the proposed tourism node around the intersection of Main Road and Buitekant Street.
- With the proposed developments, additional roads will be required for the township establishments.

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

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

2.4.1 Extent of Road Network

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

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

A map of the road network in the TWKM is above

ROAD TYPE					
Town	Road - Paved - Flexible	Road - Paved - Block	Road - Paved - Concrete	Road - Gravel	Total
Theewaterskloof	**168.3**	**8.0**	**0.5**	**104.4**	**281.7**
Botrivier	11.3	1.7		13.5	26.5
Caledon	49.4			3.9	53.3
Genadendal	1.7			31.5	33.2
Grabouw	50.4	2.7	0.3	11	64.4
Greyton	9.7	0.8		13.8	24.3
Myddleton	3.7			2.8	6.5
Riviersonderend	11.4	1.2		16.2	28.8
Tesselaarsdal	5.3	0.3		5.9	11.5
Villiersdorp	23.7	1.3	0.2	5.8	31

MODE	TOWN	ORIGIN RANK		DESTINATION RANK		ROUTE CODES	TYPICAL ROUTE DISTANCE (KM)	AVERAGE VEHICLE SPEED (KM/H)	TRIP TIME (ONE-WAY) (MIN)	TURN AROUND CYCLE TIME
		NAME	CODE	NAME	CODE					
MBT	Grabouw	Grabouw Taxi Rank	WC031 003	Farms	-	700	36	40	54	108
MBT	Grabouw	Grabouw Taxi Rank	WC031 004	Khayelitsha	-	981, T21	77	58	80	160
MBT	Grabouw	Grabouw Taxi Rank	WC031 005	Somerset West	-	F8	27	56	29	58
MBT	Grabouw	Grabouw Taxi Rank	WC031 006	Vyeboom/ Villiersdorp	-	949, 965, 699	40	60	40	80
MBT	Grabouw	Grabouw Taxi Rank	WC031 007	Botrivier/Caledon	-	D92	46	61	45	90
MBT	Caledon	Plein Street	WC031 002	Genadendal/ Greyton	-	J35, 956	37	60	35	70
MBT	Caledon	Cath-Cart Street	WC031 001	Uitsig/Bergsig/Chickama	-	G8, 954, 911, 912	-	-	-	-
MBT	Villiersdorp	Villiersdorp	WC031 005	Goniwe Park	WC031 004	D82	1.4	20	4	9
MBT	Villiersdorp	Villiersdorp	WC031 005	Grabouw	WC031 003	K94	38.6	66	35	77
MBT	Villiersdorp	Villiersdorp	WC031 005	Franschhoek	-	N60	28	70	24	53
MBT	Villiersdorp	Villiersdorp	WC031 005	Helderstroom/Farms	-	-	30.3	70	26	57
MBT	Villiersdorp	Villiersdorp	WC031 005	Caledon	-	K95	41.9	63	40	88
MBT	Villiersdorp	Goniwe Park	WC031 004	Worcester	-	G29	47.4	81	35	77
MBT	Villiersdorp	Goniwe Park	WC031 004	Bellville	-	E7	87	70	75	165

Routes as identified per facility

Needs Identified from Stakeholder Consultation

Meetings were held with the TWKM on the 31/10/2019 in Caledon. The meeting was attended by Mr L Parnel and Mr E Prollius. In addition, stakeholder consultations with the Grabouw taxi association was conducted in November 2018 and again in the week of the 27th November 2019 to 30th November 2019 as when the surveys were conducted in TWKM. During the stakeholder consultation meetings with the local municipality, the following points were discussed:

- The Pavement Management Strategy and Road Masterplan includes reseal and upgrade projects for the next five years.
- Traffic, NMT and PT issues are documented in the SDF and Roads Masterplan.
- The municipality has recently bought a repair machine for road repairs.
- A three-year capital project has been approved for new roads in the municipality.
- A new rank location in Caledon is required.
- Freight in Caledon is damaging the CBD roads and these trucks must ideally use the periphery gravel roads.
- The stretch of the N2 running through the municipality is currently being upgraded between Caledon and Riviersonderend. The remainder of the construction duration is two years
- NMT throughout the municipality is an issue and needs to be a priority. The five small towns are a major priority.

List of Prioritised Projects

To prioritise the projects, which are currently planned from 2019 to 2024, the following criteria is used:

- Planned projects are prioritised according to the budgeted financial year;
- Projects identified from the needs assessment are prioritised according to works, for future financial years;
- NMT projects are prioritised as this need was emphasized by the municipality. However, the prioritising of the projects are post already planned funded projects. Following this, rehabilitation and maintenance projects are prioritised above upgrade projects.

Using these criteria, the projects are prioritised as follows:

PRIORITY	PROJECT	ESTIMATED COST (ZAR)
1	RAMP Maintenance Programme	R 117 549 170
2	C984 Grabouw-Villiersdorp reseal	2 000 000
3	C1093 N2 Villiersdorp	21 000 000
4	C1088 PRMG Stanford-Riviersonderend reseal	58 000 000
5	C1088 Stanford-Riviersonderend reseal	2 000 000
6	Grabouw taxi rank	4 310 998
7	C1011 Draaiberg Road	100 000 000
8	C1119 Tesselaarsdal area bridges	20 000 000
9	Roads & SW upgrade – Botrivier	1 304 348
10	Upgrade Disa Street – Riviersonderend	652 174
11	Beverly Hills: Reinstatement of Bos Street road	500 000
12	Upgrading of streets – Grabouw	1 066 000
13	Upgrading of streets – Riviersonderend	2 021 567

PRIORITY	PROJECT	ESTIMATED COST (ZAR)
14	Feasibility study – Caledon taxi rank	50 000
15	Increase Villiersdorp Taxi Rank	2 000 000
15	Maintenance – Villiersdorp	200 000
16	NMT – Hoogstraat	100 000
17	Green safe route	100 000
18	Cycle routes – Ward 14	200 000
19	Bus shelter – Ward 4	70 000
20	SDF identified NMT	R5 920 000
21	Additional NMT walkways	11 960 000
22	Bus shelter – Main Road	70 000
23	Taxi Rank – Riemvasmaak area	500 000
24	Speedbumps – Voortrekker Road	60 000
25	Traffic calming – Santa New Extension	50 000
26	Traffic calming – Mountain Hill	60 000
27	Traffic calming – Serruria	80 000
28	Paving of roads – Bosbou Water Works	2 000 000
29	Paving – De La Vigne Street	3 675 000

3.9 WASTE WATER (STORMWATER DRAINAGE)

3.9.1 INTRODUCTION TO STORMWATER DRAINAGE

Storm water maintenance is done by operations department. Maintenance on storm water is done in warmer months to prevent damage during the rainy season. Storm water networks were upgraded as part of the Roads Upgrading Programme.

Storm water network comprises of a piped system and open drainage channels. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter. The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding frequently occur due to foreign objects entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

STORMWATER INFRASTRUCTURE

	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2019/20	165.2	0.2	0	operations
2020/21	165.7	0.5	0	operations
2021/22	166,05	0,35	0	operations
				T3.9.2

COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance			
			R' 000
	Stormwater Measures		
	New	Upgraded	Maintained
2019/20	200 000	0	operations
2020/21	3 891 000	0	operations
2021/22	500 000	0	operations
			T3.9.3

3.9.2 EMPLOYEES: STORMWATER SERVICES

Stormwater services employees are included with Road services employees.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 INTRODUCTION TO PLANNING AND DEVELOPMENT

This component includes: planning and local economic development.

3.10.1 INTRODUCTION TO PLANNING

Spatial Planning, Land Use Management, Building Control and Geographic Information System (GIS) services are rendered by the Town Planning and Building Control Section. These functions are done in accordance with the applicable National, Provincial and Municipal legislation as well as National and Provincial directives and Council policy. The function aims to facilitate sustainable urban and rural development.

The town planning section embarked on a process to review and amend the current Theewaterskloof Municipality Bylaw on Municipal Land Use Planning. The aforementioned bylaw was first implemented within the municipality on 1 December 2015. The objective of the amendment process was to address certain issues that were experienced during the implementation of the 2015 bylaw. Council approved the proposed amendments and the new bylaw was published in the Provincial Gazette on 4 March 2022.

The town planning section is responsible for the processing of all types of land use applications as listed in Section 15(2) of the Theewaterskloof Municipality Bylaw on Municipal Land Use Planning. Decisions are either made by the Municipal Planning Tribunal, established in terms of Section 70 of the Theewaterskloof Municipality Bylaw on Municipal Land Use Planning, or the Authorised Official, as determined by Section 68 of the Theewaterskloof Municipality Bylaw on Municipal Land Use Planning.

Table T3.10.2 illustrates the breakdown of the types of land use applications that were considered and finalized during the course of the financial year. In total, 97 land use applications were finalized, which comprised the different types of applications as contained in the aforementioned table. In the 2020/2021 financial year, a total of 86 land use applications were finalized. A steady increase in the number of applications finalized can be observed since the 2020 COVID-19 national lockdown period.

The building control section in turn finalized a total of 268 building plan applications through the course of the financial year. In the 2020/2021 financial year a total of 285 plans were finalized. A small decrease in the number of building plans processed can therefore observed.

The estimated total value of all building plans approved is R 268 356 477.00. It should be noted that this estimated value is provided by service providers (architects, draftspersons, etc) of clients, upon submission of building plans. The actual value of all building plans approved may therefore vary.

3.10.2 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development							
Planning applications finalised	Departure	Consent use	Rezoning	Subdivision	ROR	Extension of validity period	Consolidation
	38	15	13	12	1	1	7
							T 3.10.2

Planning Policy Objectives							
Service Objectives	Outline service targets	2019/2020		2020/2021		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
Determine applications within a reasonable timescale	Approve building plans within 30 days for buildings less than 500m2 and 60 days for buildings larger than 500m2 after all information required is correctly submitted.	50%	60%	85%	98%	90%	99%
	Process land use applications within 60 days (delegated official) after receipt of all outstanding and relevant information and documents.	50%	58%	85%	94%	85%	93%
	Process land use applications within 120 days (MPT) after receipt of all outstanding and relevant information and documents.	60%	66%	85%	98%	90%	98%
Conduct inspections within a reasonable timescale	Conduct building site inspections of approved building plans within 10 working days after receipt of request.	N/A	N/A	N/A	N/A	100%	100%
	Percentage occupation certificates issued within 10 working days.	N/A	N/A	N/A	N/A	100%	94%
							T 3.10.3

3.10.3 EMPLOYEES: PLANNING SERVICES AND IDP

Employees: Planning Services (Building Control)					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	4	4	4	0	0%
10 - 12	4	5	5	0	0%
13 - 15	4	3	3	0	0%
16 - 18	2	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	14	14	14	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* ***T3.10.4***

Employees: IDP					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* ***T3.52.4***

3.10.4 FINANCIAL PERFORMANCE: PLANNING SERVICES

Financial Performance: Planning Services					
					R'000
Details	**2020/21**	**2021/22**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	(2,367)	(742)	(809)	1,712	-312%
Expenditure:					
Employees	8,994	4,927	4,841	4,662	-4%
Repairs and Maintenance	–	–	–	–	0%
Other	3,353	1,035	943	,750	-20%
Total Operational Expenditure	12,348	5,962	5,784	5,411	-6%
Net Operational Expenditure	9,981	5,220	4,975	7,123	43%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.10.5

3.10.5 CAPITAL EXPENDITURE: PLANNING SERVICES

Capital Expenditure: Planning Services					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	47,994	34,014	18,801	-61%	
Botrivier Beaumont Land (Planning)	500	500	298	-40%	
Botrivier Beaumont (interim services)	16,500	12,000	8,208	-50%	
Capital - Grabouw Rooidakke 1169 Civil Engineering Services	1,125	86	1,006	-11%	
Greyton 595: Planning	1,500	500	308	-79%	
Furniture and Office Equipment (Renewal)	4	4	3	-19%	
Furniture & Office Equipment(NEW)	–	35	–	0%	
Caledon Riemvasmaak Planning	2,000	1,000	244	-88%	
Rooidakke 1169: Installation of Civil Engineering Services (	1,000	1,000	117	-88%	
Rooidakke 1169: Installation of Civil Engineering Services (	1,000	1,000	–	-100%	
Rooidakke 1169: Installation of Civil Engineering Services (	1,000	1,000	5	-100%	
Rooidakke 1169: Installation of Civil Engineering Services (	1,000	1,000	–	-100%	
Villiersdorp Bet en Dal : Installation of Civil Engineering	2,000	500	–	-100%	
Villiersdorp Berg en Dal : Installation of Civil Engineering	2,000	750	–	-100%	
Villiersdorp Berg en Dal : Installation of Civil Engineering	2,000	750	–	-100%	
Villiersdorp Berg en Dal : Installation of Civil Engineering	1,325	325	–	-100%	
Gypsey Queen Planning	575	575	–	-100%	
Hillside (Planning)	–	1,000	–	0%	
Grabouw Rooidakke Extension Planning (Greater Grabouw Projec	3,000	5,000	2,719	-9%	
Grabouw Hillside: Installation of Civil Engineering Services	1,125	199	199	-82%	
Grabouw Iraq Extension: Installation of Civil Engineering Se	75	75	75	0%	
Grabouw Iraq Extension: Installation of Civil Engineering Se	75	75	75	0%	
Cubicle Toilets	700	–	–	-100%	
Cubicle Toilets	–	700	608	0%	
Cubicle Toilets	–	700	–	0%	
Grabouw Hillside: Installation of Civil Engineering Services	1,125	608	395	-65%	

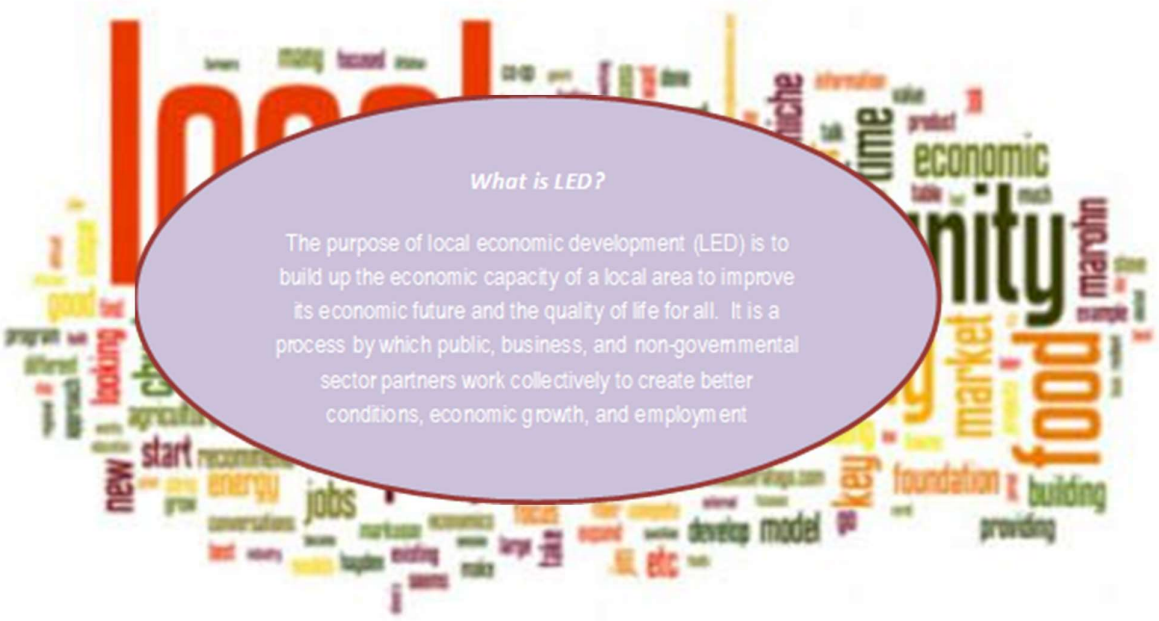
Grabouw Iraq Extension: Installation of Civil Engineering Se	75	75	75	0%	
Grabouw Hillside: Installation of Civil Engineering Services	1,125	–	–	-100%	
Grabouw Iraq Extension: Installation of Civil Engineering Se	75	105	17	-77%	
Villiersdorp Destiny Farm: Installation of Civil Engineering	1,750	1,750	1,750	0%	
Villiersdorp Destiny Farm: Installation of Civil Engineering	1,750	1,750	1,750	0%	
Villiersdorp Destiny Farm: Installation of Civil Engineering	1,750	848	848	-52%	
Villiersdorp Destiny Farm: Installation of Civil Engineering	1,750	–	–	-100%	
Furniture and Office Equipment (Renewal)	–	12	10	0%	
Purchase of Portion of Land for Caledon Private Hospital	90	90	90	0%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.10.6

3.10.6 COMMENT ON THE PLANNING SERVICES PERFORMANCE OVERALL

The 20% variance on the operational budget of the department can be attributed to savings on two of the department's operational votes. The first is as a saving on expenditure of the Municipal Planning Tribunal (MPT). The MPT was able to conduct its business in a shorter time than originally planned for, resulting in saving within this regard. The second is a saving on the legal expenditure of the department. Even though originally litigation proceedings were instigated for the full legal budget, all of the litigation proceedings that the municipality instigated resulted in settlement agreements being reached between the municipality and the defendants. It was therefore not necessary to proceed with further litigation proceedings, resulting in savings on the vote.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

3.11.1 INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT SERVICES



The initiatives implemented by the LED & Tourism Department is forthcoming from the LED Approved Strategy and consultations. It must be emphasized that the department still experience some challenges as indicated below. During the 2021/2022 financial year the department focused on the following key programmes:

- Enterprise Development Support
- Tourism Promotion and marketing, which includes events administration,
- Preferential procurement process finalisation,
- Job creation opportunities through government employment programmes,
- Farmer support and development, and
- Investment promotion.

Following the key highlights and challenges for the 2021/2022 financial year:

- **Enterprise Development & Business Support Services**

  The following business support services were provided to local entrepreneurs:

- **Business Support Interventions**

Number of business interventions for the financial year

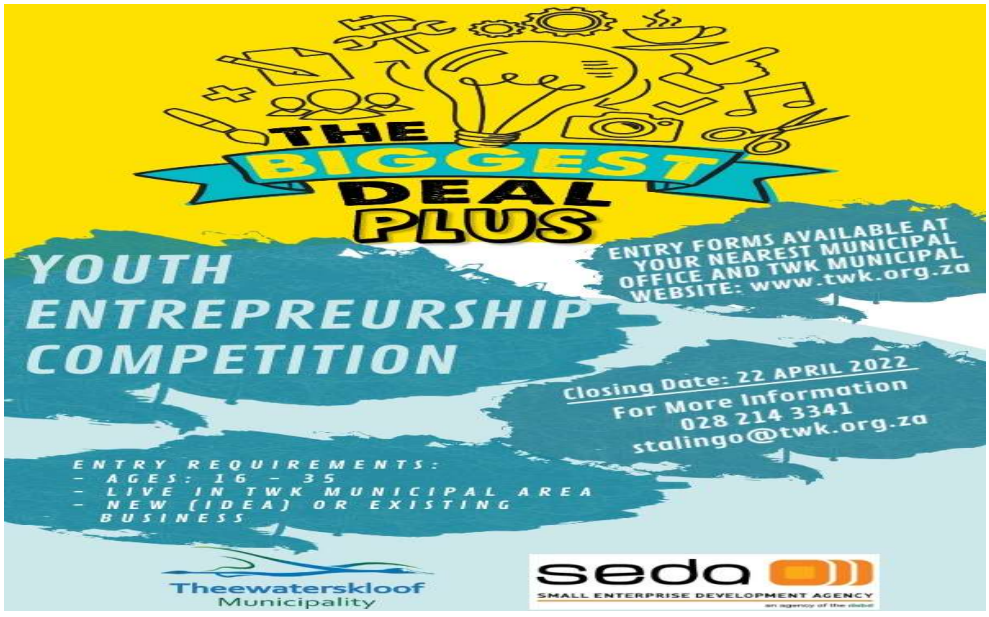
	2019/20	2020/21	2021/2022
Business Registrations	10	35	72
Municipal Database Registration/CSD	10	35	34
Advise to walk-ins	43	96	100

Workshops / Training	1	7	25
Funding application assistance	2	19	6
Funding / Business Advice Referrals	10	25	10
CIDB Registrations	1	10	10
BEE Certification	10	35	
Tax Registrations	10	35	40
Mentorships		15	3
Tender Training	0	4	6

- **Biggest Deal Plus Youth Entrepreneurship Competition 2021/2022**

The Biggest Deal Plus Youth Entrepreneurship initiative was an approved amended version of the competition that were implemented from 2014 until 2019. The amended version of the Biggest Deal Plus focused more on unemployed youth and youth that already has an existing business. It covered the whole Theewaterskloof area and aimed to encourage an entrepreneurial culture and business mindset among youth.

The competition was phased in over the two month period, which involved the following phases and activities:



- Application Phase: The application period was open from 8 April 2022 until 22 April 2022. Notices were placed on the notice boards of each municipal office in the various towns, on the municipal social media & citizens app as well as send to existing clients on the LED Database.
- In total twenty-three entries were received, of which eight entrants completed the competition.
- An induction session was held with 17 of the 23 participants were provided information on the competition:

- The description and objectives of the competition.
- Introduction of fellow participants.
- Activities/assignments that needs to be completed within the competition, including submission dates.
- Scoring criteria
- Information on the competition prizes
- Means of communication with TWK Municipal officials

- Activities & Assignments: Participants had to complete 5 activities/assignments as outlined during their induction sessions

- Attend a business information session (Mayoral Supplier Open Days) and answer questions on the activities of the day and compliance questions. The activity was design to expose the participants to the various business support agencies in the business development ecosystem and to highlight the importance of business compliance.
- Activity 2 was the completion of their individual Business Canvas. A Business Canvas is a 1-2 page summary business plan to outline key elements in your business. Participants were required to complete this in relation to their own business or idea. The objective of this exercise was to highlight the importance of business planning that entrepreneur needs to conduct to determine the feasibility of their business and to guide them.
- Activity 3 was to attend a 3-day business training. This was to improve the business management skills and knowledge of participants. Interactive with existing entrepreneurs and be guided by the appointed facilitator on their individual business.
- The fourth activity was a Market Day. Participants were requested to form groups and come up with a product or service they wish to sell on a specific day together. This practical was designed to see how well they work with other entrepreneurs on joint ventures. How to operate a business in real life. It highlighted the aspects of marketing, teamwork, financial management and customer services.

Market Day in Villiersdorp, Caledon & Grabouw

- The final activity was a Business Pitch Session. Each participant was requested to do a pitch in front of judges. The objective was to explain and justify their business or idea, provide evidence, and convince the judges that the business idea is viable. The learning outcomes of this is to improve their presentation and pitching skills, do proper research on their product or service and industry, improve their sales and communication skills.

Business Pitch Activity

1st place winners will be awarded non-financial support to the value of R30 000.00 each. 2nd place winners will be awarded non-financial support to the value of R20 000.00.

Non-financial support such as equipment, specific industry registration or certification, training, or other resources (excl. covering operational costs of the business).

Overall, the new version of the Biggest Deal Plus competition has realised the short-term goals of what it was intended for. To assist non-school-going youth that has a business or what

to start a business. All eight (8) entrepreneurs who completed the programme has the potential to operate a sustainable business. The previous version of the programme could not claim this. Efforts are made by the LED department and Seda to provide further assistance to these entrepreneurs and their businesses. Thus, is to reach medium to long term goals to increase the sustainability of these businesses and create possible jobs in the future. The content of the competition reflects satisfaction from the implementing partners as well as the contestants. Minimal amendments can be made to enhance the overall effectiveness of the activities/assignments.

- **Memorandum of agreement between the Municipality and SEDA**

One of the major reasons for failure of small and micro businesses is the lack of skills, a prominent support ecosystem for local businesses as limited success stories which they can draw from. Small, medium and micro enterprises play an important role in the development of Theewaterskloof economy as a whole, contributing significantly to sustainable and inclusive growth. SMME's who have enormous potential in job creation, are considered as a backbone of Theewaterskloof economy, as they provide income to local citizens and to the unemployed households.

The problems and challenges that SMME's face are multi-faceted and wide-ranging i.e.:

- Inadequate access to business information.
- Insufficient infrastructure to operate businesses.
- The role of the municipality not clearly defined,
- Low skill levels still exist within SMME's
- An increase in cost of doing business due to regulatory burden on enterprises.
- Limited access to markets through procurement opportunities, local and international markets, and;
- Lack of inadequate access to both financial and non-financial resources

It is therefore required that the Municipality provide interventions to support and enhance SMME development to combat the above challenges. Given the above mandate, the objective of this partnership agreement is customising a business support eco-system for local businesses in Theewaterskloof Municipal Area. This objective of the agreement is also to create a legitimate platform in cognisant of responsible effective, efficient economical and transparent use of the resources of the municipality that are earmarks to enhance service delivery in the community. This agreement is valid for one year and renewable each year, with the view of entering into a longer-term agreement. The implementation of this partnership agreement requires collaboration with role players in the private and public sector. The first phase of implementation will focus on developing sustainable partnership through the formalisation of this partnership with SEDA.

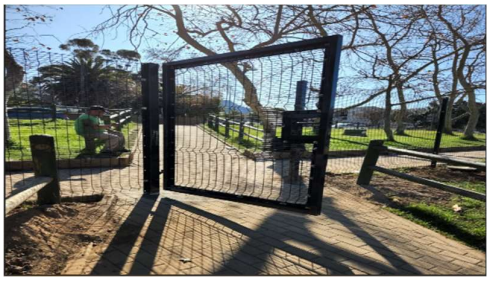
- **Informal Trading Permitting & Licencing**
  - Number of trading permits issued:

2020/2021	2021/2022
270	88

- Boosting the Informal Economy - Upgrade and Expansion of Informal Trading Market – Villiersdorp
  - The Municipality applied for external funding to establish, upgrade, and expand the existing trading areas within Theewaterskloof Municipal Area.
  - Villiersdorp Informal Trading Market, which is an existing market, received external funding in the 2021/2022 financial year to the amount of R500 000.00 to replace the existing fence, which was completed by 30 June 2022.
  - The total cost to erect the fencing to safeguard the market amounted to R 492 262.92.
  - This project led to the creation of six (6) temporary employment opportunities during construction phase.
  - In addition to the R500 000.00, an additional R1 000 000.00 was granted through the Regional Socio-Economic Programme from the Department of Environmental Affairs and Planning for Phase II, which is the upgrade and expansion of the trading bays.

Site Preparation Phase

Site Fence Completed



- **Contractor Development & Support**

  The LED Department assisted local contractors through the Contractor Development and Support initiative, to access opportunities as sub-contractors to access tenders to the value of R3,5 million rand. In total four local contractors Grading from Grade 1 CE & GB and Grade 2 CE & GB to access opportunities through the SANRAL Routine Maintenance Project and the Grabouw Pick 'n Pay Development. In total, 20 short term job opportunities were created during the construction of Pick 'n Pay Centre and twenty (20) job opportunities were created through the SANRAL Routine Maintenance Project.

- **Supplier Open Days**

  The Municipal Supplier Open days was held in response to the need identified to have a platform where local business (formal and informal) can access business support- and information services at a single event as a way to assist local businesses. Furthermore, to update the SCM Supplier Database that is outdated with local supplier information. The motivation for the supplier open days was also the large number of requests submitted by local SMME's to engage SCM and understand the procurement process, registration, and assistance to increase their chances to secure an opportunity from the municipality. The limited knowledge of local entrepreneurs of the various business support agencies and departments as well as the importance of business and industry regulation compliance.

  In response to the needs identified, the Municipality hosted a two-day Mayoral Supplier Open Day, one in Caledon and another in Grabouw on 12 and 13 May 2022. These events produced a number of outcomes:

  That there is a need to have similar sessions going forward such as TWK Local Supplier Engagements hosted by both SCM & LED jointly. To inform local SMME's/Supplier about the Municipal Supply Chain Process, Registration and Procurement Opportunities on a possible quarterly basis. Also, a larger Open Day such as the Mayoral Open Days at least once or twice a financial year.

The municipality through the LED department will partner with some of the departments to roll support programmes such as WCDHS contractor development programme, NHBRC contractor training and financial training provided by some of the banks.

The LED Department to mobilise support from management and council to improve its internal capacity and resources to reach more local entrepreneurs and enhance its services.

Greater support from other TWK departments, such as SCM, Communication and Community Services should be encourage by senior management to enhance these events that the LED Department facilitate.

Based on the attendance and feedback by local small businesses it is evident that the two-day event was sort after and in high demand. Many SMME's were assisted with compliance request and will be supported in the various business support programmes that were presented by the various agencies and departments.

Caledon Supplier Open Day

SUPPLIER OPEN DAY - GRABOUW (12 MAY 2022)

- **LED / SCM Statement and Performance**

  - In terms of the IDP, "Theewaterskloof municipality will whenever the procurement of goods and services arises apply the constitutional imperatives governing SCM in terms of section 217 of the constitution in relation and alignment to section 152 and 153 of the constitution as well as the national development plan and its 2030 vision".

  - Enabling the municipality to give effect to sections 152 and 153 of the constitution and in doing so:

  - The LED and SCM agree on the proposed procurement strategy after an in-depth analysis of the market forces performed.
  - The LED and SCM will develop process and procedures to ensure the municipality give effect to S152 and S153 of the constitution.
  - Given the latter, the LED and SCM Department appointed a service provider to develop a Preferential Procurement Policy and Implementation Plan on how to utilize municipal spending to validate the municipality's commitment to local socio-economic development and preferential procurement.
  - Further to this, the municipality set specific objectives to implement procurement practices through effective planning, strategic purchasing and contract management and introducing systematic approach to the appointment of service providers and to promote consistency in respect of supply chain management. The policy also promotes SMME's, joint ventures, consortiums, cooperatives, and partnerships to create new jobs or intensify labour absorption within the Theewaterskloof Municipal Area.

  The Policy has been drafted and workshopped and will be adopted in the new financial year, after the adoption of the Procurement Plan.

- **Farmer Support & Development**

  - During 2021/2022 continuous search for agricultural land to assist small farmers.
  - Continuous consultations and engagements with small farmer forum took place. However, the main challenge is access to available agricultural land to establish and expand their farming operations.
  - Little progress is made regarding the application to the Department of Public Works in July/August 2021 to transfer state-owned agricultural land for farming activity in the Theewaterskloof Municipal Area.

  - The Agri-processing on Wheels initiative was launched in May 2022 in Caledon by the Western Cape Department of Agriculture and Rural Development. Agri-processing is emerging as an essential sub-sector with the potential to spur economic growth and creating jobs. In total 100 small farmers, of which fifty percent of the attendees was local small farmers and food household garden owners from Theewaterskloof Municipal Area attended the event.

  - Continuous support by The Department of Agriculture to small farmers in Theewaterskloof Local Municipality were as follow:

- Training provided to small farmers of Caledon, Grabouw, Tesselaarsdal, Riviersonderend, Myddleton and Genadendal on the following commodities e.g. pig production, vegetable and poultry production, irrigation systems and the safe use of chemicals, infrastructure maintenance, production inputs and mechanization.
- In addition, financial support given to grain farmers through the Comprehensive Agricultural Support Programme.
- In terms of household food security water tanks and equipment was distributed and production inputs provided to households with food gardens.

- **Events Applications for 2021/2022 Financial Year**

FY 2021/2022	NR OF EVENTS	REVENUE GENERATED
Quarter One (01 Jul 2021 – 30 August 2021)	In total **3 out of 5** events applications processed and approved	- Revenue generated for processing of events applications amounted to **R 5643.00**
Quarter Two (1 Sept 2021 – 31 Dec 2021)	In total **17 of 21** events applications processed and approved	- Revenue generated for processing of events applications amounted to **R 21 540.00**
Quarter Three (1 Jan 2022 – 30 Mar 2022)	Int total **18 out of 18** events applications processed and approved.	- Revenue generated for processing of events applications amounted to **R32 472.00** - Traffic Fees paid amounted to **R32 692.67**
Quarter Four (1 April 2022 – 30 June 2022)	Int total **19 out of 19** events applications processed and approved.	- Revenue generated for processing of events applications amounted to - **R31 194.00**
TOTAL EVENTS / REVENUE TO DATE	**57**	**R 123 541.67**

Social Corporate Responsibility Contribution

Origin

Festival Presents "EMERGENCE" which was hosted 28 January 2022 – 30 January 2022 at Elandskloof farm Helderstroom. This was a sold-out event and reached full capacity of 2000 people (Less than half their usual capacity of previous years). Event was sold out 3 days before gates opened. The bulk of our patrons came from the Western Cape, however there were several people who had come from other areas of South-Africa, a much larger amount than expected of international visitors from Germany, UK and Switzerland.

As with previous years ORIGIN have set aside money to plough back into the local community of Theewaterskloof. This year they have contributed R60 000 as part of their NPO's mandate for community purpose. These following beneficiaries received donations from Origin:

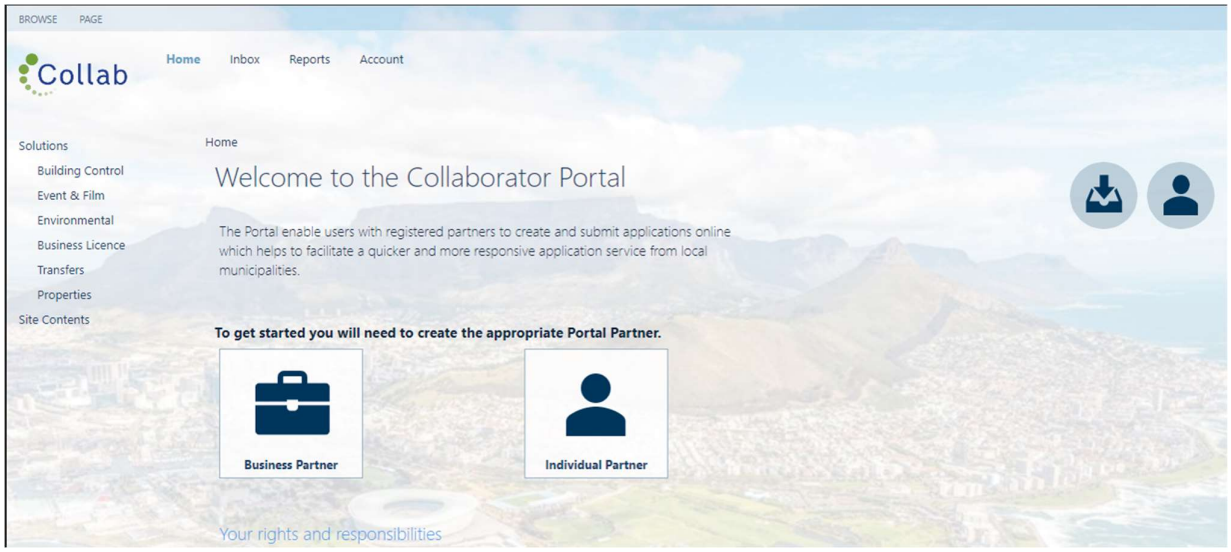
NAME OF ORGANISATION	TOWN	AMOUNT ALLOCATED
VrolikeVoetjies	Villiersdorp	R10 000
Riviersonderend Rugby Club	Riviersonderend	R10 000
Prudence Prins	Caledon	R10 000
SinobuntuCreché	Caledon	R25 000
Kelvin Jacobs	Villiersdorp	R10 000 In addition, Origin negotiated musical instruments and equipment worth R20 000 for Kelvin's Academy.

- Theewaterskloof Municipality would like to express our gratitude to Origin in giving back to the local community and would like to encourage other organizations to follow in the footsteps of Origin.

- **Online Theewaterskloof Local Municipal Events Portal**

In lieu of combatting red tape and ease of doing business with the Municipality, the Events Portal has been piloted in March 2022, whereby all events can be submitted via this electronic platform. The objective of the events portal is to expedite the turnaround time for the approvals of event applications.

Images of Theewaterskloof Municipal Events Portal Online Platform



(Link: https://westerncape.collaboratoronline.com/default.aspx)

- **Tourism Development & Marketing**

Tourism is a growth sector and key contributor to the local economy of Theewaterskloof and has been recognized as a high potential for stimulating the local economy and to create job opportunities locally.

Given the above, Theewaterskloof Municipality is still facing challenges in benefiting from this high potential sector, due to the following challenges:

DESTINATION MARKETING AND PROMOTION

Challenges:

- There is little support (financially and otherwise) from the municipality for the tourism sector
- There is a lack of tourism offices where tourists can meet. Had a good private tourism group that had some private funding and that was effective. Their funding was withdrawn and taken to the municipality and tourism suffered.
- The municipality runs the tourism office in Caledon on a part-time basis. This is not sufficient, as it requires full-time commitment to be effective.
- There has been money wasted through Country Routes channel, without tangible results in terms of promoting the region.
- Tourism promotion should include informal settlements, which requires a new way of looking at tourism promotion. It is about planning with, and for, informal settlement tourism.
- There is no regional connection linking all the tourism offices together.
- There is no clear brand for the area that everyone buys into.
- Politicians do not seem to understand the role of the tourism sector in job creation and in growing other sectors, such as agriculture.

PROBLEM STATEMENT: The lack of political and institutional buy-in for the tourism sector has led to little to no funding being made available for tourism marking and promotion.

URBAN PLANNING AND MANAGEMENT

Challenges:

- There are very few reasons for tourists to visit many of the towns.
- Parks and gardens are not well-maintained – there are few public spaces for people to enjoy in the towns themselves.
- Urban planning and management needs to take into account how people experience places – informal settlements at the entrances to towns like Grabouw and complicated and congested road infrastructure makes coming into town feel unsafe or unpleasant.
- Mobility is at many times an issue for people living in these areas – towns are not walkable, and their designs are not practical.

PROBLEM STATEMENT: There is a lack of understanding of how municipal planning and management can help or hinder the tourism sector, which leads to decisions being made that either negatively affect the tourism sector, or present missed opportunities for tourism development.

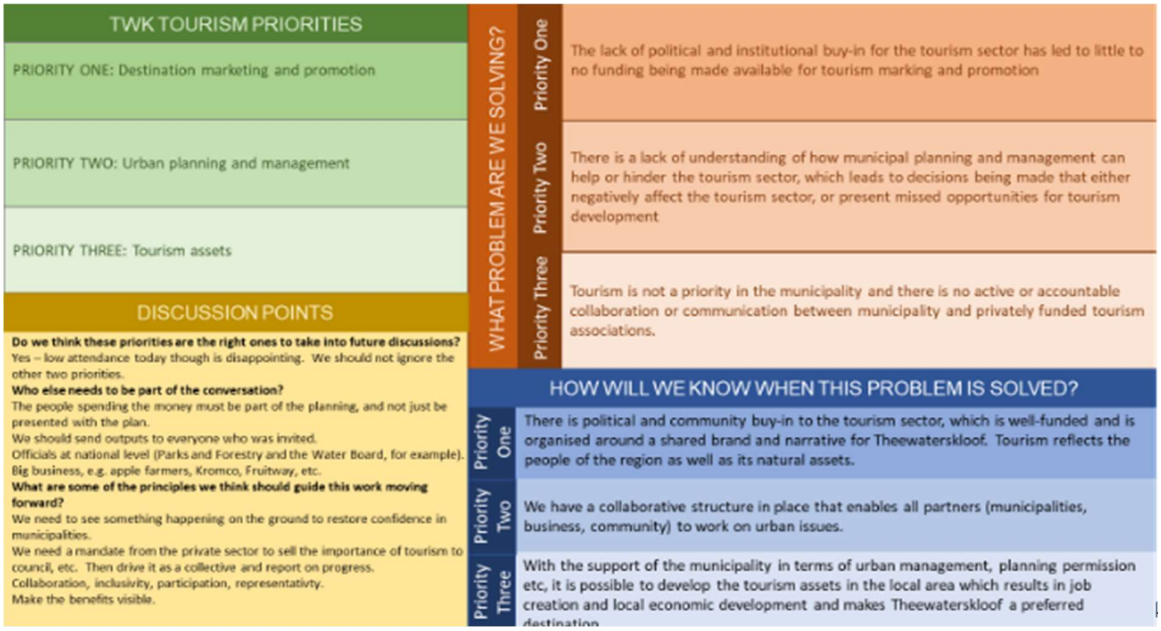
TOURISM ASSETS

Challenges:

- There is a general lack of restaurants available – particularly in the evenings.
- Fruit farmers and wine farms do not see tourism as a priority – Those who have restaurants close them during lunch and do not open in the evenings. Some restaurants (pre-COVID) are closing because of the lack of footfall.
- Our proximity to Cape Town is a blessing and a curse – we are often too far to capitalise on Cape Town tourists, but too close to market ourselves as a completely separate destination .
- A lack of urban management has led to a degradation of tourism assets
- There is a general lack of directional signage (SANRAL regulations make it impossible in some areas) and many signs are old and need to be replaced.
- Poor relationships with the municipality means that we do not market our assets (including eco-tourism, alpaca farm, wedding venues, biodiversity, canopy tours and wine estates) well enough

PROBLEM STATEMENT: Tourism is not a priority in the municipality and there is no active or accountable collaboration or communication between municipality and privately funded tourism associations.

In addressing some of these challenges, the following interventions has been identified through a public consultation process: through the development of an updated tourism framework in a response to the challenges identified:



The interventions implemented during the 2021/2022 financial year partially addressed the challenges,

Which are the following:

Tourism Development & Marketing

- **SocialMedia**:
  Shared relevant information to tourists and local product owners, which lead to the increase of followers (3600) on social media platforms and increased visibility of tourism.

- **Destination Branding:**

  Build relationships with local tourism stakeholders to market tourism products and services, lead to joint marketing of events on the social media platform.

- **World Travel Market Exhibition during April 2022:**

  WTM was attended by the Municipality, whereby local product owners and the local tourism associations were afforded the opportunity to jointly market the region a tourism destination. Elgin Tourism Association was the only LTA who took the opportunity to attend this exhibition platform.

- **Tourism Signage Applications:**

  In total four (4) tourism signage applications received during the financial year and processes and tabled to the Regional Tourism Liaison Committee (RTLC), whereby one was approved. Quarterly notices for tourism signage applications were also placed on the various media platforms to encourage local product owners to apply.

Tourism Information Collection & Dissemination

The tourism database has been created and continuously updated which highlights the local tourism offerings, with the aim to improve communication and collaboration amongst the local tourism stakeholders.

In total four capacity building sessions have been held with local tourism stakeholders to rekindle the tourism brand and appetite within the area.

Support to Local Tourism Associations

- In total R200 000.00 has been made available to support local tourism associations during the 2021/2022 financial year.
- The allocation of funding was done via an application process as per the Grant-in Aid Policy, and in total three service level agreements have been signed with the local organisations.
- The grant allocation is in support of tourism marketing and promotion and product development.

- **EXPANDED PUBLIC WORKS PROGRAMME (2021/2022 PERFROMANCE)**

	CONDITIONAL GRANT RECEIVED	JOB OPPORTUNITY TARGETS SET BY	NUMBER OF JOB OPPORTUNITIES ACHIEVED

FINANCIAL YEAR		NATIONAL DEPARTMENT	THROUGH EPWP PROJECTS (TWK)
2017/2018	R1 621 000.00	**478**	664
2018/2019	R1 451 000.00	**502**	684
2019/2020	R1 857 000.00	**314**	330 (revised target due to non-implementation of all projects within the financial year due to unprecedented health crisis)
2020/2021	R1 931 000.00	**316**	452
2021/2022	R 1 721 000.00	**319**	394

As part of monitoring and evaluation of the EPWP Projects, in total seventeen (17) site inspections were conducted by the LED Department and the Provincial Coordinator Responsible for EPWP.

Riviersonderend Site Inspection

Caledon Transfer station & Landfill Site

Botriver Roads & Stormwater

- LOCALGOVERNMENT EMPLOYMENT PROGRAMME (LGPEF) (2021/2022 PERFROMANCE)

The Western Cape Government in its 2021/22 Budget Committee deliberations identified support to Municipalities to identify key lever Expanded Public Works Programme (EPWP), projects to increase job creation and stabilize local economies in the aftermath of COVID 19 pandemic.

The Department of Local Government through their Local Government Support Committee prioritised these projects based on predetermined criteria and allocated funding to respective municipalities based on them meeting the criteria. An amount of R1, 6 mil was allocated to Theewaterskloof Local Municipality, as per the 2021 Draft Notice: Additional and amended allocations to municipalities in terms of section 29(3) of the Division of Revenue Act, 2021 (Act 9 of 2021), read with the Western Cape Adjustments Appropriation Bill, 2021, subject to the submission of a business plan and projects identified. The approval was granted for the following projects:

Project Name	Project Inputs/Activities
▪ Clearing of storm water channels, pothole repairs, cleaning of road reserve and cleaning of open spaces	▪ Clearing of storm water channels, with ▪ several work opportunities created (in total 25)
▪ Roads and storm water maintenance in the informal settlements and CBD Cleaning	▪ Maintenance of storm water channels in informal settlements
▪ Cleaning of cemeteries, cleaning of open spaces, parks and grass cutting project.	▪ Cleaning and maintaining of cemeteries and open spaces
▪ Maintenance of municipal properties	▪ Painting and renovation of municipal facilities
▪ Property admin support and training	▪ Administrative duties pertaining to leases of municipal owned properties, site inspections and assisting with correspondence pertaining to encroachments etc.
▪ Equipment & Material	▪ Purchasing of equipment and material was delayed due to internal SCM processes.

The start of the projects was delayed until 18 February 2022, due to the adjustment budget that could not be approved in January 2022. In total seventy-nine (74) participants, started with duty on 18 February 2022. End of March 2022 all 79 participants commenced with duty.

Project Beneficiary Intakes

Riviersonderend Intake

Genadendal Intake

Villiersdorp Intake

- The funding provides additional job creation opportunities to 79 unemployed persons within Theewaterskloof Local Municipal Area and the opportunity to acquire skills to obtain employment within the formal job market. After the completion of the project's certificates will be issued to all participants.

- **LED Challenges**

These challenges are encountered by the local economic development department during the 2021/2022 financial year.

❖ Lack of agricultural land for small scale agricultural production and expansion

- The application has been submitted in July / August 2021 via the Joint District Management Approach (JDMA) structure, for the transfer of state-owned agricultural land to the Municipality. To date no feedback has been received. Concerted effort is being made to follow-up on this matter. This matter needs to be escalated and taken up at a more senior leadership level to resolve this challenge.

❖ Lack of staff capacity / Understaffing of LED & Tourism Department

- To provide budget for skilled staffed to focus on specific sector development and support i.e., agricultural sector and investment promotion to drive economic development in Theewaterskloof Municipal Area.

❖ Institutional challenges and lack of strategic support and direction by top management.

❖ Lack of municipal budget and /or budget cuts, the lack of strategic policies i.e. updated land availability policy to fast track investment into the area, sector specific strategies to support key sectors which can assist in the alleviating of the unemployment and skills deficit within the municipal area.

3.11.2 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

Employees: Local Economic Development Services (LED)					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	1	0	0%
4 - 6	1	1	1	0	0%

7 - 9	1	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.11.8

3.11.3 FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Financial Performance: Local Economic Development Services

R'000

Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(53)	–	(447)	(1,650)	269%
Expenditure:					
Employees	1,865	1,490	1,490	2,041	37%
Repairs and Maintenance	–	16	18	3	-84%
Other	308	387	1916	1502	-22%
Total Operational Expenditure	2,174	1,893	3,424	3546	4%
Net Operational Expenditure	2,121	1,893	2,977	1,896	-36%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget . T3.11.9

3.11.4 CAPITAL EXPENDITURE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Capital Expenditure: Local Economic Development Services

R' 000

Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2	577	376	–	
Furniture and Office Equipment (New)	2	2	2	-0.01%	
Clearview Fencing (Villiersdorp taxi rank)	–	447	373	0.00%	
Clearview Fencing (Villiersdorp taxi rank)	–	128	–	0.00%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T3.11.10

3.11.5 COMMENT ON THE LOCAL ECONOMIC DEVELOPMENT SERVICES

In terms of Other Expenditure variance is due to the Local Government Employment Fund Grant which was disbursed in February 2022 for an amount of R1 600 000,00, which had tobe spend by 30

June 2022. Due to the lae transfer of the grant, the projects started late and lead to an underspending by 30 June 2022. A roll-over application was submitted and granted in the current (2022/2022 Financial Year) for the remaining balance of R390 000,00 which must be spend b 30 June 2023.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12.1 INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Basic Service Delivery Highlights

Highlight	Description
Youth	1000Stories Youth in Service Programme, through the Year Beyond partnership, provided 59 placement opportunities in 2021 and 54 placement opportunism in March 2022. 8 of the best performing (Gold Stars) Graduates of 2021, received extended placement within the organisation. Project Lungisa sponsored by Coca-Cola provided 9 opportunities to be trained in water saving and plumbing skills NQF2, providing tools and PPEs for the participants. Youth Career Day held in March, attended by 50 young people from the area. Ongoing collaboration with the Youth Café in Villiersdorp, where 9 youth activators assist with information sharing and centre activities, amongst others: Support with online NSFAS Bursary application, Department of the Premier's PAY internship program, 1000 Stories Libraries Project and the Census 2022 job opportunity. GBV Film Festival in collaboration with Human Rights Screened Foundation South African Sign language course offered by Deafnet. A 4-week Work Readiness Course offered by the Zanokhanyo Network Career day held December hosted by AVA Group assisted 50 youth with future studies and career planning.
Local Drug Action Committee & Substance Use Disorder	450 people reached through awareness complains and outreach programmes.

	Expansion of services for community based treatment services to Villiersdorp, funded by DSD. Appointment of 2nd term LDAC, under the chairmanship of the Mayor. TWK showcased as best practice model for LDACs in the Western Cape during the inaugural meeting of the Central Drug Authority in November 2021.
Thusong Centre	15% increase in visitor and client numbers to the Thusong. Services of SASSA , Home Affairs and e-Centre continue to grow in demand .
Early Childhood Development (ECDs)	34 newly registered ECDs received compliance certificates from the DSD. This has been achieved through a close collaboration with the Elgin Community College (implementation partners on behalf of the DSD) and private sector funders.
Persons with Disability Network	Formal network of PWD established, meeting quarterly and supports the work done on the ground through connecting, networking and leveraging of resources.
Stakeholders Management	Four formal networks (PWD, LDAC, ECDs and Arts) continue to operate and share information relevant to the participants and stakeholders, adding value to the work done by its members.
Libraries	110 Exhibitions held. 44 Outreaches hosted. Refurbishments/Maintenance upgrades completed : Oostergloed and Caledon Libraries. 8 Information Communication Technology in service youth placed at the various libraries.

Basic Service Delivery Challenges

Challenge	Actions to address
Thusong : Vandalism and Theft overwhelms the system and its operations.	Additional budget required to secure premises at night and over weekends.
Level of engagement and activities undertaken by the department grew significantly without the necessary adjustments made to capacity and resources.	Possible review of current structure with the view to accommodate additional personnel and budget.

3.12.2 INTRODUCTION TO LIBRARY SERVICES

3.12.3 EMPLOYEES: LIBRARY SERVICES

Employees: Libraries					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	13	13	12	1	8%
7 - 9	5	8	7	1	13%
10 - 12	3	3	3	0	0%
13 - 15	0	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	21	25	23	2	8%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior Management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.55.4*

3.12.4 FINANCIAL PERFORMANCE: LIBRARIES

Financial Performance: Libraries					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(9,296)	(9,991)	(11,998)	(9,783)	-18%
Expenditure:					
Employees	7,374	7,849	7,992	8,037	1%
Repairs and Maintenance	381	63	857	289	-66%
Other	789	581	890	785	-12%
Total Operational Expenditure	8,543	8,493	9,739	9,111	-6%
Net Operational Expenditure	(752)	(1,498)	(2,259)	(673)	-70%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.52.5

3.12.5 CAPITAL EXPENDITURE: LIBRARIES SERVICES

Capital Expenditure: Libraries					
					R' 000
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	890	1716	77	-91%	
Furniture and Office Equipment (NEW)	36	26	25	-30%	
Furniture and Office Equipment (NEW)	10	10	7	-25%	
Furniture and Office Equipment (NEW)	15	15	10	-31%	
Furniture and Office Equipment (NEW)	7	7	4	-36%	
Furniture and Office Equipment (NEW)	10	10	9	-8%	

Mobile Library bus	–	815	–	0%	
Furniture and Office Equipment (New)	4	33	20	408%	
Modular Library	800	800	–	-100%	
Computer Equipment (Upgrade)	8	–	–	-100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.52.6

3.12.6 COMMENT ON THE LIBRARIES SERVICES PERFOMANCE OVERALL

Comments on Expenditure on Operational Revenue:

The under-expenditure was due to the following factors:

a. unsuccessful appointment of a contractor to renovate the Grabouw Library, the quotations received were found to be non-responsive.
b. Vacant positions not filled in time of financial year closure.

Comments on Expenditure: Capital Budget

Modular Library: the tender for the project was adjudicated at the cusp of financial year end (28 June 2022), the application for rollover has been successful, project commences in 2022/23 cycle.

Library Bus: the conclusion of the procurement of the bus proved impossible due to the flooding in Natal Province in March/April 2022, which rendered the vehicle service providers registered on the RT15 tender unable to deliver by the financial year-end.

3.13 CEMETORIES AND CREMATORIUMS

3.13.1 INTRODUCTION CEMETORIES AND CREMATORIUMS

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

CEMETERY	*AVAILABILITY*	*CAPAITY IN YEARS/LIFESPAN*
Chavonnis Caledon	Yes	30 Years
Villiersdorp	Yes	12 Years
Botriver	Yes	1 Years
Greyton	Full - Busy Extending	12 Years In The Extended Area
Genadendal	Private Farm 39	Unknown
Tesselaarsdal	Private	Unknown
Middelton	Private	Unknown
Grabouw	Full	0

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

3.13.2 FINANCIAL PERFORMANCE: CEMETORIES

Financial Performance: Cemeteries and Crematoriums					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(780)	(707)	(900)	(910)	1%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	209	554	193	104	0%
Other	206	251	264	38	-86%
Total Operational Expenditure	415	804	457	142	-69%
Net Operational Expenditure	(365)	97	(443)	(768)	73%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.55.5

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 BIO-DIVERSITY AND POLLUTION CONTROL

3.15.1 INTRODUCTION TO BIO-DIVERSITY AND POLLUTION CONTROL

Environmental protection within TWK municipal jurisdiction is managed and protected in terms of Section 24 of the Constitution, the National Environmental Management Act, 1998 [Act 107 of 1998 (NEMA)], the National Environmental Management Waste Act, 2008 (Act 59 of 2008), the Environmental Management Air Quality Act, 2004 (Act 39 of 2004) and the National Health Act, 2003 (Act 61 of 2003). Environmental pollution control is one of the functions of Municipal Services and it's been regulated by a different set of legislation.

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

A team of 20 temporary workers were employed to assist in Greyton and Caledon Nature reserve, doing field work and cleaning and greening.

Pollution can be related to air pollution, spillages, dust pollution or pollution by littering and illegal dumping. Theewaterskloof Municipality developed its own Air Quality Plan in conjunction with Provincial Government. The Pollution Control/Air Quality function is being performed in line with Overberg District Municipality's approved Air Quality Management Plan.

POLLUTION CONTROL

For the period of 2021/22 the Environmental and Disaster Management Department conducted environmental awareness workshops with EPWP's and CWP's on waste and how to handle waste, and the recycling of waste.

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

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

Initiatives to improve and protect biodiversity and control pollution of the 2021/22 year were as follow:

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

COMPONENT F: HEALTH

3.16 CLINICS
Health services are managed by the Provincial Department of Health.

3.17 AMBULANCE SERVICES
Ambulance services are provided by the Overberg District Municipality.

3.18 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.
The above mentioned services are provided by the Overberg District Municipality.

COMPONENT G: SECURITY AND SAFETY
This component includes: police, fire, disaster management, licensing and control of animals, and control of public nuisances, etc.

3.19 PUBLIC SAFETY
VISION

We are determined to be a professional Traffic -, Law Enforcement - and Registration & Licensing Services, dedicated to excellence and committed to work in partnership with the people of Theewaterskloof to enhance the safety and security of our community. The Corporation endeavours is to ensure safe, secure and responsible use of roads in South Africa through: education, enforcement, engineering, evaluation, planning and coordination and partnerships.

MISSION

To serve the community of Theewaterskloof by protecting life and property, preserving peace and safety, preventing crime and upholding the law in a manner, which has regard for the public good and the rights of the individual. The values of the Corporation emanate from the Constitution of the Republic of South Africa and place emphasis on the commitment to upholding the law and advancing service delivery within the Theewaterskloof.

	CHALLENGES	ACHIEVMENTS	FOCUS AREAS
TRAFFIC SERVICES	Lack of resources; vehicles, equipment and human resources. No radio communication system. Inadequate budget provision. Traffic Safety Education and Training was suspended during the covid period. After the upliftment of the suspension of covid 19, education training will presume as normal Optimal usage of breathalysers for DUI operations were hampered due to Covid-19pandemic constrains. No semi-fixed camera sites.	The integrated approach with other law enforcement agencies e.g. Provincial Traffic Authority, SAPS, etc. has been successful. During the peak of the Covid 19 lock down, high visibility was the success in the Theewaterskloof to ensure compliance and support to the regulations. Successful ANPR operations were executed to improve paying rate of traffic offences. Traffic Safety Education in conjunction with Provincial Road Safety Department and Training at schools has contributed in educating the scholars.	Focus for the past year has been: - The enforcement of Traffic - & relative Transport legislation; Integrated operations with Provincial Traffic Authority - Random breath testing of drivers with the "Electronic breathalyser testing." And the support and monitoring of the Covid 19 regulations. Traffic Safety Education and Training - safety awareness within the Theewaterskloof Local Municipal area and awereness of wearing your mask and sanitizing of hands was the AIM of this project.

		Enforcement of relevant Public Transport Legislation in regulating the MBT's (Mini Bus Taxi's) industry minimized conflict within the industry. No violence has occur in the Theewaterskloof Municipal Jurisdiction. During the Peak Festive Seasons, our road networks within the Theewaterskloof, zero fatalities occurs in our areas. Transportation of learners in Idv's were successfully address. Successful prosecution of moving violations by means of camera footage.	Identification of outdated road signs and road markings. Executing of Warrant of Arrests (WoA) Assist SAPS with the Enforcement of the DMA (Disaster Management Act, Act 2002) Regulations re. COVID-19 Tender process for the radio communication system has started in the Previous financial year and will continue in the 2022/23 financial year.
REGISTRATION AND LICENSING SERVICE	Lack of funding from theProvincial Department of Transport in delivering the said service as an Agent Lack of resources; vehicles, NaTIS equipment and major shortage of new Staff and filling of vacant positions. Inadequate budget provision for the planning and construction of the DLTC (Driving Licence Test Centre) in Grabouw.	Efficient service delivery to customers re. Core Functions mentioned below. Successful service delivery during deadline time frames for postponed of Driver Licenses, Learner Licenses and Professional Driving Licenses Freshwater Assessment, Geotechnical Evaluation Report & EIA completed, the development of setback line outstanding re. the planning and construction of the DLTC (Driving Licence Test Centre) in Grabouw.	Focus for the past year has been: - Customer care/service and customer satisfaction. Efficient service delivery to customers within and outside the Theewaterskloof Municipal Area. Grabouw Registration and Licensing office moved to area with bigger space, saver, more customer friendly. Finalising the opening of Driver License Section for renewals of Driver License cards, PrdP's and conducting Learner License testing.
LAW ENFORCEMENT SERVICE	Lack of resources; vehicles, equipment and human resources. Inadequate budget provision. Land Invasion is out of control due to the influx of jobseekers and the prolonged legal processes.	Consult with private sector (EGVV) to assist in the fight in controlling Stray Animals especially in Grabouw Replacement of dilapidated fence at the Animal Pound (Caledon)	Focus for the past year has been: - Unlawful Occupation of Land. Stray animals. Integrated operations with other Law Enforcement Agencies with regards to Illegal Shebeens and Taverns.

Increase in Illegal Shebeens and Taverns in the informal settlements Illegal electrical connections within the informal settlements. Rendering the service of VIP Protection to Councillors		

The Following are performed as Core Functions:

TRAFFIC SERVICES

- Maintain the free-flow of traffic
- The enforcement of Traffic - & relative Transport legislation
- Traffic Safety Education and Training
- Attend to RTC's (Road Traffic Crashes)
- Escort duties
- Point duty
- Scholar Education Training
- Speed monitoring
- Management of Public Transport Pound
- Liaise with the Magistrate Court's within Theewaterskloof Local Municipal Area
- Attending to Clerk of the Court duties
- Prepare Court Rolls
- Serve Summonses
- Execute Warrant of Arrests (WoA)

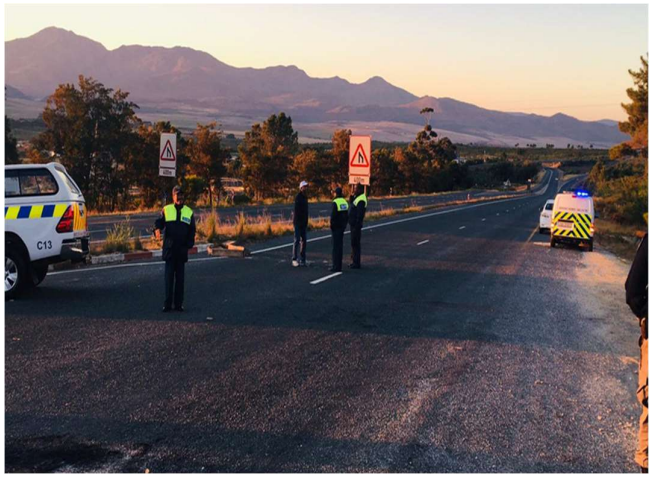
REGISTRATION AND LICENSING SERVICE

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

LAW ENFORCEMENT SERVICE

- Enforcement of Municipal By-Laws and other statutory legislation in terms of their mandate
- Serving of Notices & Summonses
- Execute Warrants

- Monitor and prevent Illegal Land Invasion
- Management of Animal Pound
- Animal control & Impoundment of stray animals
- Management of Operational Command Centre (Monitoring of CCTV etc.)
- VIP Protection



3.19.1 EMPLOYEES: PUBLIC SAFETY

Employees: Traffic (Public Safety)					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0%
4 - 6	11	12	12	0	0%
7 - 9	28	33	25	8	24%
10 - 12	6	14	12	2	14%
13 - 15	3	3	3	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	52	66	56	10	15%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.60.4

3.19.2 FINANCIAL PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

Financial Performance: Traffic and Law Enforcement					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(12,544)	(15,823)	(25,252)	(25,080)	-1%
Expenditure:					
Employees	15,803	17,781	16,094	16,908	5%
Repairs and Maintenance	,219	,866	,474	,269	-43%
Other	14,468	15,271	25,246	22,412	-11%
Total Operational Expenditure	30,490	33,918	41,813	39,589	-5%
Net Operational Expenditure	17,945	18,095	16,561	14,510	-12%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.65.5

3.19.3 FINANCIAL PERFORMANCE: ANIMAL LICENCING AND CONTROL

Financial Performance: Animal Control					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(66)	(427)	(120)	(431)	0%
Expenditure:					
Employees	-	-	-	-	0%
Repairs and Maintenance	67	248	230	91	-60%
Other	274	555	683	562	-18%
Total Operational Expenditure	340	803	913	653	-28%
Net Operational Expenditure	275	376	793	223	-72%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.67.5

3.19.4 COMMENT ON THE TRAFFIC SERVICES , ANIMAL LICENCING AND CONTROL PERFOMANCE OVERALL

Repairs & Maintenance - Traffic and Law Enforcement

Comment: Vehicles with registration numbers CAM 15473 (Golf); CAM 22945 (Golf) were right-offs by the Fleet Department, but were part of the Budget 2020/2021 – 2021/2022. Vehicles were auctioned.

Repairs & Maintenance - Animal Control & Licensing

Comment: Vehicles with registration numbers CAM 22946; CAM 16093 were right offs by the Fleet Department. But were part of the Budget 2020/2021 - 2021/2022. Vehicles were auctioned. Trailer CAM 14331 and horsebox CAM 31934 were new trailers. There was no need to use funds on votes.

Other – Animal Control & Licensing

Comment: Prolong tender and TWK 2 processes where no awards were made. Awarded Uniform Tender orders were made out delay on Service Providers side.

Total Operational Expenditure – Animal Control & Licensing

Comment: Vehicles with registration numbers CAM 15473 (Golf); CAM 22945 (Golf) were right-offs by the Fleet Department but were part of the Budget 2020/2021 – 2021/2022. Vehicles were auctioned.

Vehicles with registration numbers CAM 22946; CAM 16093 were right offs by the Fleet Department. But were part of the Budget 2020/2021 - 2021/2022. Vehicles were auctioned. Trailer CAM 14331 and horsebox CAM 31934 were new trailers. There was no need to use funds on votes.

Prolong tender and TWK 2 processes where no awards were made. Awarded Uniform Tender orders were made out delay on Service Providers side.

Net Operational Expenditure – Animal Control & Licensing

Comment: Delay in Supply Chain Management by ordering of Uniforms.

3.20 DISASTER MANAGEMENT

3.20.1 INTRODUCTION TO DISASTER MANAGEMENT

TWK Municipality works in conjunction with the Overberg District Municipality to perform the disaster management function; the municipality however has a Disaster Management Plan in place which gets reviewed yearly and submitted to council for approval. The plan is put in place to address the following: Institutional Capacity, Risk Reduction, Preparedness, Response and Recovery. The Disaster Management Act 57 of 2002 provides that each municipality must within their applicable disaster management framework prepare a disaster management plan for its area according to the circumstances and risks prevailing in the area. The Disaster Management Plan must form an integral part of municipalities Integrated Development Plan.

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

- Fire Breaks –

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

- Risk Management –

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

- Disaster Education and Awareness -

General public need to be made aware of coming disasters

- Fire / Fuel / Plant Reduction -

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

- Early Warning Weather Systems –

Early warning weather support program – National Weather Bureau

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

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

For the year 2021/22 the following activities took place within the Environmental and Disaster Management Unit:

Administratively:

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

Disaster Incidents:

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

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

Donations and Awareness Campaigns

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

- Food Parcel Donations
- Blanket Donation for Informal Settlements residents

3.20.2 EMPLOYEES: DISASTER MANAGEMENT

Employees: Disaster Management					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior Management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.67.4

3.20 3 FINANCIAL PERFORMANCES: DISASTER MANAGEMENT

Financial Performance: Disaster Management					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0
Expenditure:					0%
Fire fighters	2121	2123	2123	2358	11%
Other employees	–	–	–	–	0%
Repairs and Maintenance	262	538	518	107	-79%
Other	432	620	372	343	-8%
Total Operational Expenditure	2815	3281	3013	2808	-7%
Net Operational Expenditure	2815	3281	3013	2808	-7%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.66.5

3.20.4 COMMENT ON THE DISTASTER MANAGEMENT PERFORMACE OVERALL

A payment still needs to be paid to the Overberg District Muncipality.

COMPONENT H: SPORT AND RECREATION

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

3.21 SPORT AND RECREATION

Summary Sport activities for the Community Development unit for 2021/2022

Focus area	Inputs	Outcomes
➢ **SPORT**	➢ Additional Funding for upgrading of sport facilities in all the towns	➢ During the Covid 19 period, many of our sport facilities were vandalised to such an extent that it was not fit for use. ➢ With sport codes returning to normal activities, apart from the allocated budget for maintenance of these sport facilities, an additional amount was made available to address the damaged and vandalised facilities in all the towns.
	➢ Caledon Cricket Facility	➢ There was a number of outstanding items that need to be addressed on the cricket field. ➢ Subsequently the following were sorted: ➢ New surface and fencing at the practice area. ➢ New Buli and maintenance of the cricket pitch. ➢ Completion of the sight screens by a contractor. ➢ All of these were completed that eventually makes it possible for the cricket code to participate in their league.
	➢ Bergsig Mini Sport Grounds –	➢ The Darts and Pool facility was eventually opened by the Executive Mayor with players from both the darts as well the pool clubs present.

	Darts and Pool facility	➢ There will be a lease agreement between TWK Municipality and these codes for usage of the facility.
	➢ Lotto Workshop	➢ With the limited funding available to maintain and upgrade our sport facilities, it is important for sport clubs to apply for external funding sources such as the National Lottery Distribution Trust Fund (NLDTF). ➢ A workshop has therefor been organised on 11 June 2022 with 42 representatives from Arts and Culture, Heritage as well as the Sport and Recreation organisations. ➢ These fraternities can now apply for funding in order to enhance their business.
	➢ Mayor support for Excellence – Caledon Rugby Club	➢ The Caledon Rugby Club was elected to participate in the 2022 Easter Saldanha Rugby. In order to assist this club with their endeavor, they were sponsored by the Executive Mayor with Rugby Equipment as well as rugby balls.

Basic Service Delivery Highlights

Highlight	Description
TWK : Sport Grounds (All Towns)	During the Covid19 period the sport facilities were severely vandalised. With the re-opening and return to normal sport activities, TWK made additional funding available to ensure the sport facilities in all the towns are in a playable condition.
Caledon Rugby Club	The Caledon Rugby Club qualified to play in the Easter Saldanha Rugby Tournament. As token of acknowledgement, rugby equipment as well as rugby balls were given to this club.
Caledon Darts and Pool Facility	The Foschini TFG group, gave funding for the construction of a Dart and Pool Facility at the Bergsig Mini Sport Grounds. These sport codes also have the youth that is participating but never had a facility except for pubs where they can be active. With the construction of this facility the youth can also now be accommodated.
Grabouw : Upgrading of the Pineview Park Sport Facility	National Sport and Recreation South Africa made available the amount of R7.8 million for the upgrading of Pineview Park Sport Facility. There was a request from Western Cape Provincial Education Department to have a land swop as they identified Pineview Park for construction of a new school. Unfortunately due to possibility of losing this money if this funding is not spent, it was decided to proceed with the upgrading of Pineview Park. This include upgrading of rugby, soccer, netball and cricket facility, as well as the ablution/ cloakroom and the lights.

Basic Service Delivery Challenges

Challenge	Actions to address
Vandalism and Theft	Sport facilities, as many other municipal facilities, have become one of the main target areas for criminal activities. This results into many/ most of those facilities not in a workable condition and fit for purpose. Another challenge is off cause the limited amount of funding available for the maintenance of all the sport facilities.

3.21.1 EMPLOYEES: SPORT AND RECREATION

Employees: Sport and Recreation					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	1	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	1	100%

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

3.21.2 EMPLOYEES: PARKS

Employees: Parks (Botanical Gardens)					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	37	41	37	4	10%
4 - 6	10	10	10	0	0%
7 - 9	3	6	4	2	33%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%

19 - 20	0	0	0	0	0%
Total	51	58	52	6	10%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.62.4

3.21.3 FINANCIAL PERFORMANCE: SPORT AND RECREATION

Financial Performance: Sport and Recreation					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(241)	(52)	(18)	(17)	-4%
Expenditure:					
Employees					0%
Repairs and Maintenance	3,157	11,601	9,852	9,574	-3%
Other	6867	214	177	183	3%
Total Operational Expenditure	10,025	11,816	10,030	9,757	-3%
Net Operational Expenditure	9,784	11,764	10,012	9,740	-3%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.68.4

3.21.4 CAPITAL EXPENDITURE: SPORT AND RECREATION

Capital Expenditure : Sport and Recreation					
					R' 000
Capital Projects	**2021/22**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	7,858	–	–	-100%	
Upgrading of Pineview Park sportsgrounds- Ringfenced DECAS f	7,858	–	–	-100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.68.5

3.21.5 COMMENT ON THE SPORT AND RECREATION PERFOMANCE OVERALL

This project is delayed due to the request by Western Cape Education Department for a land swop as they want to construct a school on the Pineview Park site.

After months of correspondence, it was agreed by Council that the upgrading of Pineview Park for sport must proceed as TWK Municipality was facing the risk of losing the MIG funding for sport. A service provider (Consultant Engineering Company) will be appointed before March 2023 to manage this project.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

3.22 EXECUTIVE AND COUNCIL

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

3.22.1 EMPLOYEES: EXECUTIVE, ADMINISTRATION AND INTERNAL AUDITING

Employees: The Executive (Top Management)					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
SEC 56	2	5	2	3	60%
Total	2	5	2	3	60%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.69.4

Employees: Sustainable Development					
Job Level	**Year 2020/2021**	**Year 2021/2022**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9					0%
10 - 12	3	3	3	0	0%
13 - 15					0%
16 - 18	1	1	1	0	0%
19 - 20					0%
Total	6	6	6	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.64.4

Employees: Administration (INLCUDING T/M positions)					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	26	26	26	0	0%
7 - 9	16	16	16	0	0%
10 - 12	12	12	12	0	0%
13 - 15	4	4	4	0	0%
16 - 18	6	6	5	1	17%
19 - 20	0	0	0	0	0%
Total	64	64	64	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.63.4

Employees: Internal Audit					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.59.4

3.22.2 FINANCIAL PERFORMANCE: EXECUTIVE AND COUNCIL

Financial Performance: The Executive and Council					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(741)	(1,578)	(1,753)	(869)	-50%
Expenditure:					
Employee Related Cost	5,200	5,061	5,029	7,416	47%
Remuneration of Councilors	–	–	–	–	
Repairs and Maintenance	–	–	–	–	0%
Other	13,209	16,580	14,471	17,509	21%
Total Operational Expenditure	18,410	21,641	19,500	24,926	28%
Net Operational Expenditure	17,669	20,063	17,747	24,057	36%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.69.5

3.23 FINANCIAL SERVICES

3.23.1 INTRODUCTION TO FINANCIAL SERVICES

Financial Sustainability still remains a challenge to the Municipality and is a key objective which is difficult to achieve given the economic conditions globally, nationally and provincially. It was again the subject and focus area of the latest strategic planning session of the Municipality. The financial position of the Municipality has improved during the year under review.

The purpose and overall objective of the directorate is to implement sound and transparent financial management to improve efficiency and delivery. The directorate remains committed towards establishing an effective financial administration in compliance with relevant legislation.

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

Mission

The Finance Directorate is committed to the objective of improving the quality of the lives of local citizens of Theewaterskloof Municipality and ensures good governance by:

- Providing a support and advisory service to the Accounting Officer, Senior Managers, Council and Service Delivery Directorates on Financial matters, MFMA compliance and Financial Reforms.
- To create an enabling environment for effective, efficient and economic service delivery.
- Ensuring that the municipality maintains Financial Sustainability and Financial Health.
- Ensure good customer service.
- Ensure Financial Risk Management to safeguard council's financial resources.
- Regular, accurate, relevant and meaningful reporting to foster accountability, transparency and improved decision-making.
- Setting and maintaining high standards in financial management and best practices.
- Improved Accounting and Financial Management Services.

- Establishing capacity including systems to improve costing as a tool to improve affordability and sustainability of services.
- Ensure that a long term financial plan is adopted to provide a roadmap towards sustainable service delivery against the backdrop of the current financial realities.

Core Functions

Finance Directorate is not a direct service delivery directorate but provides a support service and assist in creating an enabling environment for effective, efficient and economic service delivery.

Expenditure Section

Responsibilities:

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

Supply Chain Management Section

This section is responsible for the following functions:

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

Revenue Section

This section is responsible for administration of Revenue and Council's Debtors which includes, inter alia, the following core functions:

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

Budget Office

This section is responsible for the following functions:

- Budgeting and implementation of Budget Reforms
- In-year Reporting (Section 71 and Other Statutory Reports)
- Budgetary Management and Control
- Costing Services
- Training of financial interns
- Co-ordinate Financial Policy Formulation
- Annual Financial Statements

Asset and Insurance Department

This section is responsible for the following functions:

- Asset Management
- Insurance Management

3.23.2 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	28	30	28	2	7%
7 - 9	23	37	32	5	14%
10 - 12	15	15	14	1	7%
13 - 15	6	9	9	0	0%
16 - 18	2	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	74	93	85	8	9%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.70.4

3.23.3 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

Financial Performance: Financial Services					
					R'000
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(104,741)	(106,412)	(87,779)	(100,792)	15%
Expenditure:					
Employees	26,501	29,108	28,122	22,843	-19%
Repairs and Maintenance	,421	,737	,808	,553	-32%
Other	19,652	27,385	25,815	26,751	4%
Total Operational Expenditure	46,574	57,229	54,745	50,147	-8%

Net Operational Expenditure	(58,167)	(49,183)	(33,033)	(50,645)	53%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.70.5

3.23.4 CAPITAL EXPENDITURE: FINANCIAL SERVICES

Capital Expenditure: Financial Services					
					R' 000
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	96	56	43	-55%	
Furniture and Office Equipment (New)	18	18	13	-26%	
Renovation of Fire Station	–	–	–	0%	
Furniture and Office Equipment (Renewal)	6	6	4	-35%	
Furniture and Office Equipment (New)	29	29	25	-15%	
Furniture and Office Equipment (New)	4	4	2	-48%	
Computer Equipment (NEW)	40	–	–	-100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.70.6

3.23.5 ASSESSMENT OF ARREARS ON MUNICIPAL SERVICES AND PROPERTY RATES

Debt Recovery			
			R' 000
Details of the types of account raised and recovered			
	Billed in year	**Payment**	**Percentage Collection**
Rates	127,715	117,845	92%
Service Charges	232,520	228,146	98%
Total	**360,235**	**345,991**	96%
			T3.70.2

3.23.6 COMMENT ON ASSESSMENT OF ARREARS ON MUNICIPAL SERVICES AND PROPERTY RATES

Management of consumer debtors is one of the most significant functions and a prerequisite for financial sustainability. The older the debt, the more problematic it becomes to collect the debt. It is therefore imperative and critical that effective credit control measures be taken against defaulting consumers as soon as an account falls into arrears. An analysis of the outstanding debt as at 30 June 2022 has revealed the following:

The gross outstanding consumer debtors' balance as at 30 June 2022, reflect a total amount of R269, 7 million representing an increase of 19, 4%, when compared to the outstanding balance of R225,7 million as at 30 June 2021.

Despite all the challenges such as high unemployment and poverty, an extremely high indigent population, the Genadendal transformation issue which remains unresolved, obstacles for debt collection and credit control and the lack of an effective credit control mechanism in Grabouw, Tesselaarsdal, Genadendal and Botrivier, it is incumbent upon us to develop strategies and innovative approach to credit control and debt collection to improve the ratio to at least 90%. Grabouw and Genadendal where the municipality is not providing electricity has the highest percentage outstanding debt. The 2021/22 financial year was a huge challenge due to the absence of a debt collection system. Credit control was implemented with manual processing which comes with many challenges.

The measures that will be taken during 2022/23 to try and improve revenue collection are as follows:

- ❖ Continue the installation of water demand management devices as a credit control mechanism in especially Grabouw, Tesselaarsdal, Genadendal and Botrivier.
- ❖ Rollout a fully functional credit control and debt collection system. The credit control system is functional and the debt collection system has been developed and ready for implementation from 01 January 2023.
- ❖ Continue the implementation of the Revenue Enhancement Strategy which consist of developing incentives as a method to transform debt collection function into a rehabilitative rather than a punitive action. In addition, the newly created community development function will be utilized to rehabilitate defaulters.
- ❖ Continue discussions and engagements to resolve the Genadendal transformation issue.
- ❖ Undertaking a meter replacement programme in Genadendal to facilitate credit control.
- ❖ Continued lobbying with SALGA and CoGTA to amend legislation and to introduce new enabling legislation that will support debt collection efforts.
- ❖ Continued discussions and engagements with SALGA to enter into service delivery agreements with Eskom in areas where Eskom is providing electricity.
- ❖ Explore the use of technology to ensure timeous delivery of consumer accounts.

3.24 HUMAN RESOURCE SERVICES

The Human Resources Department of Theewaterskloof municipality which is at the heart of the municipality provides human resource management programs and services, aligned with the municipality's strategy, values of integrity, excellence, and wellness. This takes place within the legislative framework and is guided by a number of collective agreements, entered into between SALGA (the employer) and IMATU and SAMWU (labour). Providing information to Council and the organization to support human resource decision making, and supporting employment related legislative compliance.

The following represents the organizational structure of the Human Resources department:

- HR Strategy
- Labour Relations / IR
- Health & Safety
- Risk Management
- Benefits & HR Administration
- Staffing & Workforce Planning
- Training and Development

- Organizational Development
- Employee Assistance and
- Individual Performance Management

The HR department use the following pillars as a basis:

-Employee Wellness
Where employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches.

-A Learning Organisation
Establish a commitment to align career development practices with employee's personal goals and existing corporate objectives.

-Leadership
Develop leaders within all levels of the organization who will share enthusiasm, a sense of purpose and direction, and reflect the values of the organisation.

-Service excellence
Providing business and service excellence by revisiting our business objectives, effectively using technology, ensuring staff are well trained, effectively managing change and objectively measuring performance for continuous improvement.

CONCLUSION

With the COVID-19 pandemic effectively in the past, there rests a huge responsibility on Management and Council to manage the after effects of this pandemic. Staff members had to be reorientated into their normal working schedules and programmes.

Linked to that was the uncertainty which always accompany an election year and all these and other factors place a huge strain on staff morale and wellbeing.

This once again, requires of the Municipality to put measures in place to mitigate the spill-over effect caused by many factors inside as well as outside of the organisation which if left unattended will directly impact service delivery. To this end, the HR Department will play a vital role in assisting to mitigate the potential associated risks.

3.24.1 EMPLOYEES: HUMAN RESOURCE SERVICES

Employees: Human Resource Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12	3	3	3	0	0%
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	8	8	8	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.71.4

3.24.2 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

Financial Performance: Human Resource Services					
					R'000
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(396)	(180)	(279)	(412)	48%
Expenditure:					
Employees	4,867	5,238	5,238	5,258	0%
Repairs and Maintenance	–	–	–	–	–
Other	5,671	6,278	6,098	5,936	-3%
Total Operational Expenditure	10,538	11,516	11,336	11,193	-1%
Net Operational Expenditure	10,142	11,336	11,057	10,781	-2%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.71.5

3.25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

3.25.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The goal of the ICT division is to ensure that ICT is a support and enabling tool for the successful implementation of Council's long term strategic objectives, plans and vision. The before mentioned are defined in the Integrated Development Plan (IDP) that Council compiles and reviews annually in their term of office. Further intentions are to create an environment where the use of technology is directed and controlled, where processes and procedures ensure compliance and where the ICT environment is based on a set of international standards, principles and best practice. All this is attempted while still providing and efficient, cost effective and sustainable service to internal and external customers. It is not just a compliance and check box tool. All this is done as best possible with the resources and funding that is provided to the section to achieve its goals and targets.

ICT is not just about technology – it's about the ways in which information and technology are used to deliver better services and enhance community trust and confidence. It is also constantly striving to achieve value for money and economies of scale benefit to the taxpayers and all internal and external stakeholders. This focus is also internal to ensure that staff and Councillors are capacitated and equipped to do their jobs in the best possible way.

The ICT division takes direction from the Council's Strategic plan with focus also placed on the additional objectives of the Council as determined through the IDP processes. The aim of the strategy is use technology as an enabler of the business and to better serve communities and stakeholders. We strive to use technology to, not only, enhance municipal services, but also to close the digital divide and leveraging the benefits of technologies. At its core the ICT strategy is to create a platform and infrastructure that would bring benefit to the communities at various levels, whether it be enhancing

community safety or through technology platforms that bring opportunities to SMME's and many broader aspects then the initial obvious ones.

With the worldwide increase of ICT and cyber security threats, the municipal ICT division is constantly under an obligation to increase restrictive security measures. Whilst increasing our security we still have to balance such restrictions with operational requirements of internal staff, as well as considering public service delivery. With this ICT also has to assist and facilitate staff and employee training and awareness to the ever-changing cybercrime and threat environment. ICT security has become the number one risk within the division and a constant effort is made to keep abreast with the technological changes that affect ICT security that can negatively impact service delivery or result in legal complications and financial losses. All this while doing so within the limited economic and financially constrained environment. These are challenging times.

One of our biggest goals is to become a paperless municipality and processes are being implemented by various divisions towards this goal. This can and will be achieved by using the technology, applications and systems in place to make better use of its benefits. This will however only come with proper training and enhancement in understanding of what is available and how to use it efficiently and effectively.

As a support function, the ICT division have become more involved in strategic decision-making processes of the municipal administration. The municipal ICT Steering Committee (ICTSC) is the committee tasked with municipal ICT governance. The ICTSC is chaired by the Municipal Manger and the committee includes councillors, internal audit, senior management and other role-players.

3.25.2 EMPLOYEES: ICT SERVICES

Employees: ICT Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	1	1	0	0%
10 - 12	3	3	2	1	0%
13 - 15	1	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	6	5	1	17%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.72.4

3.25.3 FINANCIAL PERFORMANCE: ICT SERVICES

Financial Performance: ICT Services					
					R'000
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	
Expenditure:					
Employees	2288	2559	2429	2414	-1%
Repairs and Maintenance	6859	5269	9283	8754	0%
Other	,935	1,753	1,222	,998	-18%
Total Operational Expenditure	**10,081**	**9,581**	**12,934**	**12,166**	**-6%**
Net Operational Expenditure	**7,972**	**9,581**	**12,934**	**12,166**	**-6%**
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.72.5

3.25.4 CAPITAL EXPENDITURE: ICT SERVICES

Capital Expenditure Year 2020/21: ICT Services					
					R' 000
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	933	990	934	0%	
Computer Equipment (New)	933	950	907	-3%	
Computer Equipment(NEW)	–	40	26	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.72.6

3.25.5 COMMENT ON THE ICT SERVICES PERFORMANCE OVERALL

The variance of 18% below budget was caused by the development of internal capacity in ICT which resulted in savings on the use of external service providers and consultants.

3.26 PROPERTY MANAGEMENT

3.26.1.1 PROPERTY MANAGEMENT ACHIEVEMENTS

- The Land Disposal Strategy of the Municipality was revised. A much more detailed and informative guide was required to focus on creating spatially informed, economically viable decisions and identify opportunities around municipal properties and disposal thereof. The objective of this Land Disposal Strategy is therefore to aid in unlocking and accelerating the release of surplus municipal land for the creation of additional municipal income as well as the creation of residential, business and industrial opportunities.

- An Immovable Property By-Law was passed in order to enable the Municipality to transfer public land, which includes unregistered state land. A big part of Caledon's roads, sidewalks and alleys is still unregistered state land and needs to be transferred to the Municipality. The by-law also makes provision for the acquisition of immovable property and rights in immovable property as well as the closure of public places.

- A portion of farmland was made available to a group of previous disadvantaged farmers for a piggery. The leasing of the property on a long-term basis will enable the farmers to access funding for the improvement of their piggery.

- GAP Properties in Bergsig Caledon and Bego Street Riviersonderend were made available through a public tender process whereby buyers within the income group of R3501 to R22 000 per month could participate in the bidding process.

- Council aided non-profit crèches by making land available at nominal prices to construct crèches on. Council's contribution in terms of the land is part of its constitutional mandate, namely childcare. Special town planning tariffs were also given to help crèches with the town planning processes.

- As the Venster property adjacent to the N2 is ideally located for the promotion of tourism related businesses, Council resolved to make the land available to possible developers. The lengthy planning processes to subdivide and rezone the properties was finalised. The land will be offered via a tender process to be leased on a long term basis in order to make it feasible for investors. This development will have a big impact on the region and make available much needed job opportunities. It is seen as project that will have a significant impact on the economy of Caledon.

- As the need arose in the Theewaterskloof area for a private hospital, not only for its inhabitants but also to make the development of much needed retirement villages feasible, Council resolved to make land available adjacent to the Provincial hospital. As the land is adjacent to the N2 it makes it an ideal location for such a facility. The planning processes were finalised. The land was subdivided and rezoned. However, a portion of land from the Provincial hospital was needed to provide a suitable access to the land. The small portion of land from the Provincial government is in the process of being transferred to the Municipality.Interest was shown by several developing companies when it was advertised to test the market. The land will be sold via auction to the highest bidder.

- 76 Unserviced Industrial properties in Caledon were put on the market via a tender process. This project will create much needed job opportunities and is regarded as one of the biggest opportunities to make a change in the economy of Caledon. It will also attract industries in need of more affordable land but at the same time be near the Cape Town markets.

3.26.1.2 PROPERTY MANAGEMENT CHALLENGES

- The national economy has the biggest influence on the property sales. There is less spent on the purchasing of properties in general.

- Less Developers are interest in investing in developments.

- Red tape discourages developers because of the lengthy processes involved.

- The criteria set by banks for the allocation of loans is still very strict and prohibits buyers from obtaining property.

- The backlog in the provision of bulk services in all of the towns restricts development.

- The high cost of infrastructure and construction discourages developers from spending.

3.26.2 EMPLOYEES PROPERTY MANAGEMENT AND VALUATIONS

Employees: Property Management					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

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

Employees: Valuations					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.56.4*

3.26.3 FINANCIAL PERFORMANCE: PROPERTY MANAGEMENT

Financial Performance: Property Services					
					R'000
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(2,113)	(2,298)	(2,111)	(2,209)	5%
Expenditure:					
Employees					
Repairs and Maintenance	3,896	5,180	4,348	3,432	21%
Other	5,240	1,348	3,783	3,495	8%
Total Operational Expenditure	9,136	6,528	8,132	6,927	15%
Net Operational Expenditure	7,023	4,231	6,020	4,718	22%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.73.5

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

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

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

The municipality currently has a staff component of **636 staff members** who are responsible for ensuring effective service delivery to the community and collectively contribute towards the achievement of the municipality's strategic objectives.

The Human Resource Management department has as its main aim to ensure competent staff is recruited as well as the development of current staff members and the unemployed youth.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.1 EMPLOYEES

Employees					
Description	Year 2020/2021	Year 2021/2022			
	Employees	Approved Posts Budgeted	Employees	Vacancies Budgeted	Vacancies
	No.	No.	No.	No.	%
Water and Sewerage Networks	46	46	43	3	7%
Sanitation Services (Water and Sewerage Purification)	60	60	56	4	7%
Electricity	21	25	20	5	20%
Solid Waste Management Services	101	101	96	5	5%
Human Settlements (Including Informal Settlements)	7	12	7	5	42%
Roads Services (Streets and Storm water)	88	89	80	9	10%
Planning Services (Building Control)	14	14	14	0	0%
Sustainable Development	6	6	6	0	0%
Local Economic Development	5	5	5	0	0%
IDP	3	3	3	0	0%
Libraries	21	25	23	2	8%
Valuations	1	1	1	0	0%
Internal Audit	3	3	3	0	0%
Public Safety (Traffic)	52	66	56	10	15%
Parks (Including Botanical Gardens and Cemetries)	41	58	52	6	10%
Administration	63	64	63	1	0%
Disaster Management	1	1	1	0	0%
Sport and Recreation	1	1	1	0	0%
The Executive (Top Management)	2	5	2	3	60%
ICT Services	4	6	5	1	17%
Financial Services	74	93	85	8	9%
Property Management	3	3	3	0	0%
Legal Services	1	1	1	0	0%
Fleet	2	2	2	0	0%
Human Resources	8	8	8	0	0%
Totals	**628**	**698**	**636**	**62**	10%
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.					5%

4.1.2 VACANCY RATE: YEAR 2021/22

Vacancy Rate: Year 2021/22			
Designations	***Total Approved Posts**	***Vacancies** (Total time that vacancies exist using fulltime equivalents)	***Vacancies** (as a proportion of total posts in each category)
	No.	**No.**	**%**
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	4	4	0
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Traffic & Law Enforcement	34	7	20,58%
Senior management: Levels 13-17 (excluding Finance Posts)	31	3	9,68%
Senior management: Levels 13-17 (Finance posts)	10	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	26	5	19,23%
Highly skilled supervision: levels 9-12 (Finance posts)	9	0	0
Total	**116**	**19**	16,38%
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior Management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.			T4.1.2

Details	**Total Appointments as of beginning of Financial Year (including promotions)**	**Terminations during the Financial Year**	**Turn-over Rate***
	No.	**No.**	
2018/19	641	44	6,86%
2019/20	639	28	4,38%
2020/21	628	29	4.60%
2021/22	636	32	5,00%
**** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year***			

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 MANAGING THE MUNICIPAL WORKFORCE

4.2.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipal Systems Act, S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource division comprises of the following sections namely: HR Administration, Labour Relations, Recruitment & selection, Training and development, OH&S and Risk Management as well as Organisational Development and Employee Assistance.

4.2.2 HUMAN RESOURCE POLICIES AND PLANS

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Employment Equity Policy	100%		15-Sep-11
2	Medical Assistance for Former Emp	100%		05-May-11
3	EAP Policy	100%		01-Jun-12
4	HIV/Aids Policy	100%		30-Mar-13
5	Leave Policy	100%		01-Apr-13
6	Payment of Travel and Subsistence	100%		Reviewed by Council on 21 February 2020
7	Employment Practice Policy	100%		Policy was reviewed by Council on 31 October 2019 (C138/2019)
8	Induction Policy	100%		07-Aug-12
9	Policy Use of Protective Equipment	100%		14-Jan-10
10	Sexual Harassment Policy	100%		01-Sep-11
11	Smoking Policy	100%		26-May-08
12	Training Policy	100%		31-Oct-13
13	Bursary Scheme Policy	100%		15-Oct-08
14	Health and Safety Policy	100%		01-May-08
15	Scarce Skills Policy	100%		20-Mar-13
16	Vehicle Allowance Policy	100%		29-Mar-17
17	Appointment of Retired Proff	100%		01-Jul-17
18	Policy Transport Allowance for Councillors	100%		Policy was reviewed by Council on 29 March 2017
19	Cellular Allowance Policy	100%		01-Nov-16
20	Overtime Policy	100%		01-Nov-16
21	Acting Allowance	100%		31-Oct-19
22	Payment of professional Fees	100%		31-Oct-19
Use name of local policies if different from above and at any other HR policies not listed.				T4.2.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

4.3.1 NUMBER AND COST OF INJURIES ON DUTY

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken**	**Employees using injury leave**	**Proportion employees using sick leave**	**Average Injury Leave per employee**	**Total Estimated Cost**
	Days	**No.**	**%**	**Days**	**R'000**
Required basic medical attention only	358	47	7,39%	7,62	R 943 154,51
Temporary total disablement	0	0	0,00%	0	R 0,00
Permanent disablement	0	0	0,00%	0	R 0,00
Fatal	0	0	0,00%	0	R 0,00
Total	358	47	7,39%	7,62%	R 943 154,51
					T4.3.1

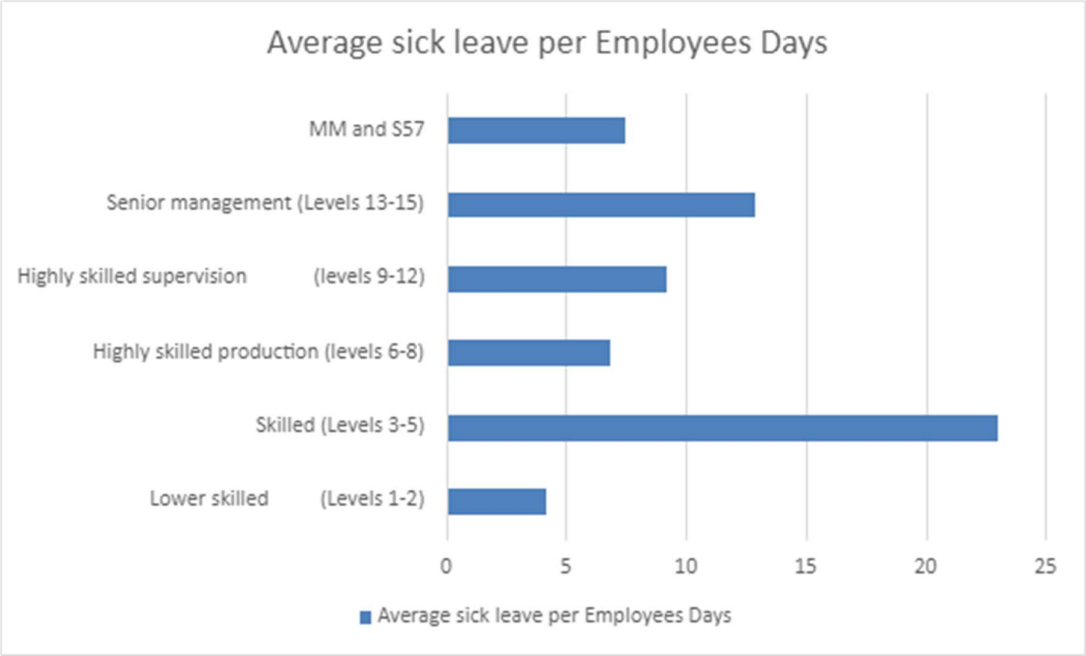
The municipality always strives to reduce the injuries on duty in order to contain cost as well as to maintain optimum levels of service delivery. To this end, regular safety meetings are conducted where safety concerns are addressed as well as weekly toolbox discussions and flash reports to staff.

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

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	***Average sick leave per Employees**	**Estimated cost**
	Days	**%**	**No.**	**No.**	**Days**	**R' 000**
Lower skilled (Levels 1-2)	660	39%	75	159	4,15%	R 354 789,00
Skilled (Levels 3-5)	2350,5	12%	155	102	23,04%	R 1 553 214,00
Highly skilled production (levels 6-8)	1454	35%	164	212	6,86	R 1 445 278,00
Highly skilled supervision (levels 9-12)	1187,5	32%	120	129	9,21	R 2 225 847,00
Senior management (Levels 13-15)	413	31%	39	32	12,91	R 1 479 823,00
MM and S57	15	25%	1	2	7,5	R 9 845,00

Total	**6080**	**26%**	**554**	**636**	9,56	**R 7 068 796,00**
**** - Number of employees in post at the beginning of the year***						T4.3.2
****Average is calculated by taking sick leave in column 2 divided by total employees in column 5***						

4.3.3 AVERAGE NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURY ON DUTY)



4.3.3.1 COMMENT ON INJURY AND SICK LEAVE

The effective management of sick leave is important for the Municipality and impacts directly on service delivery. Management receives quarterly sick leave reports in order to identify possible abuse of sick leave and to apply corrective measures to curb it.

4.3.4 NUMBER AND PERIOD OF SUSPENSIONS

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised**	**Date Finalised**
Supervisor Registration and Licensing	Gross Negligence	15-Jun-22	Investigation finalized. On process of scheduling the disciplinary hearing,	Ongoing
General Worker	Theft	31-May-22	Investigation still in process	Ongoing
Deputy Director Finance	Gross dereliction of duties	06-May-22	Disciplinary hearing scheduled for 12 August 2022	Ongoing
Manager SCM	Gross dereliction of duties	06-May-22	Disciplinary hearing scheduled for 19 August 2022	Ongoing
Manager Public Safety	Gross dereliction of duties	17-May-22	Investigation still in progress	Ongoing
Municipal Manager	Financial Misconduct	04-Jan-22	Investigation still in progress	Ongoing
Director Financial Services	Gross dereliction of duties	24-Mar-22	Investigation still in progress	Ongoing

The Disciplinary Procedure Collective Agreement, entered into at the SALGBC between the employer organisation (SALGA), and the two recognised unions, SAMWU and IMATU put measures in place on how to deal with misconduct. Its main aim to ensure a fair common and uniform procedure for the management of discipline in the workplace. This collective agreement is applicable to all staff members except the Accounting Officer and Senior Management.

4.3.5 DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
Municipal Manager	***Financial Misconduct R250 000***	Allegations referred to disciplinary board - Council resolved to proceed with disciplinary action	In progress

4.4 PERFORMANCE REWARDS

4.4.1 PERFORMANCE REWARDS BY GENDER

Performance Rewards By Gender					
Designations	**Beneficiary profile**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards Year 2021/22**	**Proportion of beneficiaries within group**
				R' 000	**%**
Lower skilled (Levels 1-2)	Female				
	Male			n/a	
Skilled (Levels 3-5)	Female			n/a	
	Male			n/a	
Highly skilled production (levels 6-8)	Female			n/a	
	Male			n/a	
Highly skilled supervision (levels 9-12)	Female			n/a	
	Male			n/a	
Senior management (Levels 13-15)	Female			n/a	
	Male			n/a	
MM and S57	Female				
	Male			203 892,38	100%
Total					100%
Has the statutory municipal calculator been used as part of the evaluation process?					Yes/No

Note: MSA 2000 S51(d) requires that … 'performance plans, on which rewards are based should be aligned with the IDP'… (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).	T4.4.1

4.4.4.1 COMMENT ON PERFORMANCE REWARDS

No performance rewards were paid to staff below S56/57 as performance management was not rolled out to lower levels of staff. The main reason for that is a lack of human resources. Management is committed to address this in order to ensure not only compliance but also to manage the performance at all levels in the Municipality.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

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

4.5.1 NUMBER OF SKILLED EMPLOYEES

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2022	Number of skilled employees required and actual as at 30 June Year 2022											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 2021	Actual: End of Year 2022	Target	Actual: End of Year 2021	Actual: End of Year 2022	Target	Actual: End of Year 2021	Actual: End of Year 2022	Target	Actual: End of Year 2021	Actual: End of Year 2022	Target
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	0		2	0	0	4	0	0	6
Councillors, senior officials and managers	Female	12	1	0	1	0	0	8	14	13	8	15	13	17
	Male	20	5	0	0	10	0	12	15	38	12	30	38	24
Technicians and associate professionals*	Female	36	16	0	1	0	25	9	10	4	10	26	29	20
	Male	93	25	0	1	10	35	14	10	16	14	45	51	29
Professionals	Female	56	9	0	0	0		12	2		15	11	0	27
	Male	156	1	0	0	0		54	34		12	35	0	66

Sub total	Female	104	26	0	2	0	25	29	26	17	33	52	42	64
	Male	271	31	0	1	20	35	82	59	54	42	110	89	125
Total		375	57	0	3	20	60	111	85	71	75	324	262	378
***Registered with professional Associate Body e.g CA (SA)**														T4.5.1

4.5.2 FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

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

The table below provides details of the financial competency development progress and training needs of the Municipality thus far:

Financial Competency Development: Progress Report*						
Description	**A.** Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	**B.** Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	**Consolidated: Total of A and B**	**Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))**	**Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))**	**Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))**
Financial Officials						
Accounting officer	1		1	1	1	1
Chief financial officer	1		1	1	1	1
Senior managers	0		0	0	0	0
Any other financial officials	2		2	1	0	0
Supply Chain Management Officials	6		6	2	0	2
Heads of supply chain management units	0		0	0	0	0
Supply chain management senior managers	1		1	0	0	0
TOTAL						
** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*						T4.5.2

4.5.3 SKILLS DEVELOPMENT EXPENDITURE

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2019/2020							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	0	0	0	0	0	0	0	0	0
	Male	2	0	0	25000	0	0	0	25000	0
Legislators, senior officials and managers	Female		0	0	0	0	0	0	0	0
	Male		0	0	0	0	0	0	0	0
Professionals	Female		0	0	35000	35000	0	0	35000	35000
	Male		0	0	40000	40000	0	0	40000	40000
Technicians and associate professionals	Female		0	0	60000	60000	0	0	60000	60000
	Male		0	0	70000	70000	0	0	70000	70000
Clerks	Female		0	0	R40,000	R40,000	0	0	R40,000	R40,000
	Male		0	0	R50,000	R50,000	0	0	R50,000	R50,000
Service and sales workers	Female		0	0	35000	35000	0	0	35000	35000
	Male		0	0	30000	30000	0	0	30000	30000
Plant and machine operators and assemblers	Female		R0	R0	40000	40000	0	0	R40,000	R40,000
	Male		R0	R0	50000	50000	0	0	R50,000	R50,000
Elementary occupations	Female		0	0	R50,000	R50,000	0	0	R50,000	R50,000
	Male		0	0	R55,000	R55,000	0	0		R55,000
Sub total	Female		R0	R0	R300,000	R300,000	R0	R0	R300,000	R300,000
	Male		R0	R0	R320,000	R295,000	R0	R0	R265,000	R295,000
Total		2	R0	R0	R620,000	R595,000	R0	R0	R565,000	R595,000
% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									.02%	620000
										T4.5.3

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The percentage of the municipal budget that was spent on salaries and allowance (excluding councillor remuneration) for this financial year is 39% which is within the national norm of between 35 to 40%.

4.6 EMPLOYEE EXPENDITURE

4.6.1 NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITION BEING UPGRADED

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	7
Highly skilled production	Female	1
(Levels 6-8)	Male	
Highly skilled supervision (Levels9-12)	Female	
	Male	3
Senior management (Levels13-16)	Female	
	Male	1
MM and S 57	Female	
	Male	
Total		12
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).		T4.6.2

4.6.2 EMPLOYEES WHOSE SALARY LEVELS EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	**Number of employees**	**Job evaluation level**	**Remuneration level**	**Reason for deviation**
None	None			T4.6.3

4.6.3 EMPLOYEES APPOINTED TO POSTS NOT APPROVED

Employees appointed to posts not approved				
Department	**Level**	**Date of appointment**	**No. appointed**	**Reason for appointment when no established post exist**
	None			

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

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

This chapter comprises four components:

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Cash Flow Management and Investment

Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.2 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
						R' 000
Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	121,164	124,584	126,035	127,715	2.51%	1.33%
Service charges	247,303	277,189	272,094	267,671	-3.43%	-1.63%
Investment revenue	8,098	11,000	7,800	10,542	-4.16%	35.16%
Transfers recognised - operational	138,256	142,866	142,097	128,147	-10.30%	-9.82%
Other own revenue	47,491	56,746	60,671	68,649	20.98%	13.15%
Total Revenue (excluding capital transfers and contributions)	**562,312**	**612,385**	**608,696**	**548,525**	**-10.43%**	**-9.89%**
Employee costs	217,957	254,167	239,933	238,699	-6.09%	-0.51%
Remuneration of councillors	12,148	13,849	12,420	11,900	-14.08%	-4.19%
Debt impairment	62,215	64,321	83,773	83,302	29.51%	-0.56%
Depreciation and asset impairment	31,694	22,908	31,782	31,651	38.16%	-0.41%
Finance charges	21,727	15,507	20,351	20,011	29.05%	-1.67%
Bulk purchases	93,756	87,217	86,357	86,239	-1.12%	-0.14%
Inventory Consumed	0	40,701	37,959	34,528	-15.17%	-9.04%
Contracted services	43,057	52,912	49,700	46,710	-11.72%	-6.02%
Transfers and subsidies	3,356	16,399	14,683	1,766	-89.23%	-87.98%
Other expenditure	59,422	54,998	63,582	58,269	5.95%	-8.36%
Losses	5,189	–	,700	,610	0%	-12.84%

Total Expenditure	**550,524**	**622,978**	**641,239**	**519,020**	**-16.69%**	**-19.06%**
Surplus/(Deficit)	11,788	-10,594	-32,543	29,505	-378.52%	-190.66%
Transfers and subsidies - capital (monetary) - Government	38,125	95,184	69,894	44,302	-53.46%	-36.62%
Surplus/(Deficit) after capital transfers & contributions	49,499	47,255	37,351	73,808	56.19%	97.61%
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
Surplus/(Deficit) for the year	49,499	47,255	37,351	73,808	56.19%	97.61%
Capital expenditure & funds sources						
Capital expenditure	**76,533**	**181,136**	**144,402**	**99,142**	-45.27%	-31.34%
Transfers recognised - capital	37,855	95,184	69,894	44,269	-53.49%	-36.66%
Borrowing	35,278	62,750	57,829	44,244	-29.49%	-23.49%
Internally generated funds	14,332	23,203	16,679	10,629	-54.19%	-36.27%
Total sources of capital funds	**87,465**	**181,136**	**144,402**	**99,142**	-45.27%	-31.34%
Financial position						
Total current assets	235,057	182,666	226,601	241,586	32.26%	6.61%
Total non current assets	1,044,806	1,236,504	1,153,228	1,111,567	-10.10%	-3.61%
Total current liabilities	125,869	136,951	133,144	136,045	-0.66%	2.18%
Total non current liabilities	259,952	324,755	308,601	228,737	-29.57%	-25.88%
Community wealth/Equity	894,042	957,463	938,083	927,383	-3.14%	-1.14%
Cash flows						
Net cash from (used) operating	97,074	100,707	93,663	77,467	-23.08%	-17.29%
Net cash from (used) investing	-84,783	-181,136	-144,997	-97,452	-46.20%	-32.79%
Net cash from (used) financing	12,610	55,127	47,217	21,878	-60.31%	-53.67%
Cash/cash equivalents at beginning of year	139,189	112,431	164,090	164,090		
Cash/cash equivalents at the year end	164,090	87,129	159,973	165,982	90.50%	3.76%
Cash backing/surplus reconciliation						
Cash and investments available	175,978	87,129	159,277	165,982	90.50%	4.21%
Application of cash and investments	66,042	54,523	106,211	78,052	43.15%	-26.51%
Balance - surplus (shortfall)	17,665	32,606	53,066	87,931	169.68%	65.70%

Asset management						
Asset register summary (WDV)	1,027,827	1,223,996	1,147,850	1,147,850	-6.22%	0.00%
Depreciation & asset impairment	31,587	22,908	34,782	34,782	51.83%	0.00%
Renewal of Existing Assets	47,061	121,090	103,393	103,393	-14.61%	0.00%
Repairs and Maintenance	112,311	126,852	127,339	127,339	0.38%	0.00%
Free services						
Cost of Free Basic Services provided	37,284	38,802	41,322	60,046	54.75%	45.31%
Revenue cost of free services provided	6,828	6,788	9,053	5,942	-12.47%	-34.37%
Households below minimum service level						
Water:	,1	,1	,1	,1	0.00%	0.00%
Sanitation/sewerage:	,2	,2	,2	,2	0.00%	0.00%
Energy:	–	–	–	–	0.00%	0.00%
Refuse:	–	–	–	–	0.00%	0.00%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1

Financial Performance of Operational Services

R '000						
Description	**2020/21**	**2021/22**			**2021/22 Variance**	
	Actual	**Original Budget**	**Adjustments Budget**	**Actual**	**Original Budget**	**Adjustments Budget**
Operating Service						
Water Distribution	19,159	30,642	28,135	23,936	-22%	-14.93%
Waste Water Management	38,609	47,117	48,463	47,659	1%	-1.66%
Electricity Distribution	86,406	113,986	113,062	110,462	-3%	-2.30%
Solid Waste Management	60,678	48,437	48,803	(622)	-101%	-101.27%
Housing Services	12,348	5,962	5,784	5,411	-9%	-6.45%
Component A: sub-total	**217,199**	**246,143**	**244,248**	**186,846**	-24%	-23.50%
Roads Services	23,032	24,166	32,960	30,897	28%	-6.26%
Transport	–	–	–	–	–	–
Component B: sub-total	**14,521**	**7,855**	**9,208**	**8,957**	14%	-2.73%
Planning	12,348	5,962	5,784	5,411	-9%	-6.45%
Local Economic Development	2,174	1,893	3,424	3,546	87%	3.56%
Component C: sub-total	**199,005**	**187,567**	**9,208**	**8,957**	-95%	-2.73%
Community & Social Services	8,958	9,297	10,196	9,253	0%	-9.25%

Enviromental Proctection	33645	–	–	–	0%	0%
Health	–	–	–	–	–	–
Public Safety	33,645	38,002	45,739	43,051	13%	-5.88%
Sport and Recreation	10,025	11,816	10,030	9,757	-17%	-2.72%
Corporate Policy Offices and Other	112,731	128,452	125,131	125,301	-2%	0.14%
Component D: sub-total						
Net Total Expenditure	**430,725**	**441,565**	**262,664**	**204,760**	-54%	-22.05%

In this table operational income (but not levies or tarrifs) is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget divided by the original/adjustments budget.T5.1.2

5.3 COST CONTAINMENT

Cost Containment In-Year Report							
Measures	**Original Budget**	**Adjustment Budget**	**Q1**	**Q2**	**Q3**	**Q4**	**Savings**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Use of consultants	11 733	11 756	1 238	2 191	2 242	3 765	2 320
Travel and subsistence	781	375	26	20	182	306	(159)
Domestic accommodation	231	117	2	6	24	80	6
Sponsorships	870	870	3	10	223	618	16
Events and catering	380	376	31	77	74	174	20
Communication	1 992	1 719	201	468	368	527	155
Other related expenditure items	5 315	4 594	–	1 002	1 351	886	1 355
Total	21 302	19 807	1 501	3 773	4 463	6 356	3 714

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

5.4 GRANTS

The Municipality had a total amount of R184 933m for operational and capital expenditure available that was received in the form of grants from National and Provincial Governments during the 2021/22 financial year.

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

Grant Performance

R' 000

Description	2020/21	2021/22			2019/20 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
National Government:	**126,298**	**149,069**	**149,069**	**150,069**		
Equitable share	118,783	106,976	106,976	106,976	0%	0%
Local Government Financial Management Grant (FMG)	1,700	1,650	1,650	1,650	0%	0%
Municipal Infrastructure Grant (MIG)	23,113	25,602	25,602	25,602	0%	0%
National Electrification Programme	4,348	7,120	7,120	7,120	0%	0%
Expanded public works programme (EPWP)	1,924	1,721	1,721	1,721	0%	0%
Energy Efficiency & Demand Side Management Grant	3,078	3,500	3,500	4,500	29%	29%
Water Service Infrastructure Grant (WSIG)	–	2,500	2,500	2,500	0%	0%
Municipal Disaster Relief Grant	619	–	–	–	0%	0%
Neighbourhood Development Programme Grant	–	-	–	–	0%	0%
Provincial Government:	**61,967**	**61,333**	**63,725**	**33,927**		
Health subsidy	–	–	–	–	0%	0%
Housing	5,693	40,167	40,167	20,053	-50%	-50%
Sports and Recreation	–	–	7	–	0%	-100%
Financial Management Support Grant	–	–	19		0%	-100%
CDW Operational Support Grant	170	237	237	132	-44%	-44%
Maintenance of proclaimed main roads	130	130	130	130	0%	0%
Library Service conditional Grant	9,251	11,928	11,928	10,612	-11%	-11%
Municipal internvention Grant	–	–	–	150	0%	0%
Municipal Service Delivery and Capacity Building Grant	–	–	–	1,000	0%	0%
Titile deeds	–	5,073	–	–	0%	0%
Thusong Service Centres Grant	150	–	–	–	0%	0%
Municipal Capacity Building Grant	1,331	–	–	250	0%	0%
Public Employee Support Grant	–	–	–	1,600	0%	0%
Local Governement Support Grant	153	1,600	1,600	–	0%	-100%
Rooidakke	–	-	7,069	–	0%	-100%

Regional socio-economic projects (RSEP)	53	447	447	–	0%	-100%
Municipal Drought Relief (MDR)	–	1,750	2,121	–	0%	-100%
District Municipality:		-	-	**90,000.00**	-	-
[insert description]					0%	0%
Safety Audit and Safety Plan Grant				90,000	0%	0%
Other grant providers:	–	**342**	**1,728**	**348**	**0**	**1**
DBSA GIS		-				
IDC		-			0%	0%
DBSA LEDI		-			0%	0%
HAN		–	1,515,525	-	0%	-100%
Economic Development (Youth Development)		–	212,634	347,761	0%	64%
SANRAL	–	342,047	-	-	0%	0%
Total Operating Transfers and Grants	**188,265**	**210,744**	**214,522**	**184,433**		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1

5.4.1 COMMENT ON OPERATING TRANSFERS AND GRANTS

Equitable Share-The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

Finance Management Grant (FMG)- The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

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

Expanded Public Works Programme (EPWP)- The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

Integrated National Electrification Progamme (INEP)- The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

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

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

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

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

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

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

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

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

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

Municipal Capacity Building Grant - To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

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

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

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

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

Expenditure for the provision of free basic services from the Equitable Share Grant is incurred monthly. Expenditure in respect of the Finance Management Grant and MIG, are incurred in accordance with business plans. Expenditure in respect of the Low-Cost Housing is once off payments and are done in accordance with claims submitted to either Provincial or National Government.

5.4.2 CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant 2020/21**	**Actual Grant 2021/2022**	**2021/22 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
SETA	342	–				Skills Development
HAN	495	–				Youth Development
DBSA LED	–					Local Economic Development
SANRAL	–	174				Infrastructure - Road transport
ECONOMIC DEVELOPMENT	-					Local Economic Development
Private Sector / Organisations						
None						

Provide a comprehensive response to this schedule						T5.2.3

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

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

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

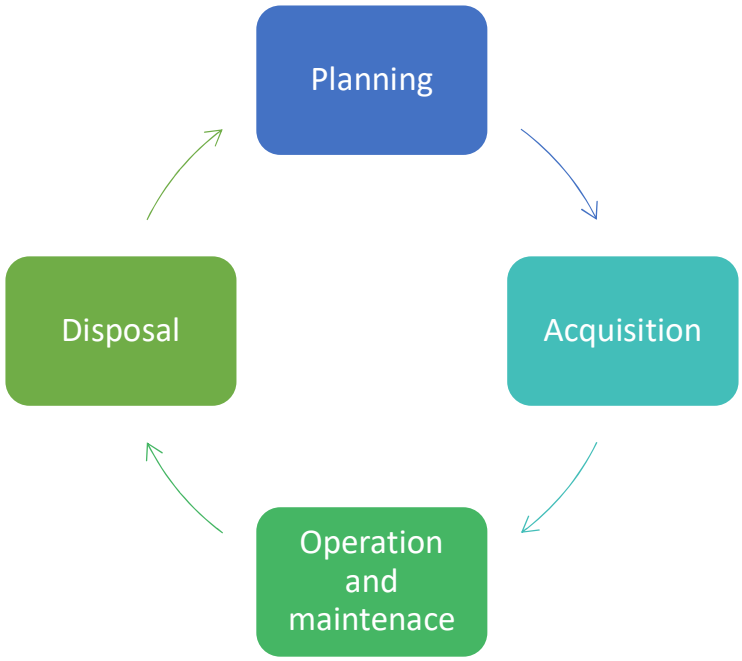
SANRAL - This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.

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

5.5 ASSET MANAGEMENT

Theewaterskloof Municipality have a centralised Asset Management Unit based in Caledon. The unit is responsible for all assets related functions throughout the entire region consisting of eight (8) towns.

5.5.1 Asset Management lifecycle



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

Planning

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

Acquisition

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

Operation and Maintenance

In this stage, the asset is being used. All operation and maintenance activities are performed and tracked during this stage. At this point, the focus should be on keeping the asset in good running order so that it can continue to provide the service required. The better maintained the assets are from the beginning, the longer the asset tends to last.

Disposal

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

Asset Management Policy (AMP)

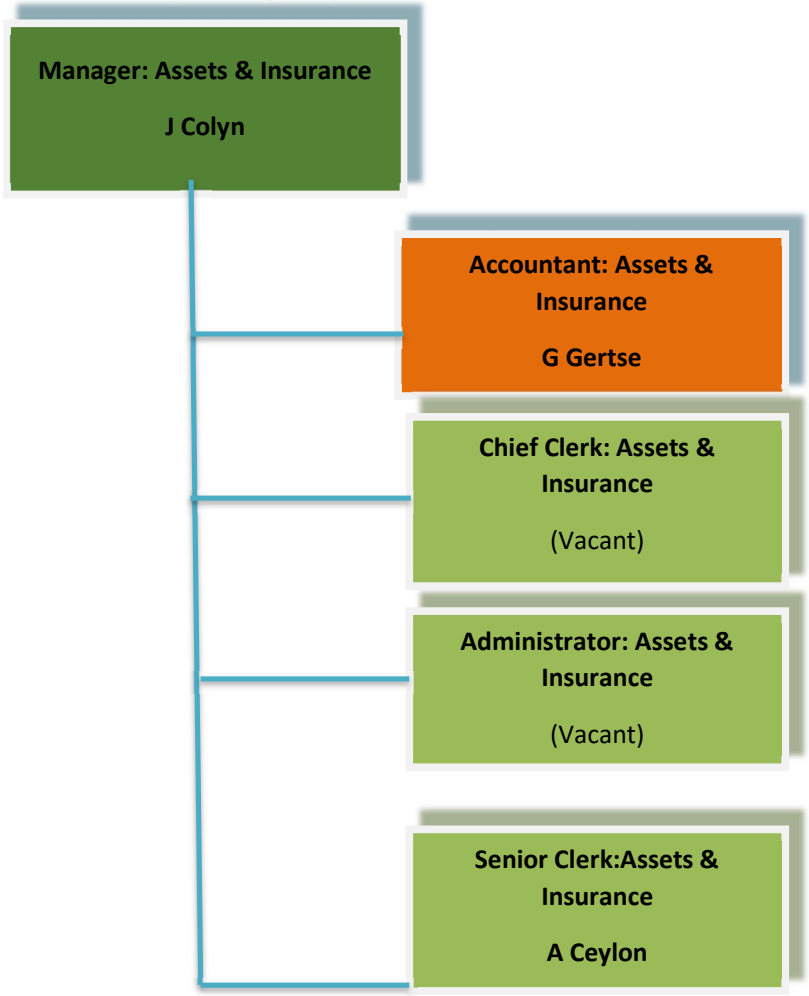
The proper utilization and management of assets is one of the prime mechanisms by which a municipality can fulfil its constitutional objectives for:

- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- Stewardship has three components being the:
    - Management, utilization, and control by the Municipal Officials.
    - Financial administration by the Chief Financial Officer, and
    - Physical administration by the Asset and Property Managers
- Accounting standards are set to ensure the appropriate financial treatment for property, plant, and equipment. The requirements of these accounting standards include:
    - The compilation of asset registers recording all assets controlled by the municipality.
    - Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant, and equipment.
    - The standards to which these financial records must be maintained.

ASSET MANAGEMENT UNIT (AMU)

The organogram extract of the AMU on the next page represents the current human resource allocation.

There are currently no capacity development initiatives in terms of the AMU.



5.6 REPAIRS AND MAINTENANCE EXPENDITURE

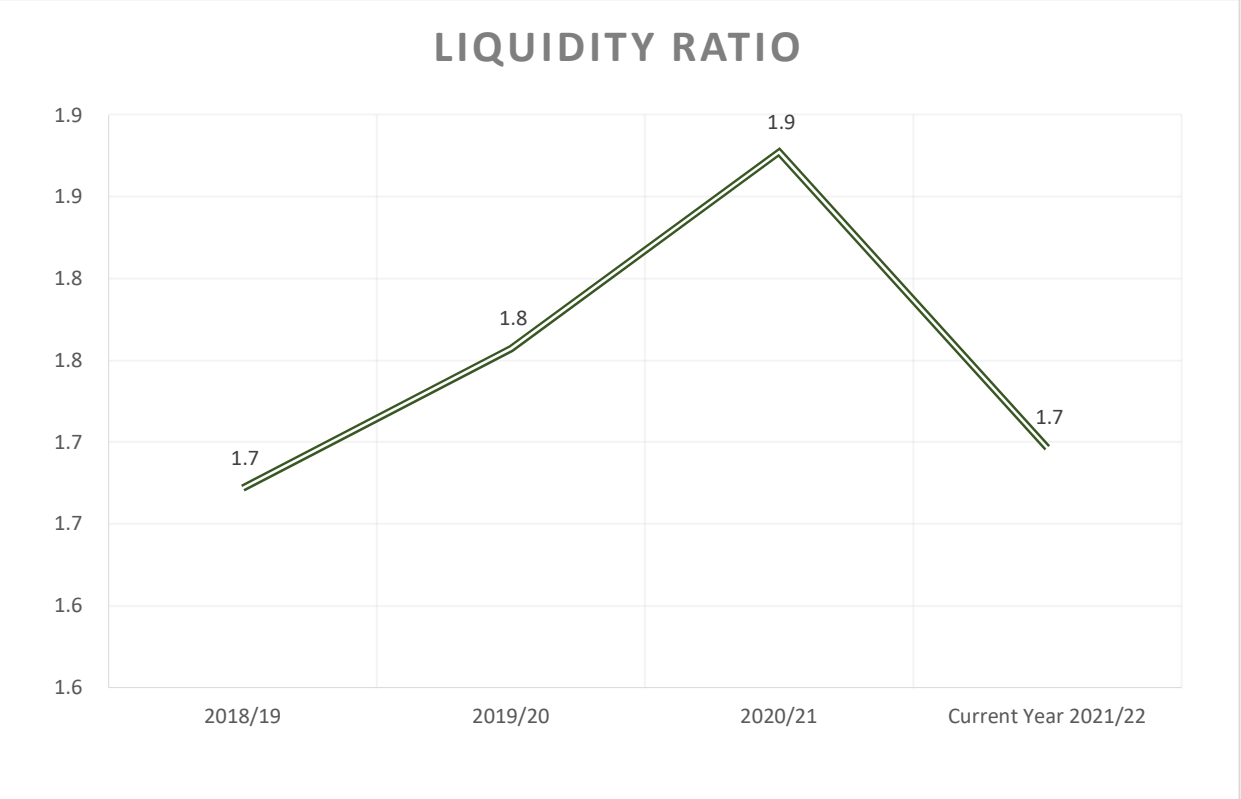
Repair and Maintenance Expenditure: 2021/22				
				R' 000
	Original Budget	**Adjustment Budget**	**Actual**	**Budget variance**
Repairs and Maintenance Expenditure	126,852	128,031	117,756	8.02%
				T5.3.4

In 2021/22 Theewaterskloof municipality budgeted R126 852m for repairs and maintenance. This was adjusted to R128 031m. The actual repairs and maintenance for the year 2021/22 amounted to R117 756m, meaning that 91.98% of the repairs and maintenance budget was spent.

5.7 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

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

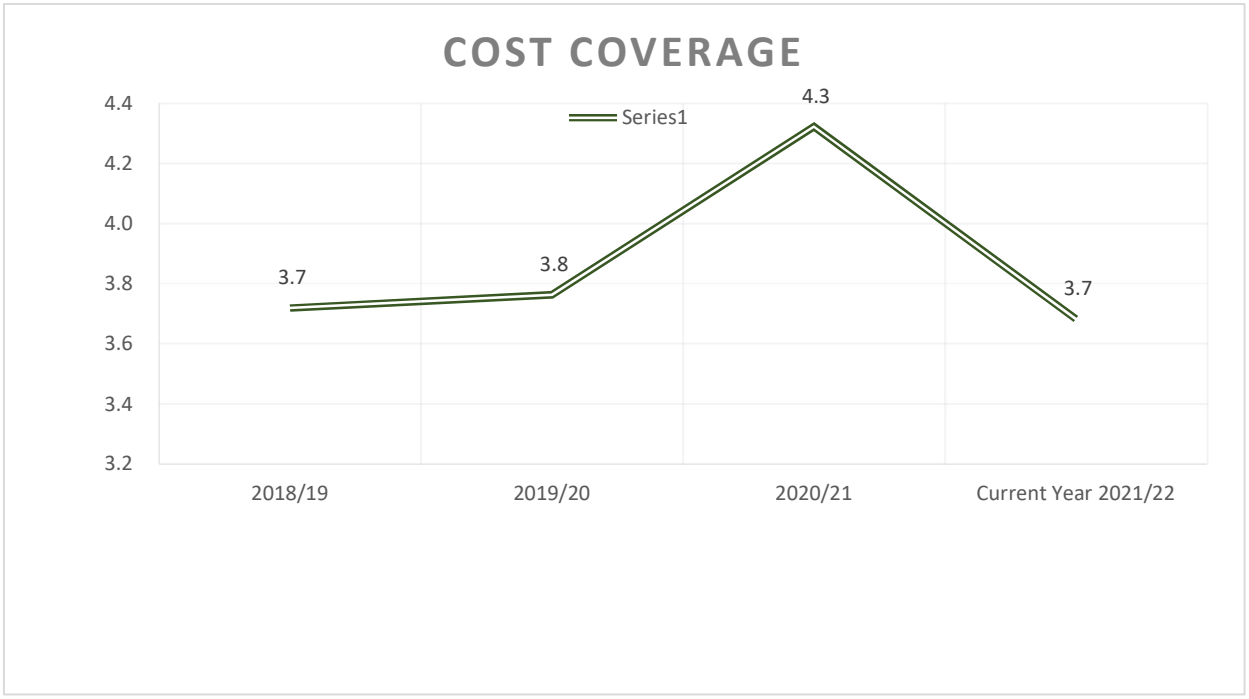
The following graph indicates the liquidity financial ratio for 2021/22:



The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. It compares the municipality's current assets to its current liabilities, and is expressed as follows: The current ratio is an indication of a municipality's liquidity. The higher the Ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels .The liquidity has decreased from 1.9 to 1.7 meaning Theewaterskloof municipality is capable to pay its short-term obligations.

Cost Coverage: It explain how many months expenditure can be covered by cash and liquid assets available to the Municipality excluding utilisation of grants calculated.

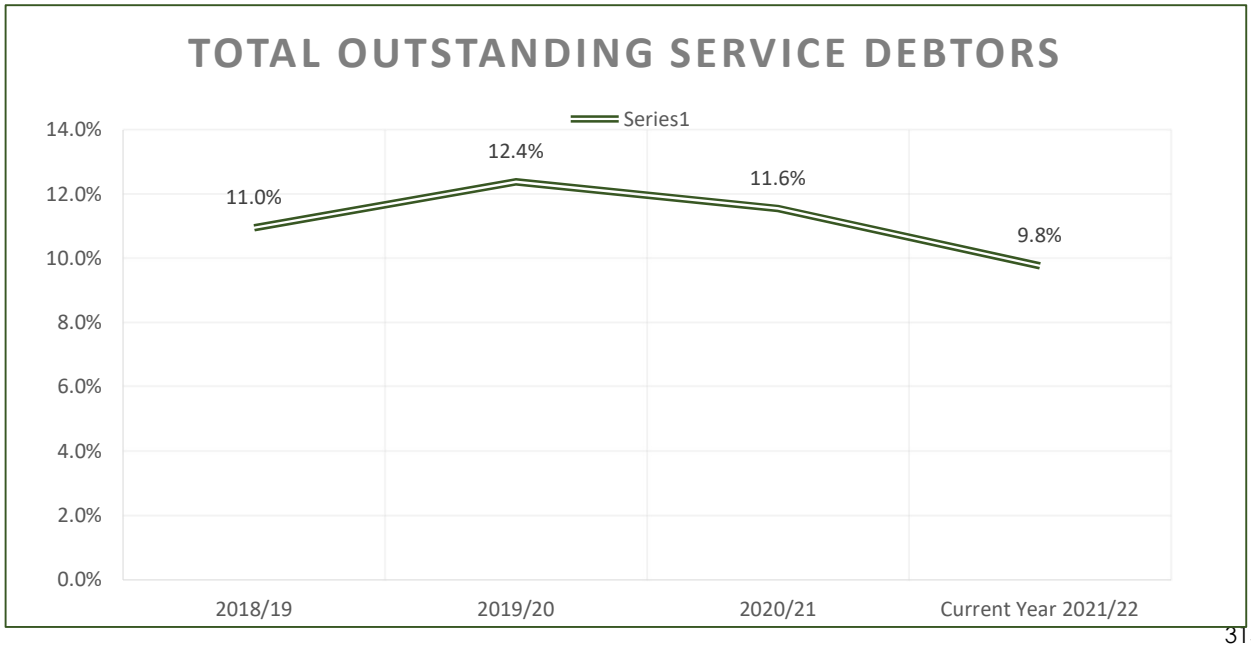
The following graph indicates the liquidity financial ratio for 2021/22:



The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. The norm set by National Treasury is that a municipality should have between one- and three-months' cash to cover its monthly fixed expenses. Theewaterskloof municipality's cost coverage ratio has decrease from 4.3months to 3.7 months. The municipality is still safe and within the norm between one to three months.

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

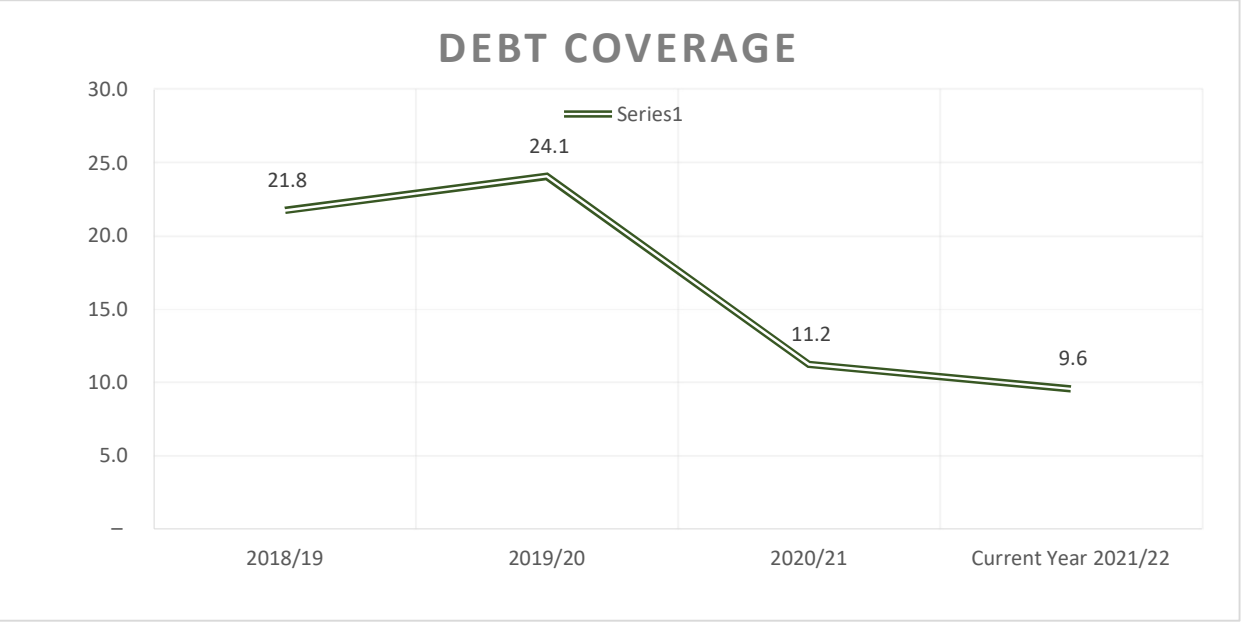
The following graph indicates the Total Outstanding Service Debtors financial ratio for 2021/22:



The municipality will embark on a public relations and awareness campaign to encourage payment for municipal services and rates, improve the relationship between the municipality and stakeholders and develop educational tools to change the culture surrounding the payments of municipal accounts. The project is currently in progress.

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

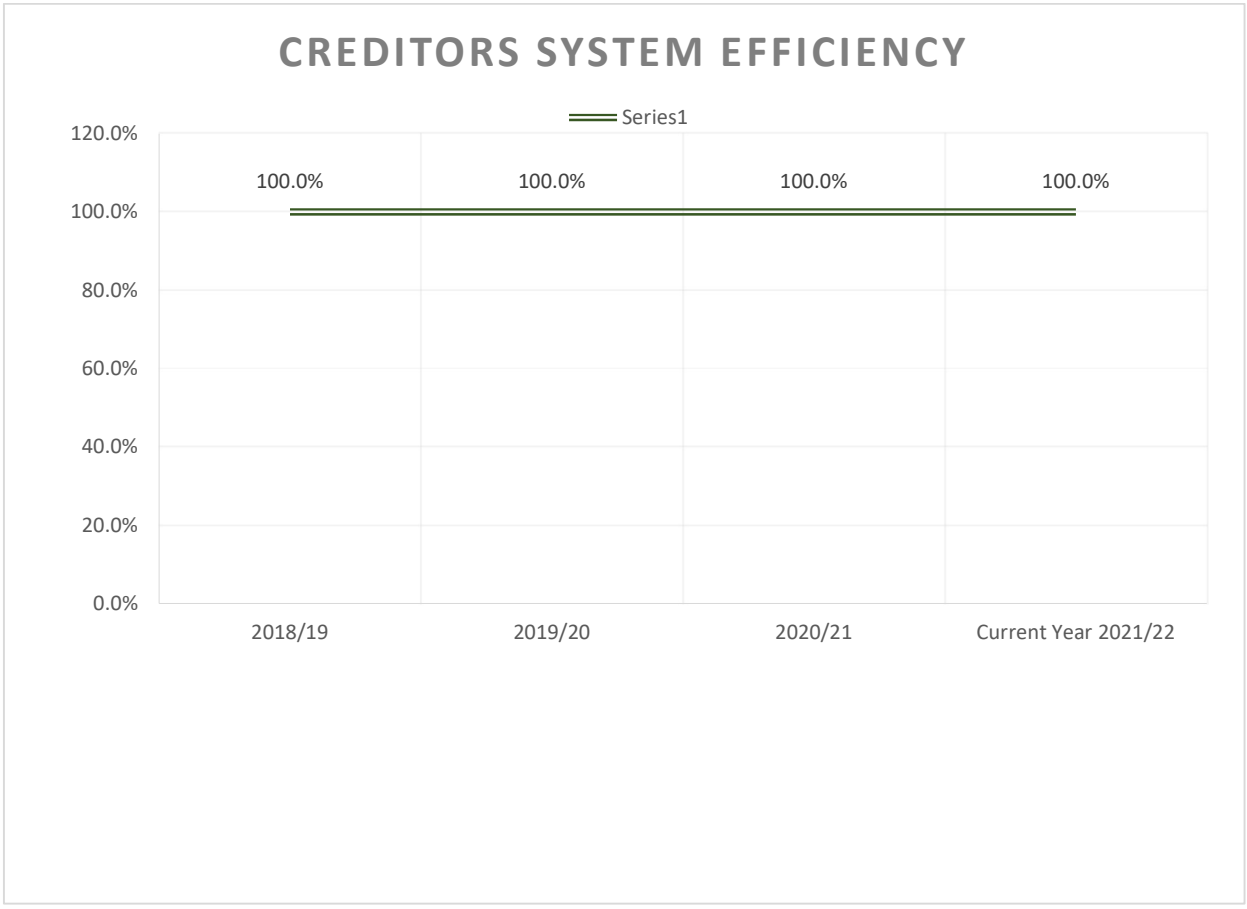
The following graph indicates the Debt Coverage financial ratio for 2021/22:



The debt coverage ratio decreased from 11.2 in 2020/21 to 9.6 in 2021/22: The ratio remains constant over the reporting period and is at acceptable levels.

Creditors System Efficiency: The proportion of creditors paid within 30 days. This ratio is calculated by outstanding trade creditors divided by credit purchases.

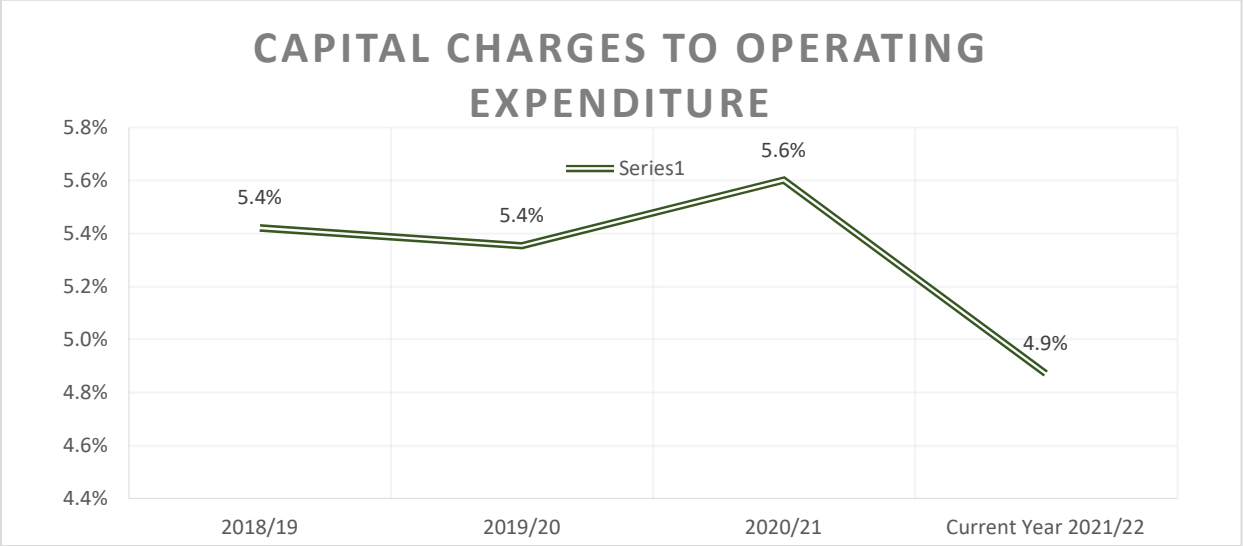
The following graph indicates the Creditors System Efficiency financial ratio for 2021/22:



Theewaterskloof always ensure compliance with the MFMA requirement that all creditors must be paid within 30 days. When a municipality struggles to pay all creditors within 30 days it could be an indication of liquidity challenges and failing to pay creditors on time could result in fruitless and wasteful expenditure in the form of interest and could negatively affect service delivery as suppliers will become reluctant to transact with the municipality.

Capital charges to operating expenditure: Is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

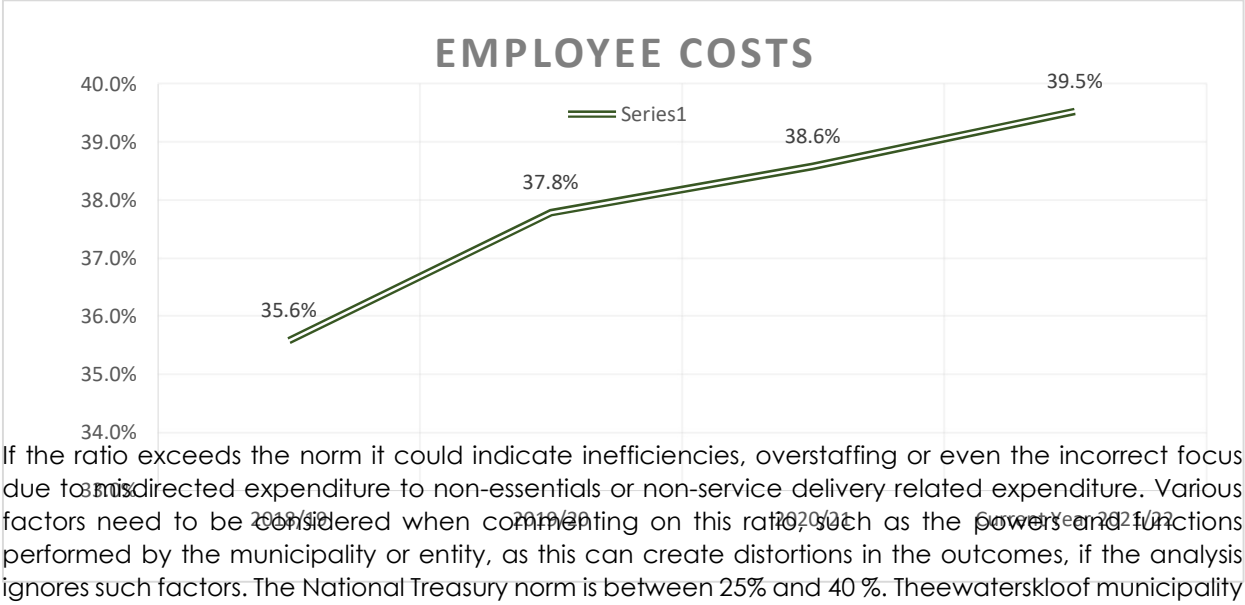
The following graph indicates the Capital Charges to Operating Expenditure financial ratio for 2021/22:



The National Treasury norm is between 6% and 8 %. Theewaterskloof municipality is below the norm. Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels.

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

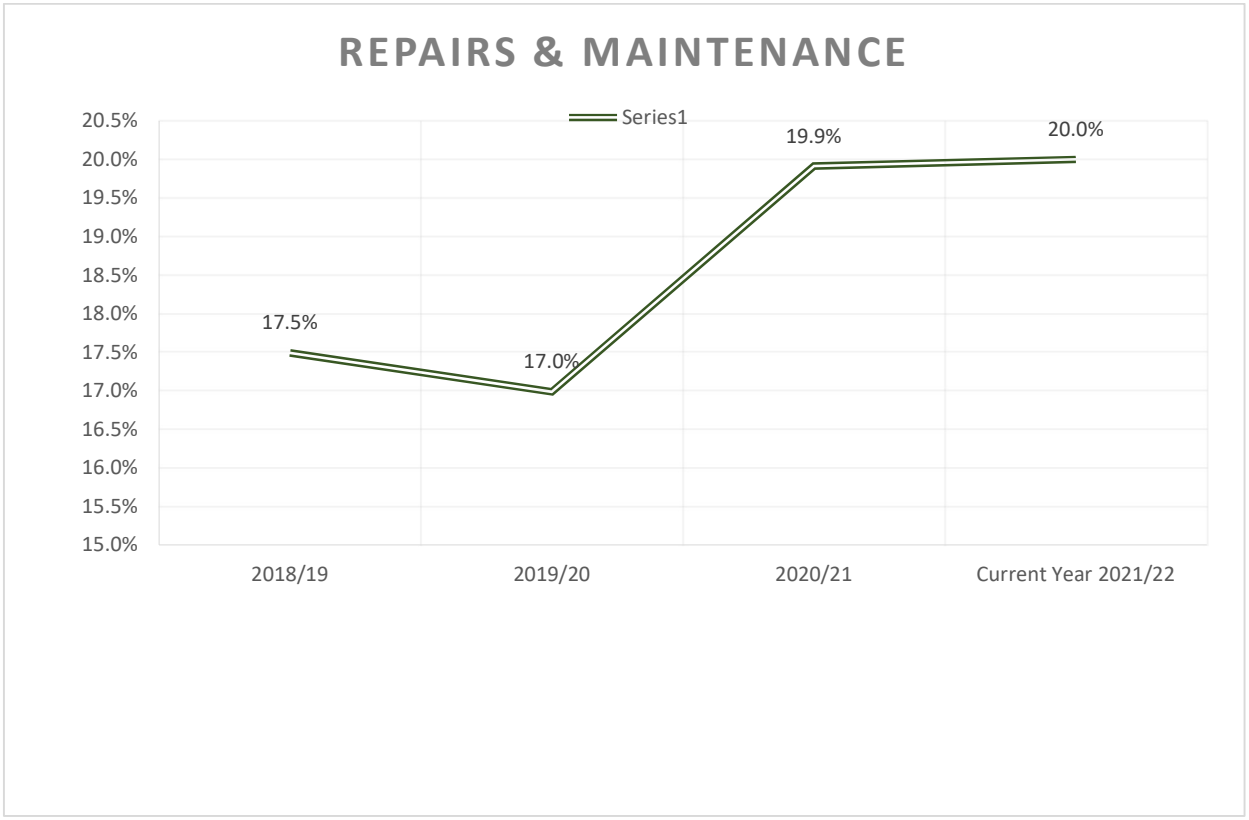
The following graph indicates the Employee Costs financial ratio for 2021/22:



If the ratio exceeds the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors. The National Treasury norm is between 25% and 40 %. Theewaterskloof municipality is below the norm.

Repairs and Maintenance: Measures what portion of the revenue was spent on paying for repairs and maintenance costs. It is calculated by dividing total repairs and maintenance cost by the difference between total revenue and capital revenue.

The following graph indicates the Repairs and Maintenance financial ratio for 2021/22:


REPAIRS & MAINTENANCE
Series1
20.5%
20.0%
19.5%
19.0%
18.5%
18.0%
17.5%
17.0%
16.5%
16.0%
15.5%
15.0%
17.5%
17.0%
19.9%
20.0%
2018/19
2019/20
2020/21
Current Year 2021/22

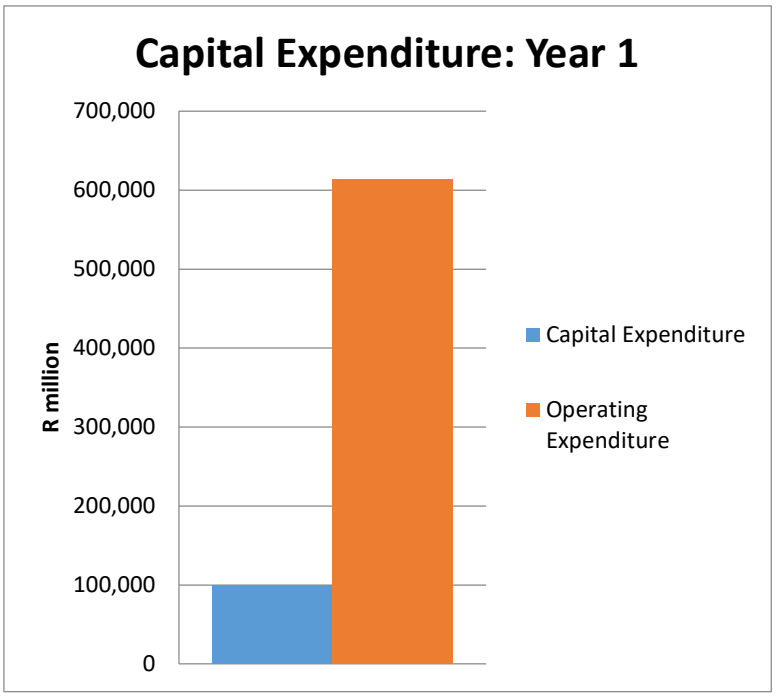
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.8 INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. The municipality recently adopted its long-term financial plan. One of the main focus of the plan was to identify future capital needs (demand) and the funding sources thereof (affordability). As indicated by the table below the municipality has shown tremendous growth in its capital expenditure and percentage of capital budget spent.

In 2021-2022 Theewaterskloof municipality approved a capital budget of R 181 136m which was decreased to R 144 402m. The Total Capital Expenditure for the year ended 30 June 2022 amounts to R 99 142 million.

	R'000
Detail	**2021/22**
Original Budget	181,136
Adjustment Budget	144,402
Actual	99,142



R million	Original Budget	Adjustment Budget	UAudited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	**181,136,164**	**144,402**	**99,142**	45.3%	31.3%
	181,136	**144,402**	**99,142**	45.3%	31.3%
Operating Expenditure	622,978	641,239	613,685	1.5%	4.3%

	622,978	**641,239**	**613,685**	1.5%	4.3%
Total expenditure	**804,115**	**785,642**	**712,827**	11.4%	9.3%
Water and sanitation	71,544	56,324	42,973	39.9%	23.7%
Electricity	16,734	15,861	7,111	57.5%	55.2%
Housing	0	0	0		
Roads, Pavements, Bridges and storm water	0	0	0		
Other	92,858	72,217	49,057	47.2%	32.1%
	181,136	**144,402**	**99,142**	45.3%	31.3%
External Loans	62,750	57,829	44,244	29.5%	23.5%
Internal contributions	23,203	16,679	10,629	54.2%	36.3%
Grants and subsidies	95,184	69,894	44,269	53.5%	36.7%
Other	0	0	0		
	181,136	**144,402**	**99,142**	45.3%	31.3%
External Loans	62,750	57,829	44,244	29.5%	23.5%
Grants and subsidies	95,184	69,894	44,269	53.5%	36.7%
Investments Redeemed	0	0	0		
Statutory Receipts (including VAT)	0	0	0		
Other Receipts	23,203	16,679	10,629	54.2%	36.3%
	181,136	**144,402**	**99,142**	45.3%	31.3%
Salaries, wages and allowances					
Cash and creditor payments					
Capital payments	181,136	144,402	99,142	45.3%	31.3%
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					
	181,136	**144,402**	**99,142**	45.3%	31.3%

	Original Budget	**Adjustment Budget**	**Un-audited Full Year Total**	**Original Budget variance**	**Adjusted Budget Variance**
Property rates	105,721	110,768	117,845	-11.5%	-6.4%
Service charges	235,219	239,135	232,520	1.1%	2.8%
Other own revenue	21,231	22,288	31,733	-49.5%	-42.4%
Grants & subsidies	238,050	210,206	177,298	25.5%	15.7%
	600,221	**582,396**	**564,027**	6.0%	3.2%
Employee related costs	249,944	237,510	234,022	6.4%	1.5%
Provision for working capital	0	0	0	0.0%	0.0%
Repairs and maintenance	126,852	128,045	117,756	7.2%	8.0%
Bulk purchases	109,694	106,034	105,610	3.7%	0.4%
Other expenditure	136,488	169,650	92,313	32.4%	45.6%
	622,978	**641,239**	**549,701**	11.8%	14.3%
Service charges: Electricity	119,225	117,226	113,314	5.0%	3.3%
Grants & subsidies: Electricity					
Other revenue: Electricity	17,365	17,993	11,725		34.8%

	136,590	**135,219**	**125,039**	8.5%	7.5%
Employee related costs: Electricity	0	0	0		
Provision for working capital: Electricity					
Repairs and maintenance: Electricity	3,448	3,015	2,585	25.0%	14.3%
Bulk purchases: Electricity	87,217	86,357	86,239	1.1%	0.1%
Other expenditure: Electricity	23,321	23,090	21,638	7.2%	6.3%
	113,986	**112,462**	**110,462**	3.1%	1.8%
Service charges: Water	57,453	68,941	69,721	-21.4%	-1.1%
Grants & subsidies: Water	8,370	9,929	10,359	-23.8%	-4.3%
Other revenue: Water	25,005	12,854	10,853	56.6%	15.6%
	90,829	**91,724**	**90,933**	-0.1%	0.9%
Employee related costs: Water	0	0	0		
Provision for working capital: Water					
Repairs and maintenance: Water	4,045	4,132	3,751	7.3%	9.2%
Bulk purchases: Water	14,835	14,835	16,426	-10.7%	-10.7%
Other expenditure: Water	42,307	47,150	46,981	-11.0%	0.4%
	61,186	**66,117**	**67,158**	-9.8%	-1.6%

Txxx

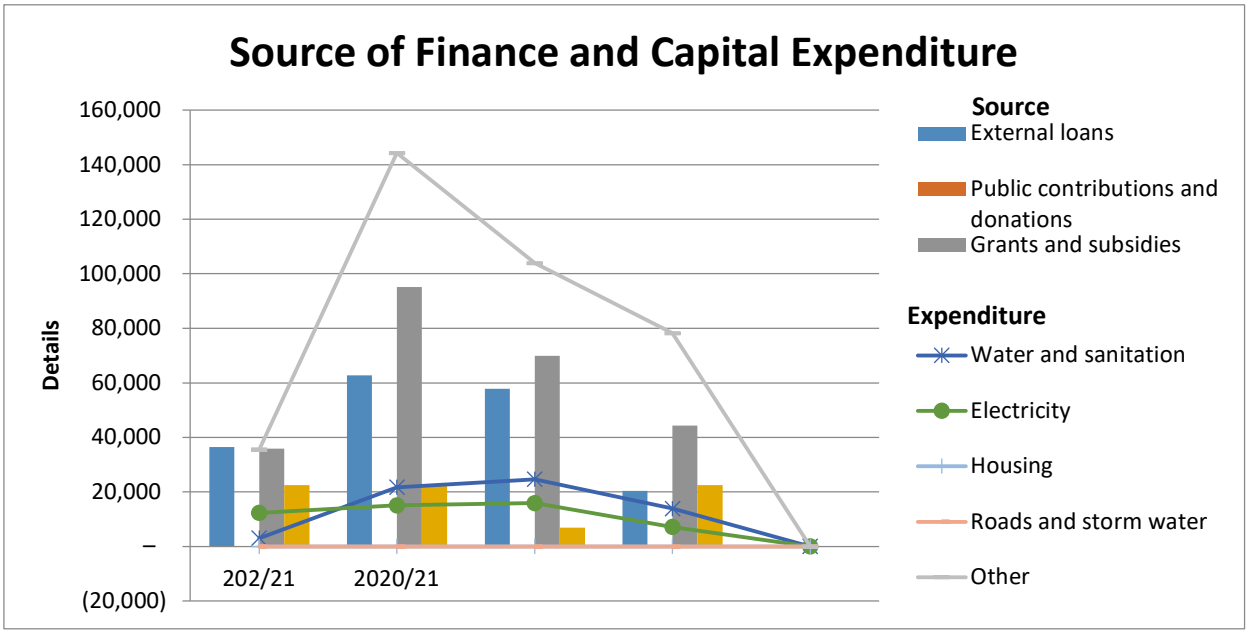
5.8.1 CAPITAL EXPENDITURE

Capital Expenditure - Funding Sources Year 2021 to 2022

R' 000

Details		202/21	2020/21				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	36,505	62,750	57,829	20,378	-7.84%	-67.53%
	Public contributions and donations	0	0	0	0	0.00%	0.00%
	Grants and subsidies	35,844	95,184	69,894	44,269	-26.57%	-53.49%
	Other	22,501	22,727	6,887	22,501	-69.70%	-0.99%
Total		**87,465**	**181,136**	**144,402**	**99,142**	**-20.28%**	**-122.01%**
Percentage of finance							
	External loans	41.7%	34.6%	40.0%	20.6%	38.7%	55.3%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	41.0%	52.5%	48.4%	44.7%	131.0%	43.8%
	Other	25.7%	12.5%	4.8%	22.7%	343.7%	0.8%
Capital expenditure							
	Water and sanitation	3,083	21,747	24,660	13,880	13.40%	-36.17%
	Electricity	12,307	15,094	15,861	7,111	5.08%	-52.89%
	Housing	–	–	–	–	0.00%	0.00%
	Roads and storm water	–	–	–	–	0.00%	0.00%

	Other	35,447	144,296	103,881	78,151	-28.01%	-45.84%
Total		**87,465**	**181,136**	**144,402**	**99,142**	**-9.53%**	**-134.90%**
Percentage of expenditure							
	Water and sanitation	3.5%	12.0%	17.1%	14.0%	-140.6%	26.8%
	Electricity	14.1%	8.3%	11.0%	7.2%	-53.3%	39.2%
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	40.5%	79.7%	71.9%	78.8%	293.9%	34.0%
							T5.6.1



5.9 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 2021 to 2022							
							R' 000
Details		2020/21	2020/21				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	36,505	62,750	57,829	20,378	-7.84%	-67.53%
	Public contributions and donations	0	0	0	0	0.00%	0.00%
	Grants and subsidies	35,844	95,184	69,894	44,269	-26.57%	-53.49%
	Other	22,501	22,727	6,887	22,501	-69.70%	-0.99%
Total		**87,465**	**181,136**	**144,402**	**99,142**	**-20.28%**	**-122.01%**
Percentage of finance							
	External loans	41.7%	34.6%	40.0%	20.6%	38.7%	55.3%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	41.0%	52.5%	48.4%	44.7%	131.0%	43.8%
	Other	25.7%	12.5%	4.8%	22.7%	343.7%	0.8%
Capital expenditure							
	Water and sanitation	3,083	21,747	24,660	13,880	13.40%	-36.17%
	Electricity	12,307	15,094	15,861	7,111	5.08%	-52.89%
	Housing	–	–	–	–	0.00%	0.00%
	Roads and storm water	–	–	–	–	0.00%	0.00%
	Other	35,447	144,296	103,881	78,151	-28.01%	-45.84%
Total		**87,465**	**181,136**	**144,402**	**99,142**	**-9.53%**	**-134.90%**
Percentage of expenditure							
	Water and sanitation	3.5%	12.0%	17.1%	14.0%	-140.6%	26.8%
	Electricity	14.1%	8.3%	11.0%	7.2%	-53.3%	39.2%
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	40.5%	79.7%	71.9%	78.8%	293.9%	34.0%
							T5.6.1

5.10 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current Year: 2021/22			Variance Current Year: 2020/21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Greyton WWTW	21,149	10,919	10,919	48%	0%
Botrivier Beaumont (interim services)	16,500	16,500	8,208	50%	50%
Caledon - WWTW upgrade	10,155	10,155	9,882	3%	3%
Caledon - Bulk outfall sewer upgrade	8,418	8,418	908	89%	89%
Upgrading of Pineview Park sportsgrounds-Ringfenced DECAS f	7,858	7,858	0	100%	100%
**** Projects with the highest capital expenditure in Year 2021/22***					
Name of Project - A	Greyton WWTW				
Objective of Project	Providing low-cost housing for communities				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Botrivier Beaumont (interim services)				
Objective of Project	Upgrading of sewers that convey the waste water from collectors to the purification works.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	Caledon - WWTW upgrade				
Objective of Project	Upgrading processing site for the temporary deposition of waste.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D	Caledon - Bulk outfall sewer upgrade				

Objective of Project	Upgrading processing site for the temporary deposition of waste.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E	Upgrading of Pineview Park sportsgrounds- Ringfenced DECAS f				
Objective of Project	Upgrading service delivery purposes				
Delays					
Future Challenges					
Anticipated citizen benefits					
					T5.7.1

5.11 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.11.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

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

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

Municipal Infrastructure Grant (MIG)* Expenditure 2021/22 on Service backlogs						
						R' 000
Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjustments Budget**	
Infrastructure - Road transport	**2,990**	**3556**	**3,553**	**16%**	**0%**	
Upgrading of Streets , stormwater Grabouw	1,500	1,576	1,576	**5%**	**0%**	
Upgrading of Streets , stormwater Genadendal	750	1,240	1,237	**39%**	**0%**	
Upgrading of Streets - BotriverHeidelaan	,740	,740	,740	0%	**0%**	
Infrastructure - Electricity	**0**	**683**	**683**	**0%**	**0%**	
Caledon Site Saviwa high mast lighting	–	,683	,683	0%		
Infrastructure - Water	**4,617**	**5,606**	**1,680**	**-175%**	**-234%**	
Tesselaarsdal- bulk water upgrade phase 2	4,096	4,096	170	-2307%	**-2307%**	
Capital - Grabouw bulk water	–	,989	,989	100%	0%	
Villiersdorp - WTW refurbishment	,521	,521	521	0%	0%	
Infrastructure - Sanitation	**16,083**	**11,983**	**11,983**	**-34%**	**0%**	
Caledon - WWTW upgrade	,590	,590	,590	0%	0%	
Riviersonderend WWTW upgrade	2,962	,337	,337	0%	0%	
Greyton WWTW	11,219	10,919	10,919	-3%	0%	
Botrivier - WWTW upgrade	1,312	,137	,137	-860%	0%	
Infrastructure - Other	**–**	**–**	**–**	**0%**	**0%**	
Waste Management	–	–	–	0%	0%	
Transportation						

Gas						
Other Specify:	**6,833**	**–**	**–**	0%	0%	
Caledon PMU	–	–	–	0%	0%	
Sport	6,833	–	–	0%	0%	
Total	**30,523**	**21,828**	**17,899**	**-71%**	**-22%**	
**** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.***						T5.8.3

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

There has been an improvement in the overall cash position of the municipality as a result of a cash based budget and improved cash management, increased debt collection rate as well as more cost reflective tariffs. Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

5.12 CASH FLOW

Cash Flow Outcomes

R'000

Description	`2020/21	Current Year: 2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	358,838	105,721	110,768	117,845
Service charges	–	235,219	239,135	232,519
Other revenue	0	21,231	22,288	31,868
Transfers and Subsidies - Operational	136,872	142,866	143,010	141,706
Transfers and Subsidies - Capital	39,729	95,184	77,196	68,500
Interest	8,098	30,070	21,686	9,226
Dividends	–	–	–	–
Suppliers and employees	(432,429)	(501,834)	(484,386)	(475,219)
Finance charges	(9,827)	(11,351)	(11,351)	(11,218)
Transfers and Grants	(3,224)	(16,399)	(14,683)	(4,716)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**98,057**	**70,638**	**77,602**	**71,977**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	313	–	–	1,239
Decrease (Increase) in non-current debtors		–	–	–
Decrease (increase) other non-current receivables	0	–	–	–
Decrease (increase) in non-current investments	2,596	–	(594)	
Payments				
Capital assets	(72,020)	(181,136)	(155,098)	(98,692)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(69,111)**	**(181,136)**	**(155,693)**	**(97,452)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	62,750	57,829	34,862
Increase (decrease) in consumer deposits	14	257	242	
Payments				
Repayment of borrowing	(7,454)	(7,879)	(10,854)	(13,120)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(7,440)**	**55,127**	**47,217**	**21,741**
NET INCREASE/ (DECREASE) IN CASH HELD	**(150,618)**	**(25,301)**	**(4,813)**	**(1,892)**
Cash/cash equivalents at the year begin:	**63,901**	**112,431**	**164,090**	**164,090**
Cash/cash equivalents at the year end:	**-86,717**	**87,129**	**159,277**	**165,982**

5.13 BORROWING AND INVESTMENTS

Any growing urban area requires substantial investments in infrastructure, and there are very few municipalities who receive enough in capital grants from national governments to finance all their requirements. This shortfall requires that municipalities look for alternative funding sources, or face the prospect that infrastructure backlogs become insurmountable, with serious negative implications for the quality of life and the economic growth of the urban area.

One of these funding sources is to take up loans. Although taking up loans is an acceptable alternative financing source, particularly for huge infrastructure projects, the cost of credit must be considered, and one must strike a balance between community needs and affordability. It should always be remembered that the decision on loans today could posse major affordability risks for future generations.

Borrowings increased from R 94,845 m in 2020/21 to R 116,856 in 2021/22.

Actual Borrowings 2019 to 2022			
			R' 000
Instrument	**2019/2020**	**2020/2021**	**2021/2022**
Municipality			
Long-Term Loans (annuity/reducing balance)	66,280	78,822	102,117
Long-Term Loans (Stock loans)	16,023	16,023	14,470
Local registered stock			
Instalment Credit			
Financial Leases	–	–	–
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	**82,302.00**	**94,844.00**	**116,856.00**
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (Stock loans)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			
			T5.10.2

Municipal and Entity Investments			
			R' 000
Investment* type	`2019/20	`2020/21	`2021/22
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	46,068	47,530	49,099
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total			
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	–	–	
Consolidated total:	**55,983**	**46,068**	**49,099**
			T5.10.4

5.14 PUBLIC PRIVATE PARTNERSHIPS

The municipality currently have no public private partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.15 SUPPLY CHAIN MANAGEMENT

Competitive Bids in Excess of R200 000

Bid Committee Meetings the following table details the number of bid committee meetings held for the 2021/22 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
83	44	39

The attendance figures of members of the bid specification committee are as follows:

Members	Percentage attendance
Senior Accountant Compliance / Accountant Contract Management	90%
Departmental Officials from relevant department responsible for goods or services to be delivered	90%
Relevant technical expert if applicable	90%

All role players are attending meetings to ensure complete specifications. The attendance figures of members of the bid evaluation committee are as follow:

Members	Percentage attendance
Verohne Arendse	90%
Nigel Kayser	90%
Sikhulule Mbekeni	90%
Sergio Francis	90%

The attendance figures of members of the bid adjudication committee are as follows:

Members	Percentage attendance
JospehAmasure	100%
Wilfred Solomons – Johannes	100%
Ashwille Riddles	100%
Honey Gxoyiya	100%
Nico Le Grange	100%

Total Awards Made

A total of 39 bids of an estimated value of R85 509 983.89 (excluding term tenders or tenders where rates are applicable) were awarded during 2021/22.

Awards Made by the Bid Adjudication Committee.

In terms of paragraph 5(2)(b) of Council's Supply Chain Management policy, only the Bid Adjudication Committee may award a bid between R200 000 and below R10 000 000. These powers were sub-delegated to the Bid Adjudication Committee as prescribed in terms of the Regulations.

The Bid Adjudication Committee awarded 39 bids of an estimated value of R85 509 983.89 (excluding term tenders or tenders where rates are applicable).

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

Bid Number	Title of bid	Directorate	Successful Bidder	Value of bidder awarded
FIN 01/2021/22	Provision of Services for the Collection, Transportation and Depositing of Cash for the Period from 1 July 2021 until 30 June 2024	FINANCIAL	Fidelity Cash Solutions (Pty) Ltd.	1 192 816,80
ENG 13/2020/21	Construction of the Greyton Wastewater Treatment Works: Mechanical and Electrical Engineering Works	TECHNICAL	Inenzo Water (Pty) Ltd.	9 823 194,48
ENG 01/2021/22	The Web Based Remote Monitoring of all Water and Sewage Infrastructure in the Theewaterskloof Area for a Three-Year Period	TECHNICAL	Flotron IOT (Pty) Ltd.	4 796 741,28
ENG 02/2021/22	Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste for the Period from 01 July 2021 until 30 June 2024	TECHNICAL	Enviroserve Waste Management (Pty) Ltd.	9 784 862,29
ENG 06/2021/22	Upgrading of Roads and Stormwater in Various Towns for Department Technical Services	TECHNICAL	Cape Asphalt CC	8 709 902,2
ENG 08/2021/22	Replacement of Basil Newmark Raw Water Pipeline in Caledon - Phase 2	TECHNICAL	Cape Asphalt CC	4 302 247,18
ELEC 02/2021/22	Supply and Delivery of LED Streetlight Luminaires from Date of Appointment until 30 June 2023 to Theewaterskloof Municipality	TECHNICAL	Obhejane Trading (Pty) Ltd.	8 097 140,23
FIN 02/2021/22	The Provision of Professional Services for the Execution and Maintenance of the General Valuation Roll for 2023/2024 – 2028/2029 and the Supplementary Roll from 2022/2023 - 2028/2029, in the Jurisdiction Area of the Theewaterskloof Municipality, in compliance with the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004 as amended)	FINANCE	Terra Analytics (Pty) Ltd.	3 314 463,68
ELEC 01/2021/22	Revenue Enhancement Services for Theewaterskloof Municipality's Electrical Area of Supply for a Period from 01 July 2021 to 30 June 2024	ELECTRICAL SERVICES	Ontec Systems (Pty) Ltd.	1 529 249,04
TCS 04/2021/22	Supply, Installation and Commissioning of a Digital Mobile Radio (DMR) Network and the Supply of Radio Equipment as required for a Period from 01 January 2022 to 30 June 2024	COMMUNITY SERVICES	Altron Nexus (Pty) Ltd.	1 957 835,85

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 in excess of R10 000 000. The power to make such an award may not be sub-delegated by the Accounting Officer.

The Municipal Manager awarded 1 bid of an estimated value of R11 781 429,44 (excluding term tenders or tenders where rates are applicable).

Bid Number	Title of bid	Directorate	Successful Bidder	Value of bidder awarded
FIN 04/2021/22	Supply and Delivery of Volumetric Plastic	FINANCE	Sakhikhaya Suppliers CC	11 781 429,44

	Class C Water Meters Complete with Water Management Device Inside a Large Plastic Meter Surface Box (Smart Water Meter) and Related Accessories for Period from Date of Appointment to 30 June 2023			

Appeals Lodged by Aggrieved Bidders

No successful appeals were lodged against the municipality in a court of law in the 2021/22 financial year.

Awards Made in terms of Preferential Procurement Regulations, 2017.

All awards above R30 000 were made in terms of the abovementioned Regulation and all deviation was approved by the Municipal Manager or delegated official.

Deviation from Normal Procurement Processes.

Deviations amounting R19 276 947,00 (including minor breaches) was approved by the Accounting Officer or delegated officials.

The following table provides a summary of deviations approved for 2021/22:

Type of Deviation	Number of Deviation	Value of Deviation	Percentage of total deviations value
Section 36(1)(a)(i) - Emergencies	95	R5 363 530,00	28
Section 36(1)(a)(ii) - Single provider	16	R198 131,00	1
Section 36(1)(a)(v) - Impractical to follow official procurement process	273	R13 715 286,00	71
		R19 276 947,00	**100**

Logistics Management

As at 30 June 2022, the value of stock at the municipal stores amounted to R 11 437 612.70. For the 2020/21 financial year a total of R 28 576.34 were accounted for as surpluses, R 16 418.33as deficits, 62 421.79as stock past the expiry date and R0as damaged stock items.

5.16 GRAP COMPLIANCE

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No.

2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CHAPTER 6 AUDITOR GENERAL AUDIT FINDINGS

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

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

Report on the audit of the financial statements

Opinion

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

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

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

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

Emphasis of matters

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

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

Restatement of corresponding figures

As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of a change in the accounting policy in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Material impairments

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

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

Material losses

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

Underspending of capital budget

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

Other matters

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

Unaudited supplementary information

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

Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement does not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected municipal key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

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

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected municipal key performance area presented in the municipality's annual performance report for the year ended 30 June 2021:

Municipal key performance area	Pages in the annual performance report
Basic service delivery	7,12 to 21, 24 and 27 to 30

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

Basic service delivery

Other matter

I draw attention to the matter below.

Achievement of planned targets

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

Report on the audit of compliance with legislation

Introduction and scope

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

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

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected municipal key performance area presented in the annual performance report that have been specifically reported in this auditor's report.

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

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected municipal key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

I have nothing to report in this regard.

Internal control deficiencies

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

Auditor-General

Cape Town

30 November 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

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

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

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Theewaterskloof Municipality set out on pages 04 to 98, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2022, 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 Division of Revenue Act 09 of 2021 (Dora).

Basis for opinion

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

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

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

Emphasis of matters

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

Restatement of corresponding figures

As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material impairments

As disclosed in note 3 to the financial statements, the municipality provided for debt impairment of receivables from exchange transactions of R232,9 million (2020-21: R190,5 million).

As disclosed in note 4 to the financial statements, the municipality provided for debt impairment of receivables from non-exchange transactions of R75,7 million (2020-21: R59,1 million).

Material losses- water

As disclosed in note 54 to the financial statements, material water losses of 1 758 211 kilolitres (2020-21: 1 748 286 kilolitres) was incurred, which represents 33,88% (2020-21: 34,82%) of total water disinfected, purified and purchased.

Underspending of capital budget

As disclosed in note 52.2 to the financial statements, the municipality materially underspent the capital budget.

Other matters

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

Unaudited supplementary schedules

The supplementary information set out on pages 99 to 107 of the financial statements does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected municipal key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

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

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected municipal key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Municipal key performance area	Pages in the annual performance report
Basic service delivery	9, 14 - 17, 20 - 26, 31 - 52

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning

documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

Other matter

I draw attention to the matter below.

Achievement of planned targets

Refer to the annual performance report on pages 9, 14 - 17, 20 - 26, 31 - 52 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected municipal key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.

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

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected municipal key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

I have nothing to report in this regard.

Internal control deficiencies

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

Cape Town

30 November 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

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 by the accounting officer
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Theewaterskloof municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Comment on MFMA Section 71 Responsibilities

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

All reports for the financial year were submitted.

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

GLOSSARY

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

Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	**Ward Represented/ Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
	FT/PT			%	%
D Appel	FT	Council Meeting	PR	100%	0%
KIJ Papier	FT	Executive Mayoral Committee	PR	100%	0%
JR Michels	FT	Economic Development Committee and Executive Mayoral Committee	PR	100%	0%
RM Nongxaza	FT	Human Settlements and Planning Committee, Community Services Committee and Executive Mayoral Committee	PR	100%	0%
TP Lesesa	FT	Community Services Committee; Corporate Services Committee; Executive Mayoral Committee	PR	100%	0%
ML Mathews	FT	Corporate Services Committee, Economic Development Committee, Human Settlements Committee and Executive Mayoral Committee	PR	100%	0%
RL Mienies	FT	Financial Services Committee; Community Services Committee; Executive Mayoral Committee	Ward Represented	100%	0%

H Syster	FT	Technical and Infrastructure Implementation Services Committee; Human Settlements and Planning Committee; Executive Mayoral Committee	PR	100%	0%
M Koegelenberg	PT	Financial Services Committee	PR	85%	15%
S Fredericks	PT	Human Settlements and Planning Committee, Economic Development Committee	Ward Represented	100%	0%
PJ Stander	PT	Technical and Infrastructure Implementation Services Committee; Human Settlements and Planning Committee	Ward Represented	100%	0%
CT Cloete	PT	Financial Services Committee	Ward Represented	100%	0%
CA Benjamin	PT	Financial Services Committee	Ward Represented	100%	0%
YM van Tonder	PT	Technical and Infrastructure Implementation Services Committee; Community Services Committee	Ward Represented	100%	0%
M Botes	PT	Corporate Services	Ward Represented	100%	0%
M Plato-Mentoor	PT	Corporate Services; Human Settlements and Planning Committee	Ward Represented	100%	0%
M Mpambani	PT	Financial Services Committee	Ward Represented	95%	5%
D Jooste	PT	Community Services Committee; Economic Development Committee	Ward Represented	90%	10%

C Smith	PT	Corporate Services Committee	Ward Represented	95%	5%
DA Jacobs	PT	Community Services Committee	Ward Represented	100%	0%
MS Shale	PT	Corporate Services Committee	Ward Represented	100%	0%
MA Nomkoko	PT	Technical and Infrastructure Implementation Services Committee	Ward Represented	95%	5%
J Mckenzie	PT	Financial Services Committee; Community Services Committee	PR	100%	0%
BB Mkhwibiso	PT	Technical and Infrastructure Implementation Services Committee; Human Settlements and Planning Committee; Economic Development Committee	PR	95%	5%
TB Zimmermann	PT	Economic Development Committee	PR	100%	0%
T Mangcayi	PT	MPAC Chair, Financial Services Committee; Corporate Services Committee	PR	95%	5%
M Gana	PT	Technical and Infrastructure Implementation Services	PR	85%	5%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Performance and Audit Committee	The Performance and Audit Committee is an assurance provider to Council that evaluates the effective, efficient and transparent systems of financial and risk management and internal control that are maintained by the Council, which contribute to the efficient and effective utilisation of resources, safeguarding of assets and the accomplishments of established goals for operations or programs.
Oversight Committee	Undertake a review and analysis of the annual report; invite, receive and consider inputs from Councillors and Portfolio committees on the Annual Report; Consider written comments received on the Annual Report from the public consultation process, Conduct public hearings to allow the local community or any organs of state to make representations on the Annual report; Receive and consider Councils' Performance and Audit Committee views and comments on the annual financial statements and the performance report; preparation of the draft Oversight report; taking into considerations the views and inputs of the public, representatives of the Auditor-General, Organ of State, Council's Performance and Audit Committee and Councillors .
Risk Management Committee	The Risk Management committee is responsible for assisting the Accounting Officer in addressing his oversight requirements of risk management and evaluating and monitoring the institution's performance with regards to risk management. The Risk Management committee is appointed by the Accounting officer and its role is to formulate, promote and review the institution's ERM objectives, strategy and policy to monitor the process at strategic, management and operational levels.
Combined Management, Speaker and Executive Mayoral Committee	To share information, to obtain input from Politicians and determine policy direction.
Management Committee	To deal with and consider various managerial aspects and items.
Portfolio Committees	As per legislation.

ICT Committee	The purpose of this is to establish an ICT Steering committee to govern and be accountable for the municipality's ICT environment and ensure that ICT conforms to legislation. The committee will advise in terms of an oversight role to Management/ Council on all matters relating to ICT and be responsible for: i) the investigating, considering and steering of high level/ impact ICT projects; ii) The prioritising of proposed high level projects; iii) The constant reviewing of approved projects; iv) Facilitating the achievement of optimal ICT management; v) Enhancing the understanding and satisfaction with the value of ICT investments; vi) Encouraging constituent ownership of ICT projects and endorsement of ICT policies; vii) Fusing the ICT and business strategies, goals and resources and achieving competitive advantage through ICT; viii). Encouraging collaborative work environment and fosters trust via mutual credibility and responsiveness; ix) The revision of the draft ICT budget and budget processes; x) Mediating conflicts in priorities and/ or departmental perspectives that may not be in the best interest of the Municipality.
Ward Committees	The Ward Committee is the official liaison mechanism on all municipal matters within the community. The ward committees assist in the drafting of the Ward IDPs and Budget. They review the community input and participate in the Town Advisory Forum. The ward committee is also responsible for reviewing and approving the Service Level Agreements. They make recommendations to Council reports. They should report back to their constituencies on issues discussed at the ward committee meetings.
Town Advisory Committees	The Town Advisory Forum meets when the ward committee's input is needed for a town as a whole. The role and function of the TAF is to advise and make recommendations to Council on behalf of the community within their respective wards on matters pertaining the IDP, Budget, Service delivery and developmental projects within the town. The TAF is the official body which the Municipality will liaise with regarding the matters affecting the entire town

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

APPENDIX D – FUNCTIONS OF MUNICIPALITY

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

Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
One (1)	COUNCILLOR PJ STANDER	Yes	2	0	2 (March 2022)
	D Palmer				
	M Dyantyi				
	D Visser				
	K Tiemie				
	E Miles				
	S September				
	F Roux				
	D Leonard				
	A Mouton				
	C Botha				
Two (2)	COUNCILLOR C CLOETE	Yes	1	0	2 (March 2022)
	M Stallenberg				
	P Majiedt				
	M Hector				
	M Rouillard				
	V Jansen				
	R Tise				
	I Steenkamp				
	G Juries				
	N Weedon				
	C Josephs				
Three (3)	COUNCILLOR CA BENJAMIN	Yes	1	0	4 (March 2022)
	Z Bistoli				
	W Gamiet				
	S Gamadala				
	M Booysen				
	T Bippert				

	M Sauls				
	L King				
	C Avontuur				
	R Nissen				
Four (4)	COUNCILLOR Y VAN TONDER	Yes	1	0	1 (March 2022)
	E Jacobs				
	T Bippert				
	M Rousseau				
	L Kimber				
	G Rhode				
	M Oliver				
	K Scheepers				
	S Wildschut				
	L King				
	M Buys				
Five (5)	COUNCILLOR M BOTES	Yes	2	0	1 (March 2022)
	M De Lange				
	K Cuthbert				
	G Skog				
	C Nel				
	M Jacquemin				
	J Lintaar				
	R Jansen				
	J Plaatjies				
	T Xantibe				
	S Minnaar				
Six (6)	COUNCILLOR RL MIENIES	Yes	2	0	2 (March 2022)
	H Blignaut				
	J Nicholls				
	N Moldiba				
	A Venter				
	N Mlata				
	M de Lange				
	R Filander				
	M Letele				
	D Thomas				

	F Ntantiso				
Seven (7)	ALDERMAN M PLATO-MENTOOR	Yes	1	0	1 (March 2022)
	Johannes Syms				
	Rachardo Hanse				
	LukhanoBuyephi				
	Henry De Villiers				
	Alexander Mondry				
	Jan Visagie				
	Ian Andries				
	Melanie Barry				
	J Oliver				
	F Weeden				
Eight (8)	COUNCILLOR M MPAMBANI	Yes	1	0	0
	B Makhaza				
	Z Mketi-Mentile				
	P Likotsi				
	L Nobanda				
	R Swartz				
	V Tshazi				
	S Bam				
	D Mellom				
	U Ngonyama				
	N Van Rhodie				
	A Van Zyl				
Nine (9)	COUNCILLOR D JOOSTE	Yes	2	0	1
	G Skog				
	H Botha				
	H Blignaut				
	J Jooste				
	M De Lange				
	S Sykes				
	M Swarts				
	E Ambros				
	C Moses				
	M Linaar				
Ten (10)	COUNCILLOR C SMITH	Yes	1	0	1 (March 2022)
	J Couter				

	D Van Zyl				
	E Afrika				
	J Smith				
	A Moses				
	J De Bruin				
	FC Oppelt				
	G Skog				
	G Diedericks				
	NE Makeleni-Msiliba				
Eleven (11)	COUNCILLOR DA JACOBS	Yes	1	0	1 (March 2022)
	D Demas				
	P Mcetywa				
	A Jonas				
	I Wyngaard				
	L Nqoloba				
	A Roro				
	E Adams				
	N Ntsholo				
	A Van Zyl				
	D Kortje				
Twelve (12)	COUNCILLOR MS SHALE	Yes	1	0	1 (March 2022)
	L Madizeni				
	W Nomxhanya				
	S Nkqi				
	Y Nonduku				
	M Ncapayi				
	E Philander				
	N Van Rhodie				
	L De Bruyn-Davids				
	F Tshandana-Bebula				
Thirtheen (13)	COUNCILLOR MA NOMKOKO	Yes	1	0	1 (March 2022)
	T Frans				
	T Mxolisi				
	H Waterboer				
	N Nkconko				
	C Koopman				
	J Mintoor				
	B Van Schalkwyk				

	A Hoffman				
	A Inyinbor				
	T Tshungwana				
Fourteen (14)	**COUNCILLOR S FREDERICKS**	Yes	1	0	1 (March 2022)
	R Kamineth				
	R Magerman				
	J Fischer				
	C Van Wyk				
	M Gelderhuys				
	L Petersen				
	A De Vos				
	I Wyngaard				
	R Swartz				
	A Van Zyl				
	G Witbooi				

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in 2021/22

				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
1	Upgrade and Refurbishment of the Caledon Wastewater Treatment Works (Phase 4 - Mechanical & Electrical Works)	7/26/2021	6/5/2023	26,673
2	Appointment of a service provider for the pre-planning and planning the Grabouw, Greater Grabouw 7000 Housing project	8/4/2021	6/30/2023	12,900
3	Supply and Delivery of Volumetric Plastic Class C Water Meters Complete with Water Management Device Inside a Large Plastic Meter Surface Box (Smart Water Meter) and Related Accessories for Period from Date of Appointment to 30 June 2023	12/8/2021	6/30/2023	11,781
4	Construction of the Greyton Wastewater Treatment Works: Mechanical and Electrical Engineering Works	9/23/2021	6/30/2024	9,823
5	Upgrading Of Roads And Stormwater In Various Towns For Department Technical Services	4/5/2022	6/30/2022	8 709
6	Replacement Of The Basil Newmark Raw Water Pipeline In Caledon Ph2	4/25/2022	6/30/2022	4 302
7	Provision of Professional Civil Engineering Services Related to the Phased Upgrading of the Caledon Bulk Sewer Phasesb- 6	6/30/2022	6/30/2025	4,198

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APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during 2021/2022**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
30-Aug-21	Draft Financial Statements for the Year ended 30 June 2021	Yes
03-Sep-21	Performance and Audit Committee Resolutions Follow-up	Yes
03-Sep-21	Fourth quarter 2020/2021 Top Layer SDBIP	Yes
03-Sep-21	Internal Audit SDBIP report as on 30 June 2021	Yes
03-Sep-21	Financial Report for the Month ending 31 July 2021	Yes
03-Sep-21	Quarterly ICT Report - April - June 2021	Yes
03-Sep-21	Auditor Gerenal Report Follow-up	Yes
03-Sep-21	2020/2021 Annual Audit Opinion	Yes
03-Sep-21	Audit Work Completed and Planned	Yes
03-Sep-21	Compliance to Acts 4th Quarter 2020/2021 Audit	Yes
03-Sep-21	Supply Chain Management Audit Payments Above R30000	Yes
03-Sep-21	Supply Chain Management Audit 1 February 2021 - 31 March 2021	Yes
03-Sep-21	ICT Security Audit	Yes
03-Sep-21	Fleet and Small Plant Audit	Yes
03-Sep-21	Solid Waste 4th Quarter 2020/2021 Audit	Yes
03-Sep-21	Internal Audit Follow-up Reports	Yes
03-Sep-21	2020/2021 Year End Stock Count	Yes
03-Sep-21	External Quality Assessment Action Plan	Yes

03-Sep-21	Revised Internal Audit Plan 2021/2022	Yes
26-Nov-21	Performance and Audit Committee Resolutions Follow-up	Yes
26-Nov-21	Internal Audit SDBIP report as on 30 September 2021	Yes
26-Nov-21	First quarter 2021/2022 Top Layer SDBIP	Yes
26-Nov-21	Financial Report for the Month ending 31 October 2021	Yes
26-Nov-21	ICT Report to the Performance- and Audit Committee November 2021	Yes
26-Nov-21	Audit Work Completed and Planned	Yes
26-Nov-21	Performance Management 4th Quarter 2020/2021 Audit	Yes
26-Nov-21	Performance Management 1st Quarter 2021/2022 Audit	Yes
26-Nov-21	Supply Chain Management Audit 1 April 2021 - 30 June 2021	Yes
26-Nov-21	Water Distribution Losses Audit	Yes
26-Nov-21	2021/2022 Tariffs	Yes
26-Nov-21	Internal Audit Follow-up Reports	Yes
26-Nov-21	External Quality Assessment Action Plan	Yes
26-Nov-21	Performance- and Audit Committee Charter	No, the Charter had to be revised and re-submitted to the Committee
26-Nov-21	Internal Audit Charter	Yes
26-Nov-21	Risk Management Implementation Plan	Yes
26-Nov-21	Minutes of the Fraud and Risk Management Committee Meetings	Yes
21-Jan-22	2020/2021 Draft Annual Report	Yes

21-Jan-22	Ad Hoc Water Use Licence Audit	Yes
01-Apr-22	Performance and Audit Committee Resolutions Follow-up	Yes
01-Apr-22	Second quarter 2021/2022 Top Layer SDBIP	Yes
01-Apr-22	Internal Audit SDBIP report as on 31 January 2022	Yes
01-Apr-22	Feedback Report: Chief Risk Officer	Yes
01-Apr-22	Financial Report for the Month ending 31 January 2022	Yes
01-Apr-22	Internal Audit 2022/2023 Draft Budget	Yes
01-Apr-22	ICT Quarterly report October 2021 - December 2021	Yes
01-Apr-22	Revised Internal Audit Charter	Yes
01-Apr-22	Evaluations completed by the Performance- and Audit Committee	Yes
01-Apr-22	External Quality Assessment Action Plan	Yes
01-Apr-22	Audit Work Completed and Planned	Yes
01-Apr-22	Risk Management Audit	Yes
01-Apr-22	Supply Chain Management Audit 1 July 2021 - 30 September 2021	Yes
01-Apr-22	Solid Waste 2nd Quarter 2021/2022 Audit	Yes
01-Apr-22	Governance Audit	Yes
01-Apr-22	Compliance to Acts Audit 1 July 2021 - 31 December 2021	Yes
01-Apr-22	Performance Management 2nd Quarter 2021/2022 Audit	Yes
01-Apr-22	Auditor General Report Follow-up	Yes
01-Apr-22	Internal Audit Follow-up Reports	Yes

03-Jun-22	Performance and Audit Committee Resolutions Follow-up	Yes
03-Jun-22	Third quarter 2021/2022 Top Layer SDBIP	Yes
03-Jun-22	Internal Audit SDBIP report as on 30 April 2022	Yes
03-Jun-22	Minutes of the Fraud and Risk Management Committee Meetings	Yes
03-Jun-22	Presentation of Combined Assurance Model	Yes
03-Jun-22	Risk Management Implementation Plan	Yes
03-Jun-22	Financial Report for the Month ending 30 April 2022	Yes
03-Jun-22	Competence of the Finance Function	Yes
03-Jun-22	ICT Quarterly report January 2022 - March 2022	Yes
03-Jun-22	Auditor General Report Follow-up	Yes
03-Jun-22	Revised Internal Audit Methodology	Yes
03-Jun-22	Performance- and Audit Committee Charter	Yes
03-Jun-22	Performance- and Audit Committee Evaluations	Yes
03-Jun-22	Internal Audit Evaluations	Yes
03-Jun-22	Internal Audit Plan 2022/2023	Yes
03-Jun-22	Audit Work Completed and Planned	Yes
03-Jun-22	Maintenance on Proclaimed Roads	Yes
03-Jun-22	Waste Water Audit	Yes
03-Jun-22	Supply Chain Management 2nd Quarter 2021/2022 Audit	Yes
03-Jun-22	Land Invasion Audit	Yes
03-Jun-22	Cash Management and Investment Audit	Yes

03-Jun-22	Performance Management 3rd Quarter 2021/2022 Audit	Yes
03-Jun-22	Internal Audit Follow-up Reports	Yes
03-Jun-22	Performance- and Audit Committee Meeting Schedule	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (13 Largest Contracts Entered into Year 2021/22)

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Flotron IOT (Pty) Ltd.	ENG 01/2021/22 - The Web Based Remote Monitoring of all Water and Sewage Infrastructure in the Theewaterskloof Area for a Three Year Period	20 December 2021	19 December 2024	L. Parnell	R4,796,741.28
Ontec Systems (Pty) Ltd.	ELEC 01/2021/22 - Revenue Enhancement Services for Theewaterskloof Municipality's Electrical Area of Supply for a Period from 01 July 2021 to 30 June 2024	01 July 2021	30 June 2024	M. Redelinghuys	R4,223,167.00
Fidelity Cash Solutions (Pty) Ltd.	FIN 01/2021/22 - Provision of Services for the Collection, Transportation and Depositing of Cash for the Period from 1 July 2021 until 30 June 2024	01 July 2021	30 June 2024	J. van Niekerk	R1,192,816.80
Konica Minolta South Africa	COR 05/2021/22 - Supply, Delivery And Installation Of Seven (7) New Digital Photocopiers At Various Libraries Of Theewaterskloof Municipality And The Conclusion Of Maintenance Agreements For Thirty-Six (36) Months (01 July 2021 To 30 June 2024)	22 June 2021	30 June 2024	M. Faul	215 810.15

APPENDIX i – municipal entity / service provider performance schedule

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

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 21/22 (Current Year)		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
Speaker	DA Appel	African National Congress Organisational work, NOVA Civils, House Riviersonderend R800,000
Executive Mayor	KIJ Papier	House=R800 000
Executive Deputy Mayor	J Michels	Nill
Councillor	CA Benjamin	Nill
Councillor	M Botes	Nill
Councillor	CT Cloete	Via's Eatery Coffee Shop, CT Cloete Coffee Shop and Rooms ; CM and Sons Family Trade Close Corporation, House R2,500,000
Councillor	S Fredericks	House Grabouw R1,500,000
Councillor	M Gana	Nill
Councillor	DA Jacobs	RDP House R30,000
Councillor	D Jooste	Nill
Executive Mayoral Comm Member	TP Lesesa	Nill
MPAC Chair	T Mangcayi	Nill
Councillor	J Mckenzie	Jenism PTY (Director/ Partnership)
Executive Mayoral Comm Member	M Mathews	Nill
Alderman	BB Mkhwibiso	RDP House R30,000
Executive Mayoral Comm Member	RL Mienies	Business partner in Villiersdorp Business (as per email)
Councillor	M Mpambani	Nill
Councillor	M Nomkoko	Nill
Alderman	M Plato-Mentoor	20% shares in Carpe Diem COOP, 1% Shares in Thandi Farm, Dzingayi Temporary Work, 2% Melody Crescent, House R750,000
Councillor	C Smith	House
Councillor	M Shale	Nill
Councillor	PJ Stander	49% RethusaSetshaba R20,000; Map Upholstery (R5,000) Directorship; Piet Stander Family Trust Member, House R800,000; House R500,000; Plot R200,000
Executive Mayoral Comm Member	MR Nongxaza	Nill
Executive Mayoral Comm Member	H Syster	Nill
Councillor	Y van Tonder	Partner is involved in 7Sirs Construction who is a Service Provider of TWK Municipality
Councillor	TB Zimmermann	ValleiAanbiddingsentrum Church Partner; Self employed HR and Labour Consultant
Alderman	M Koegelenberg	33% Shares in Caledon Grace Guest House, Marshalls Rewinders tender (Spouse)

APPENDIX K : REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2020/21	2021/2022			2021/22	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Budget and treasury office	224,983	237,323	222,952	231,604	-2%	4%
Vote 2 - Community and social services	8,811	–	–	–	0%	0%
Vote 3 - Corporate services	27,716	–	–	–	0%	0%
Vote 4 - Electricity	105,193	136,590	135,219	125,039	-8%	-8%
Vote 5 - Environmental protection	–	–	–	–	–	–
Vote 6 - Executive and council	901	1,446	1,911	731	-49%	-62%
Vote 7 - Housing	26,126	–	–	–	0%	0%
Vote 8 - Planning and development	2,367	98,583	73,486	42,748	–	–
Vote 9 - Public safety	23,015	–	–	–	0%	0%
Vote 10 - Road transport	5,826	–	–	–	0%	0%
Vote 11 - Sport and recreation	29	–	–	–	0%	0%
Vote 12 - Waste management	49,544	50,277	52,400	55,942	11%	7%
Vote 13 - Waste water management	43,784	50,231	50,699	50,188	0%	-1%
Vote 14 - Water	81,684	90,829	91,724	91,350	0%	-1%
Vote 15 - Directorate Development and Community Services	**–**	42,290	51,797	**49,425**	–	–
Total Revenue by Vote	**599,978**	**707,568**	**680,190**	**647,026**		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						**T K.1**

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	`2020/21	`2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	121,198	124,584	126,035	127,715	2.51%	1.33%
Service charges - electricity revenue	102,525	119,225	117,226	114,625	-3.86%	-2.22%
Service charges - water revenue	77,056	80,576	79,183	78,378	-2.73%	-1.02%
Service charges - sanitation revenue	37,625	38,909	37,786	36,981	-4.95%	-2.13%
Service charges - refuse revenue	36,271	38,479	37,899	37,686	-2.06%	-0.56%
Service charges - other	–	–	–	–	–	–
Rental of facilities and equipment	2,060	2,279	2,065	2,165	-4.99%	4.84%
Interest earned - external investments	8,098	11,000	7,800	10,542	-4.16%	35.16%
Interest earned - outstanding debtors	12,318	22,472	15,800	16,907	-24.77%	7.00%
Dividends received	–	–	–	–	–	–
Fines, penalties and forfeits	13,929	15,657	25,121	26,621	70.02%	5.97%
Licences and permits	109	68	22	36	-47.65%	62.69%
Agency services	7,284	8,376	8,347	7,140	-14.76%	-14.46%
Transfers and Subsidies - operating	137,762	142,866	143,697	128,201	-10.30%	-10.82%
Other revenue	7,793	7,893	9,315	14,097	78.61%	51.34%
Gains	–	–	–	1,683	0%	0%
Total Revenue (excluding capital transfers and contributions)	**564,027**	**612,385**	**610,296**	**602,778**	**-1.60%**	**-1.26%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
National Treasury						
1. Equitable Share (Indigent)	106,976	106,976	106,976	0%	0%	
2. Local Government Financial Management Grant (FMG)	1,610	1,610	1,636	2%	2%	
4. National Electrification Programme (NEP)	6,737	5,000	2,116	-69%	-58%	
5. Expanded Public Works Programmes	1,721	1,721	1,721	0%	0%	
6. Public Works (Capital)	0	0	0	0%	0%	
7,Integrated National Electrification Programme	929	929	0	-100%	-100%	
8. Energy Efficiency and Demand Side Management Grant	457	326	3,519	671%	979%	
9. Water Service Infrastructure Grant	2,500	2,500	2,500	0%	0%	
Total	**120,929**	**119,062**	**118,469**	-2%	0%	
Provincial Treasury						
1. Integrated Housing and Human Settlement & Dev. Grant	132	132	18,119	13627%	13627%	
Title Deeds	0	5,073	162	0%	-97%	
PHP (Rooidakke)	0	7,069	1,122	0%	-84%	
2.CDW Operational Support Grant	237	237	140	-41%	-41%	
3. Maintenance Of Proclaimed Main Roads	130	130	130	0%	0%	
4. Library Service Conditional Grant	11,928	11,928	9,724	-18%	-18%	
5. WC Fin. Management Support Grant (Strategic planning/Survey)	0	0	0	0%	0%	
6. WC Fin. Management Support Grant (mSCOA)	0	0	0	0%	0%	
7. WC Fin. Management Support Grant (Revenue Enhancement)	0	0	0	0%	0%	
8. WC Fin. Management Support Grant (Caseware)	0	0	0	0%	0%	
9. Municipal Drought Relief (PT)	0	0	113	0%	0%	
10. Municipal Capacity Building Grant (Bursaries)	401	680	373	-7%	-45%	

11. Municipal Capacity Building Grant (SDF Review)	0	0	0	0%	0%	
12. WC Fin. Management Support Grant	0	0	-	0%	0%	
13. Development of Sport and Recreation	0	7	0	0%	0%	
14. Municipal Capacity Building Grant (Elec)	0	0	0	0%	0%	
15.Thusong Multi Purpose Centre	0	0	0	0%	0%	
16.RSEP	0	447	441	0%	-2%	
17. LOCAL GOVERNMENT SUPPORT GRANT	0	0	0	0%	0%	
18. Municipal Intervention Grant	0	150	148	0%	0%	
19. Municiapl Service Delivery and Capacity Building Grant	1,000	1,000	1,000	0%	0%	
20. Public Employment Support Grant	1,600	1,600	1,210	0%	0%	
Total	**15,428**	**26,853**	**32,681**	112%	22%	
Other Specify						
1. SETA	0	213	348	0%	63%	
Community Safety	0	90	90	0%	0%	
2. HAN students	0	1,516	73	0%	-95%	
3. DBSA	0	0	0	0%	0%	
4. SANRAL	0	0	0	0%	0%	
Total	**0**	**1,819**	**511**	0%	-72%	
**** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.***						T L

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

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

Capital Expenditure - New Assets Programme*							
							R '000
Description	2020/21	2021/2022			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	**34,080**	**50,229**	**38,468**	**38,468**	**50,229**	**67,591**	**78,280**
Infrastructure: Road transport - Total	**4,344**	**35,350**	**29,016**	**29,016**	**35,350**	**35,500**	**44,205**
Roads, Pavements & Bridges	4,344	29,400	25,734	25,734	29,400	29,750	36,705
Storm water		5,950	3,282	3,282	5,950	5,750	7,500
Infrastructure: Electricity - Total	**10,312**	**1,229**	**2,013**	**2,013**	**1,229**	**3,583**	**783**
Generation							
Transmission & Reticulation	10,312	1,229	2,013	2,013	1,229	3,583	783
Street Lighting							
Infrastructure: Water - Total	**2,267**	**7,000**	**1,997**	**1,997**	**7,000**	**22,758**	**25,381**
Dams & Reservoirs					800		
Water purification							
Reticulation	2,267	7,000	1,997	1,997	6,200	22,758	25,381
Infrastructure: Sanitation - Total	**4,724**	**6,650**	**5,442**	**5,442**	**6,650**	**5,750**	**7,911**
Reticulation	451	6,650	3,661	3,661	6,650	5,750	7,911
Sewerage purification	4,273	–	1,781	1,781			
Infrastructure: Other - Total	**12,433**	**–**	**–**	**–**	**–**	**–**	**–**
Waste Management	12,433						
Transportation							
Gas							
Other							
Community - Total	**11,816**	**14,052**	**12,281**	**12,281**	**–**	**–**	**–**
Parks & gardens							
Sportsfields& stadia							
Swimming pools							
Community halls	898	1,663	1,388	1,388			
Libraries		63	857	857			
Recreational facilities							
Fire, safety & emergency							

Security and policing							
Buses/Taxis		191	1	1			
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other	10,918	12,136	10,035	10,035			
Capital expenditure by Asset Class							
Heritage assets - Total	–	–	–	–	–	–	–
Buildings							
Other							
Investment properties - Total	–	–	–	–	–	–	–
Housing development							
Other							
Other assets	**3,228**	**450**	**309**	**306**	**9,017**	**6,900**	**2,100**
General vehicles					600		
Specialised vehicles							
Plant & equipment	1,782				2,752		
Computers - hardware/equipment	804				990		
Furniture and other office equipment	286	450	309	306	2,195		
Abattoirs							
Markets					40	2,000	
Civic Land and Buildings	57				2,100	2,100	2,100
Other Buildings							
Other Land					90		
Surplus Assets - (Investment or Inventory)							
Other					250	2,800	
Agricultural assets	–	–	–	–	–	–	–
List sub-class							
Biological assets	–	–	–	–	–	–	–
List sub-class							

Intangibles	–	–	–	–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on new assets	**38,258**	**64,731**	**51,059**	**51,055**	**59,246**	**74,491**	**80,380**
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
**** Note: Information for this table may be sourced from MBRR (2009: Table SA34a)***							T M.1

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

Capital Expenditure - Renewal Programmes*							
							R '000
Description	**Year 2020/2021**	**Year 2021/2022**			**Planned Capital expenditure**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**FY + 1**	**FY + 2**	**FY + 3**
Capital expenditure by Asset Class							
Infrastructure - Total	**6,743**	**30,520**	**30,685**	**16,554**	**40,340**	**32,881**	**28,246**
Infrastructure: Road transport -Total	**2**	**4,421**	**415**	**148**	**4,421**	**–**	**–**
Roads, Pavements & Bridges	2	4,421	415	148	4,421		
Storm water	–	–	–	–			
Infrastructure: Electricity - Total	**1,913**	**13,631**	**13,630**	**5,536**	**13,631**	**10,542**	**9,811**
Generation							
Transmission & Reticulation	1,913	13,631	13,630	5,536	13,631	10,542	9,811
Street Lighting							
Infrastructure: Water - Total	**4,601**	**8,238**	**16,639**	**10,642**	**8,238**	**10,000**	**–**
Dams & Reservoirs						10,000	
Water purification	1,845	3,238	4,090	3,229	3,238		
Reticulation	2,756	5,000	12,550	7,413	5,000		

Infrastructure: Sanitation - Total	**–**	**4,230**	**–**	**–**	**–**	**–**	**–**
Waste water treatment works		4,230					
Sewerage purification							
Infrastructure: Other - Total	**227**	**–**	**–**	**227**	**14,049**	**12,339**	**18,435**
Waste Management	227			227	4,230	1,426	
Transportation							
Gas							
Other					9,820	10,913	18,435
Community	**69**	**4,057**	**3,308**	**–**	**–**	**–**	**–**
Parks & gardens							
Sportsfields& stadia							
Swimming pools							
Community halls		2,028	1,279	–			
Libraries							
Testin stations		2,028	2,028	–	–		
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other	–						
Heritage assets	**–**	**–**	**–**	**–**	–	–	–
Buildings							
Other							
Capital expenditure by Asset Class							
Investment properties	**–**	**–**		**–**	**–**	**–**	**–**
Housing development							
Other							
Other assets	**120**	**150**	**236**	**156**	**400**	**–**	**–**
General vehicles							
Specialised vehicles							
Plant & equipment	68	63	77	68	312		
Computers - hardware/equipment							

Furniture and other office equipment	51	88	159	87	88		
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	–	–		–	–	–	–
List sub-class							
Biological assets	–	–		–	–	–	–
List sub-class							
Intangibles	–	–		–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on renewal of existing assets	**6,931**	**34,727**	**30,920**	**16,710**	**40,739**	**32,881**	**28,246**
Specialised vehicles	**–**	**–**		**–**	**–**	**–**	**–**
Refuse							
Fire							
Conservancy							
Ambulances							

**** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)*** T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: 2021/22					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water	**21,747**	**27,217**	**16,434**	-40%	-24%
Smart Meters Replacement	5,000	9,992	4,860	-51%	-3%
Tesselaarsdal- bulk water upgrade phase 2	5,809	4,493	170	-96%	-97%
Water network upgrading - Caledon (Basil Newmark Raw Water,	1,000	1,000	910	-9%	-9%
Pipe Replacement - Caledon Basil Newmark	0	1,102	1,098	0%	0%
Drought Relief: Ground water monitoring infrastructure requirements	0	113	113	0%	0%
Capital - Grabouw bulk water	900	3,602	3,263	-9%	263%
Greyton housing bulk water	800	30	30	0%	-96%
Greyton WTW Planning	0	370	195	-47%	0%
Pipe Replacement Bazil Newmark bulk Pipe line.	0	1,455	1,455	0%	0%
Water Network upgrading- Genadendal (Volk, Berg Street)	1,750	28	10	-62%	-99%
Upgrading of water network	2,500	1,045	682	-35%	-73%
Villiersdorp - WTW refurbishment	3,238	3,238	3,229	0%	0%
Villiersdorp- WTW upgrade	250	250	250	0%	0%
Botrivier - WTW refurb/upgrade	500	500	167	-67%	-67%
Solid Waste	**9,820**	**14,649**	**13,641**	-7%	39%
Capital - Waste Transfer Station	4,783	8,607	8,513	-1%	78%
Villiersdorp- Landfill rehabilitation	562	562	35	-94%	-94%
Riviersonderend - Waste Drop-off station	3,913	4,918	4,917	0%	26%
Greyton landfill rehab	562	562	177	-68%	-68%
Electricity	**14,860**	**15,643**	**6,911**	-56%	-53%
Electrification TWK Housing projects	7,120	7,120	1,840	-74%	-74%
Replace Streetlights with LEDs	3,500	3,500	3,349	-4%	-4%
Replace Polemounted Transformer Uitsig SSK3	1,000	1,000	504	-50%	-50%
Caledon Site Saviwa high mast lighting	0	829	803	-3%	0%
Palisades for Transformers	40	39	39	0%	-3%
Theewaterskloofhighmast lighting (RSE)	300	255	225	-12%	-25%
Replace and upgrade MV and LV Networks Caledon street	2,900	2,900	150	-95%	-95%
Sewerage/Sanitation	**49,797**	**29,107**	**26,540**	-9%	-47%
Caledon - Bulk outfall sewer	3,011	1,546	1,046	-32%	-65%
Caledon - Bulk outfall sewer upgrade	8,418	908	908	0%	-89%

Grabouw 7000 housing bulk sewer investigation , planning	250	0	0	0%	-100%
Greyton housing bulk sewer	400	100	55	-45%	-86%
Bulk Sewer Destiny Villiersdorp	0	0	0	0%	0%
Capital - WWTW upgrade	0	2,140	2,140	0%	0%
Botrivier sewer network upgrading (septic tank eradication)	2,100	1,100	250	-77%	-88%
Caledon - WWTW upgrade	10,155	10,155	9,882	-3%	-3%
Villiersdorp- upgrade WWTW	40	40	0	-100%	-100%
Riviersonderend WWTW upgrade	2,962	2,062	1,203	-42%	-59%
Greyton WWTW	21,149	10,919	10,919	0%	-48%
Botrivier - WWTW upgrade	1,312	137	137	0%	-90%
Housing	**47,900**	**33,873**	**18,697**	-45%	-61%
Caledon Riemvasmaak Planning	2,000	1,000	244	-76%	-88%
Rooidakke 1169: Installation of Civil Engineering Services (Water)	1,000	1,000	117	-88%	-88%
Rooidakke 1169: Installation of Civil Engineering Services (Sanitation)	1,000	1,000	0	-100%	-100%
Rooidakke 1169: Installation of Civil Engineering Services (Stormwater)	1,000	1,000	5	-100%	-100%
Rooidakke 1169: Installation of Civil Engineering Services (Roads)	1,000	1,000	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Water)	2,000	500	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Sanitation)	2,000	750	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Stormwater)	2,000	750	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Roads)	1,325	325	0	-100%	-100%
Gypsey Queen Planning	575	575	0	-100%	-100%
Hillside (Planning)	0	1,000	0	-100%	0%
Grabouw Rooidakke Extension Planning (Greater Grabouw Project)	3,000	5,000	2,719	-46%	-9%
Grabouw Hillside: Installation of Civil Engineering Services (Roads)	1,125	199	199	0%	-82%
Grabouw Hillside: Installation of Civil Engineering Services (Stormwater)	1,125	608	395	-35%	-65%
Grabouw Hillside: Installation of Civil Engineering Services (Water)	1,125	0	0	0%	-100%
Grabouw Hillside: Installation of Civil Engineering Services (Sanitation)	1,125	86	1,006	1065%	-11%
Grabouw Iraq Extension: Installation of Civil Engineering Services (Water)	75	105	17	-83%	-77%

Grabouw Iraq Extension: Installation of Civil Engineering Services (Roads)	75	75	75	0%	0%
Grabouw Iraq Extension: Installation of Civil Engineering Services (Sanitation)	75	75	75	0%	0%
Grabouw Iraq Extension: Installation of Civil Engineering Services (Stormwater)	75	75	75	0%	0%
Cubicle Toilets	700	1,400	608	-57%	-13%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Roads)	1,750	1,750	1,750	0%	0%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Sanitation)	1,750	1,750	1,750	0%	0%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Stormwater)	1,750	848	848	0%	-52%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Water)	1,750	0	0	0%	-100%
Greyton 595: Planning	1,500	500	308	-38%	-79%
Botrivier Beaumont Land (Planning)	500	500	298	-40%	-40%
Botrivier Beaumont (interim services)	16,500	12,000	8,208	-32%	-50%
Sports Fields	**7,858**	**0**	**0**	0%	-100%
Upgrading of Pineview Park sportsgrounds-Ringfenced DECAS f	7,858	0	0	0%	-100%
Fleet	**7,850**	**7,115**	**5,830**	-18%	-26%
Upgrade of Fleet	6,300	6,300	5,830	-7%	-7%
Mobile Library bus	0	815	0	-100%	0%
Personell Bucket (Street Lights)	950	0	0		
Vehicle (Street Lights)	600	0	0	0%	-100%
Roads, Pavements, Bridges & Stormwater	**11,521**	**7,154**	**6,469**	-10%	-44%
Caledon Waste transfer station- N2 access	50	50	35	-30%	-30%
Upgrading of Streets , stormwater Caledon(Tarentaal) Myddl	780	1,241	1,241	0%	59%
Grabouw Hop-On Drop-Off PT Facility	4,421	0	0	0%	-100%
Capital - Beverly hills: reinstatement of Bos Street road surface	0	415	148	-64%	0%
Grabouw Upgrade of roads , stormwater at Rooidakke (Phase 2)	2,500	206	3	-99%	-100%
Upgrading of Streets , stormwater Grabouw (BosStreet, Savory	1,500	1,576	1,576	0%	5%
Upgrading of Streets - Riviersonderend Bree	780	1,322	1,322	0%	69%
Upgrading of Streets , stormwater Genadendal	750	1,240	1,237	0%	200%
Upgrading of Streets - BotriverHeidelaan	740	1,106	907	-18%	300%
Land and Buildings	**4,468**	**5,050**	**1,236**	-76%	-72%

Two-Way Radio Communication System	1,300	1,300	0	-100%	-100%
Replaced of Asbess Roof at Genadendal Reservoir	250	174	12	-93%	-95%
Precast Toilettes	0	381	344	-10%	0%
Renovation of Fire Station	0	0	0	0%	0%
Modular Library	800	800	0	-100%	-100%
Recreation Hall at Bergsigsportsfield	0	450	416	-8%	0%
Clearview Fencing (Villiersdorp taxi rank)	0	575	373	-35%	0%
Construction of Driving Licence Testing Centre (DLTC) - Grab	2,028	1,279	0	-100%	-100%
Purchase of Portion of Land for Caledon Private Hospital	90	90	90	0%	0%
Office Equipment	**5,315**	**4,594**	**3,384**	-26.34%	-36.32%
Machinery & Equipment(NEW)	0	19	0	-100%	0%
Furniture and Office Equipment (New)	18	18	13	-26%	-26%
Furniture and Office Equipment (Renewal)	6	6	4	-35%	-35%
Furniture and Office Equipment (New)	29	29	25	-15%	-15%
Furniture and Office Equipment (New)	4	4	2	-48%	-48%
Computer Equipment (NEW)	40	0	0	0%	-100%
Furniture and Office Equipment (RENEWAL)	50	120	54	-55%	8%
Machinery and Equipment (RENEWAL)	50	280	33	-88%	-33%
Furniture and Office Equipment (New)	2	2	2	0%	-2%
Computer Equipment (Upgrade)	250	316	316	0%	26%
Furniture & Office Equipment(NEW)	0	26	21	-19%	0%
Furniture and Office Equipment (Renewal)	13	13	12	-3%	-3%
Machinery and Equipment (NEW)	370	263	187	-29%	-49%
Machinery and Equipment (NEW)	204	204	198	-3%	-3%
Machinery and Equipment (Renewal)	146	124	0	-100%	-100%
Machinery and Equipment (NEW)	300	215	187	-13%	-38%
Furniture and Office Equipment (Renewal)	15	4	4	0%	-73%
Furniture and Office Equipment (New)	3	2	2	0%	-24%
Furniture and Office Equipment (Upgrade)	20	0	0	0%	-100%
Machinery and Equipment (NEW)	91	91	13	-86%	-86%
Machinery & Equipment(NEW)	0	140	86	-38%	0%
Furniture & Office Equipment(NEW)	0	70	49	-30%	0%
Furniture and Office Equipment (New)	2	0	0	0%	-100%
Computer Equipment (New)	933	950	907	-5%	-3%
Computer Equipment(NEW)	0	40	26	-34%	0%
Furniture and Office Equipment (New)	60	50	0	-100%	-100%
Furniture and Office Equipment (New)	40	31	111	262%	176%
Furniture and Office Equipment (New)	135	104	73	-29%	-46%
Machinery and Equipment (NEW)	200	0	0	0%	-100%
Machinery and Equipment (New)	650	0	0	0%	-100%
Machinery and Equipment (New)	20	0	0	0%	-100%

Furniture and Office Equipment (New)	23	22	22	0%	-3%
Furniture & Office Equipment(NEW)	0	100	87	-13%	0%
Machinery and Equipment (New)	85	55	49	-10%	-42%
Furniture & Office Equipment(NEW)	0	31	25	-21%	0%
Furniture and Office Equipment (NEW)	36	26	25	-3%	-30%
Furniture and Office Equipment (New)	4	33	20	-38%	408%
Furniture and Office Equipment (NEW)	10	10	7	-25%	-25%
Furniture and Office Equipment (NEW)	15	15	10	-31%	-31%
Furniture and Office Equipment (NEW)	10	10	9	-8%	-8%
Computer Equipment (Upgrade)	8	0	0	0%	-100%
Furniture and Office Equipment (NEW)	7	7	4	-36%	-36%
Furniture and Office Equipment (NEW)	95	81	81	0%	-14%
Machinery and Equipment (NEW)	135	135	57	-58%	-58%
Machinery and Equipment (New)	110	70	0	-100%	-100%
Machinery and Equipment (New)	262	144	144	0%	-45%
Furniture and Office Equipment (New)	130	130	124	-5%	-5%
Machinery and Equipment (New)	89	69	49	-29%	-45%
Furniture and Office Equipment (New)	110	131	104	-20%	-5%
Machinery and Equipment (New)	24	74	0	-100%	-100%
Furniture and Office Equipment (New)	76	26	12	-53%	-84%
Machinery and Equipment (Renewal)	12	12	0	-100%	-100%
Furniture and Office Equipment (New)	76	26	12	-53%	-84%
Machinery and Equipment (New)	20	0	0	0%	-100%
Furniture and Office Equipment (Renewal)	4	4	3	-19%	-19%
Furniture & Office Equipment(NEW)	0	35	0	-100%	0%
Furniture and Office Equipment (Renewal)	0	12	10	-15%	0%
Machinery and Equipment (NEW)	130	75	75	0%	-42%
Machinery and Equipment (RENEWAL)	104	143	126	-12%	21%
Computer Equipment (New)	17	0	0	0%	-100%
Furniture and Office Equipment (New)	13	0	0	0%	-100%
Machinery and Equipment (New)	60	0	0	0%	-100%
Total Capital Programme by Project	**181,136**	**144,402**	**99,142**	-31%	-45%
					T N

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project: 2021/22					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water	**21,747**	**27,217**	**16,434**	-40%	-24%
Smart Meters Replacement	5,000	9,992	4,860	-51%	-3%
Tesselaarsdal- bulk water upgrade phase 2	5,809	4,493	170	-96%	-97%
Water network upgrading - Caledon (Basil Newmark Raw Water,	1,000	1,000	910	-9%	-9%
Pipe Replacement - Caledon Basil Newmark	0	1,102	1,098	0%	0%
Drought Relief: Ground water monitoring infrastructure requirements	0	113	113	0%	0%
Capital - Grabouw bulk water	900	3,602	3,263	-9%	263%
Greyton housing bulk water	800	30	30	0%	-96%
Greyton WTW Planning	0	370	195	-47%	0%
Pipe Replacement Bazil Newmark bulk Pipe line.	0	1,455	1,455	0%	0%
Water Network upgrading- Genadendal (Volk, Berg Street)	1,750	28	10	-62%	-99%
Upgrading of water network	2,500	1,045	682	-35%	-73%
Villiersdorp - WTW refurbishment	3,238	3,238	3,229	0%	0%
Villiersdorp- WTW upgrade	250	250	250	0%	0%
Botrivier - WTW refurb/upgrade	500	500	167	-67%	-67%
Solid Waste	**9,820**	**14,649**	**13,641**	-7%	39%
Capital - Waste Transfer Station	4,783	8,607	8,513	-1%	78%
Villiersdorp- Landfill rehabilitation	562	562	35	-94%	-94%
Riviersonderend - Waste Drop-off station	3,913	4,918	4,917	0%	26%
Greyton landfill rehab	562	562	177	-68%	-68%
Electricity	**14,860**	**15,643**	**6,911**	-56%	-53%
Electrification TWK Housing projects	7,120	7,120	1,840	-74%	-74%
Replace Streetlights with LEDs	3,500	3,500	3,349	-4%	-4%
Replace Polemounted Transformer Uitsig SSK3	1,000	1,000	504	-50%	-50%
Caledon Site Saviwa high mast lighting	0	829	803	-3%	0%
Palisades for Transformers	40	39	39	0%	-3%
Theewaterskloofhighmast lighting (RSE)	300	255	225	-12%	-25%
Replace and upgrade MV and LV Networks Caledon street	2,900	2,900	150	-95%	-95%

Sewerage/Sanitation	**49,797**	**29,107**	**26,540**	-9%	-47%
Caledon - Bulk outfall sewer	3,011	1,546	1,046	-32%	-65%
Caledon - Bulk outfall sewer upgrade	8,418	908	908	0%	-89%
Grabouw 7000 housing bulk sewer investigation , planning	250	0	0	0%	-100%
Greyton housing bulk sewer	400	100	55	-45%	-86%
Bulk Sewer Destiny Villiersdorp	0	0	0	0%	0%
Capital - WWTW upgrade	0	2,140	2,140	0%	0%
Botrivier sewer network upgrading (septic tank eradication)	2,100	1,100	250	-77%	-88%
Caledon - WWTW upgrade	10,155	10,155	9,882	-3%	-3%
Villiersdorp- upgrade WWTW	40	40	0	-100%	-100%
Riviersonderend WWTW upgrade	2,962	2,062	1,203	-42%	-59%
Greyton WWTW	21,149	10,919	10,919	0%	-48%
Botrivier - WWTW upgrade	1,312	137	137	0%	-90%
Housing	**47,900**	**33,873**	**18,697**	-45%	-61%
Caledon Riemvasmaak Planning	2,000	1,000	244	-76%	-88%
Rooidakke 1169: Installation of Civil Engineering Services (Water)	1,000	1,000	117	-88%	-88%
Rooidakke 1169: Installation of Civil Engineering Services (Sanitation)	1,000	1,000	0	-100%	-100%
Rooidakke 1169: Installation of Civil Engineering Services (Stormwater)	1,000	1,000	5	-100%	-100%
Rooidakke 1169: Installation of Civil Engineering Services (Roads)	1,000	1,000	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Water)	2,000	500	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Sanitation)	2,000	750	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Stormwater)	2,000	750	0	-100%	-100%
Villiersdorp Berg en Dal : Installation of Civil Engineering (Roads)	1,325	325	0	-100%	-100%
Gypsey Queen Planning	575	575	0	-100%	-100%
Hillside (Planning)	0	1,000	0	-100%	0%
Grabouw Rooidakke Extension Planning (Greater Grabouw Project)	3,000	5,000	2,719	-46%	-9%
Grabouw Hillside: Installation of Civil Engineering Services (Roads)	1,125	199	199	0%	-82%
Grabouw Hillside: Installation of Civil Engineering Services (Stormwater)	1,125	608	395	-35%	-65%
Grabouw Hillside: Installation of Civil Engineering Services (Water)	1,125	0	0	0%	-100%
Grabouw Hillside: Installation of Civil Engineering Services (Sanitation)	1,125	86	1,006	1065%	-11%
Grabouw Iraq Extension: Installation of Civil Engineering Services (Water)	75	105	17	-83%	-77%

Grabouw Iraq Extension: Installation of Civil Engineering Services (Roads)	75	75	75	0%	0%
Grabouw Iraq Extension: Installation of Civil Engineering Services (Sanitation)	75	75	75	0%	0%
Grabouw Iraq Extension: Installation of Civil Engineering Services (Stormwater)	75	75	75	0%	0%
Cubicle Toilets	700	1,400	608	-57%	-13%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Roads)	1,750	1,750	1,750	0%	0%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Sanitation)	1,750	1,750	1,750	0%	0%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Stormwater)	1,750	848	848	0%	-52%
Villiersdorp Destiny Farm: Installation of Civil Engineering (Water)	1,750	0	0	0%	-100%
Greyton 595: Planning	1,500	500	308	-38%	-79%
Botrivier Beaumont Land (Planning)	500	500	298	-40%	-40%
Botrivier Beaumont (interim services)	16,500	12,000	8,208	-32%	-50%
Sports Fields	**7,858**	**0**	**0**	0%	-100%
Upgrading of Pineview Park sportsgrounds- Ringfenced DECAS f	7,858	0	0	0%	-100%
Fleet	**7,850**	**7,115**	**5,830**	-18%	-26%
Upgrade of Fleet	6,300	6,300	5,830	-7%	-7%
Mobile Library bus	0	815	0	-100%	0%
Personell Bucket (Street Lights)	950	0	0		
Vehicle (Street Lights)	600	0	0	0%	-100%
Roads, Pavements, Bridges & Stormwater	**11,521**	**7,154**	**6,469**	-10%	-44%
Caledon Waste transfer station- N2 access	50	50	35	-30%	-30%
Upgrading of Streets , stormwater Caledon(Tarentaal) Myddl	780	1,241	1,241	0%	59%
Grabouw Hop-On Drop-Off PT Facility	4,421	0	0	0%	-100%
Capital - Beverly hills: reinstatement of Bos Street road surface	0	415	148	-64%	0%
Grabouw Upgrade of roads , stormwater at Rooidakke (Phase 2)	2,500	206	3	-99%	-100%
Upgrading of Streets , stormwater Grabouw (BosStreet, Savory	1,500	1,576	1,576	0%	5%
Upgrading of Streets - Riviersonderend Bree	780	1,322	1,322	0%	69%
Upgrading of Streets , stormwater Genadendal	750	1,240	1,237	0%	200%
Upgrading of Streets - BotriverHeidelaan	740	1,106	907	-18%	300%

Land and Buildings	**4,468**	**5,050**	**1,236**	-76%	-72%
Two-Way Radio Communication System	1,300	1,300	0	-100%	-100%
Replaced of Asbess Roof at Genadendal Reservoir	250	174	12	-93%	-95%
Precast Toilettes	0	381	344	-10%	0%
Renovation of Fire Station	0	0	0	0%	0%
Modular Library	800	800	0	-100%	-100%
Recreation Hall at Bergsigsportsfield	0	450	416	-8%	0%
Clearview Fencing (Villiersdorp taxi rank)	0	575	373	-35%	0%
Construction of Driving Licence Testing Centre (DLTC) - Grab	2,028	1,279	0	-100%	-100%
Purchase of Portion of Land for Caledon Private Hospital	90	90	90	0%	0%
Office Equipment	**5,315**	**4,594**	**3,384**	-26.34%	-36.32%
Machinery & Equipment(NEW)	0	19	0	-100%	0%
Furniture and Office Equipment (New)	18	18	13	-26%	-26%
Furniture and Office Equipment (Renewal)	6	6	4	-35%	-35%
Furniture and Office Equipment (New)	29	29	25	-15%	-15%
Furniture and Office Equipment (New)	4	4	2	-48%	-48%
Computer Equipment (NEW)	40	0	0	0%	-100%
Furniture and Office Equipment (RENEWAL)	50	120	54	-55%	8%
Machinery and Equipment (RENEWAL)	50	280	33	-88%	-33%
Furniture and Office Equipment (New)	2	2	2	0%	-2%
Computer Equipment (Upgrade)	250	316	316	0%	26%
Furniture & Office Equipment(NEW)	0	26	21	-19%	0%
Furniture and Office Equipment (Renewal)	13	13	12	-3%	-3%
Machinery and Equipment (NEW)	370	263	187	-29%	-49%
Machinery and Equipment (NEW)	204	204	198	-3%	-3%
Machinery and Equipment (Renewal)	146	124	0	-100%	-100%
Machinery and Equipment (NEW)	300	215	187	-13%	-38%
Furniture and Office Equipment (Renewal)	15	4	4	0%	-73%
Furniture and Office Equipment (New)	3	2	2	0%	-24%
Furniture and Office Equipment (Upgrade)	20	0	0	0%	-100%
Machinery and Equipment (NEW)	91	91	13	-86%	-86%
Machinery & Equipment(NEW)	0	140	86	-38%	0%
Furniture & Office Equipment(NEW)	0	70	49	-30%	0%
Furniture and Office Equipment (New)	2	0	0	0%	-100%

Computer Equipment (New)	933	950	907	-5%	-3%
Computer Equipment(NEW)	0	40	26	-34%	0%
Furniture and Office Equipment (New)	60	50	0	-100%	-100%
Furniture and Office Equipment (New)	40	31	111	262%	176%
Furniture and Office Equipment (New)	135	104	73	-29%	-46%
Machinery and Equipment (NEW)	200	0	0	0%	-100%
Machinery and Equipment (New)	650	0	0	0%	-100%
Machinery and Equipment (New)	20	0	0	0%	-100%
Furniture and Office Equipment (New)	23	22	22	0%	-3%
Furniture & Office Equipment(NEW)	0	100	87	-13%	0%
Machinery and Equipment (New)	85	55	49	-10%	-42%
Furniture & Office Equipment(NEW)	0	31	25	-21%	0%
Furniture and Office Equipment (NEW)	36	26	25	-3%	-30%
Furniture and Office Equipment (New)	4	33	20	-38%	408%
Furniture and Office Equipment (NEW)	10	10	7	-25%	-25%
Furniture and Office Equipment (NEW)	15	15	10	-31%	-31%
Furniture and Office Equipment (NEW)	10	10	9	-8%	-8%
Computer Equipment (Upgrade)	8	0	0	0%	-100%
Furniture and Office Equipment (NEW)	7	7	4	-36%	-36%
Furniture and Office Equipment (NEW)	95	81	81	0%	-14%
Machinery and Equipment (NEW)	135	135	57	-58%	-58%
Machinery and Equipment (New)	110	70	0	-100%	-100%
Machinery and Equipment (New)	262	144	144	0%	-45%
Furniture and Office Equipment (New)	130	130	124	-5%	-5%
Machinery and Equipment (New)	89	69	49	-29%	-45%
Furniture and Office Equipment (New)	110	131	104	-20%	-5%
Machinery and Equipment (New)	24	74	0	-100%	-100%
Furniture and Office Equipment (New)	76	26	12	-53%	-84%
Machinery and Equipment (Renewal)	12	12	0	-100%	-100%
Furniture and Office Equipment (New)	76	26	12	-53%	-84%
Machinery and Equipment (New)	20	0	0	0%	-100%
Furniture and Office Equipment (Renewal)	4	4	3	-19%	-19%
Furniture & Office Equipment(NEW)	0	35	0	-100%	0%
Furniture and Office Equipment (Renewal)	0	12	10	-15%	0%
Machinery and Equipment (NEW)	130	75	75	0%	-42%
Machinery and Equipment (RENEWAL)	104	143	126	-12%	21%
Computer Equipment (New)	17	0	0	0%	-100%
Furniture and Office Equipment (New)	13	0	0	0%	-100%

Machinery and Equipment (New)	60	0	0	0%	-100%
Total Capital Programme by Project	**181,136**	**144,402**	**99,142**	-31%	-45%
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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	**Water**	**Sanitation**	**Electricity**	**Solid Waste Collection**
Schools (NAMES, LOCATIONS)				
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

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

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

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

Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
Vic/Tourism Support	Elgin / Grabouw Tourism Greyton Tourism Genadendal Humanitarian Association		R 125 ,000.00 R 50,000.00 R 25,000.00	
** Loans/Grants - whether in cash or in kind*				T R

APPENDIX S – MFMA SECTION 71 RETURNS NOT MADE DURING YEAR 1 ACCORDING TO REPORTING REQUIREMENTS

MFMA Section 71 Returns Not Made During Year 1 According to Reporting Requirements	
Return	**Reason Return has not been properly made on due date**
N/A	
	T S

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

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

VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS

THEEWATERSKLOOF LOCAL MUNICIPALITY

Theewaterskloof Municipality

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2022

AUDITOR-GENERAL SOUTH AFRICA

30 November 2022

THEEWATERSKLOOF LOCAL MUNICIPALITY

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AUDITOR-GENERAL
SOUTH AFRICA

30 November 2022

THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Theewaterskloof Local Municipality performs the functions as set out in the Constitution of the Republic of South Africa, 1996.

LEGAL FORM

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

JURISDICTION

The Theewaterskloof Local Municipality includes the following areas:

Caledon	Greyton
Grabouw	Genadendal
Villiersdorp	Botrivier
Riviersonderend	Tesselaarsdal

MEMBERS OF THE COUNCIL (AFTER ELECTIONS)

Ward 1	PJ Stander
Ward 2	CT Cloete
Ward 3	CA Benjamin
Ward 4	Y van Tonder
Ward 5	M Botes
Ward 6	RL Mienies
Ward 7	M Plato-Mentoor
Ward 8	M Mpambani
Ward 9	D Jooste
Ward 10	C Smith
Ward 11	DA Jacobs
Ward 12	MS Shale
Ward 13	MA Nomkoko
Ward 14	S Fredericks
Proportional	KIJ Papier
Proportional	J Michels
Proportional	DA Appel
Proportional	B Mkwhibiso
Proportional	RM Nongxaza
Proportional	T Lesesa
Proportional	M Koegelenberg
Proportional	H Syster
Proportional	M Mathews
Proportional	J Mckenzie
Proportional	T Mangcayi
Proportional	M Gana
Proportional	T Zimmermann

MEMBERS OF THE COUNCIL (PRIOR TO ELECTIONS)

Ward 1	S Potberg
Ward 2	D du Toit
Ward 3	J Arendse
Ward 4	MM Koegelenberg
Ward 5	CM Lamprecht
Ward 6	R Brinkhuys
Ward 7	PU Stanfliet
Ward 8	A Mentile
Ward 9	D Jooste
Ward 10	M Plato-Mentoor
Ward 11	T Ndlebe
Ward 12	UT Sipunzi
Ward 13	M Bhangazana
Ward 14	N Pieterse
Proportional	C Vosloo
Proportional	N Mgqweto
Proportional	K Papier
Proportional	C November
Proportional	T Mangcayi
Proportional	S Fredericks
Proportional	B Tshabe
Proportional	C Wood
Proportional	I Mentoor
Proportional	R Mienies
Proportional	M Gana
Proportional	M le Roux
Proportional	R Nongxaza

MEMBERS OF THE MAYORAL COMMITTEE (AFTER ELECTIONS)

Executive Mayor	KIJ Papier
Deputy Executive Mayor	J Michels
Speaker	DA Appel
Executive Councillor	RL Mienies
Executive Councillor	RM Nongxaza
Executive Councillor	T Lesesa
Executive Councillor	H Syster
Executive Councillor	M Mathews

MEMBERS OF THE MAYORAL COMMITTEE (PRIOR TO ELECTIONS)

Executive Mayor	C Vosloo
Deputy Executive Mayor	K Papier
Speaker	D Du Toit
Executive Councillor	MM Koegelenberg
Executive Councillor	J Arendse
Executive Councillor	PU Stanfliet
Executive Councillor	N Pieterse
Executive Councillor	M Plato-Mentoor

MUNICIPAL MANAGER

Mr BM Ngubo (Acting)

CHIEF FINANCIAL OFFICER

Mr A Riddles (Acting)

AUDITOR-GENERAL SOUTH AFRICA

30 November 2022

THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

AUDIT COMMITTEE

Mr E Lakey - Chairperson
Ms R Gani
Ms V Jobe
Mr B Vink

REGISTERED OFFICE

6 Plein Street
Caledon
7230

POSTAL ADDRESS

PO Box 24
Caledon
7230

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

ABSA Bank Limited
Standard Bank of South Africa Limited

ATTORNEYS

Bosman & Smit Pretorius
Fairbridges Attorneys
Stadler & Swart Incorporated
Kruger & Blignaut Attorneys
Van Zyl & Associates
Maserumule Corporate Employment Law
Dirk Verdoes Attorneys Inc
Clyde & Co
Bradly Conradie Halton Cheadle
NJG Consult
Finck Attorneys
Van der Spuy & Partners
Brasika Consulting (Pty) Ltd

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations
National Environmental Management Act
Preferential Procurement Policy Framework Act, No 5 of 2000
Occupational Health and Safety Act
mSCOA Regulation

AUDITOR-GENERAL SOUTH AFRICA
30 November 2022

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2022, which are set out on pages 1 to 98 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2023 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

Mr BM Ngubo
Acting Municipal Manager

31 | 08 | 2022
Date

AUDITOR-GENERAL
SOUTH AFRICA

30 November 2022

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
ASSETS			
Current Assets		**241 585 897**	**235 056 524**
Cash and Cash Equivalents	**2**	165 982 321	164 089 992
Receivables from Exchange Transactions	**3**	36 818 349	35 270 602
Receivables from Non-Exchange Transactions	**4**	17 159 087	16 559 757
Taxes	**5**	6 827 192	6 554 917
Operating Leases	**6**	597 267	522 793
Current Portion of Long-term Receivables	**7**	1 560 573	1 895 549
Inventory	**8**	12 641 109	10 162 915
Non-Current Assets		**1 111 566 519**	**1 045 221 848**
Long-term Receivables	**7**	2 306 099	3 297 617
Investment Property	**9**	69 973 721	71 817 801
Property, Plant and Equipment	**10**	1 026 117 310	957 439 516
Intangible Assets	**11**	332 434	778 745
Heritage Assets	**12**	-	-
Non-current Investments	**13**	12 836 955	11 888 169
Total Assets		**1 353 152 417**	**1 280 278 373**
Current Liabilities		**135 627 750**	**125 868 834**
Current Portion of Long-term Liabilities	**14**	13 810 915	10 995 688
Consumer Deposits	**15**	4 968 411	4 832 729
Payables from Exchange Transactions	**16**	70 208 298	71 465 658
Unspent Conditional Government Grants	**17**	15 815 250	10 729 168
Unspent Public Contributions	**18**	302 018	329 439
Current Employee Benefits	**19**	30 522 858	27 516 153
Non-Current Liabilities		**289 724 908**	**259 951 820**
Long-term Liabilities	**14**	102 775 493	83 848 795
Employee Benefits	**20**	61 142 999	56 931 000
Non-Current Provisions	**21**	125 806 416	119 172 025
Total Liabilities		**425 352 659**	**385 820 654**
NET ASSETS		**927 799 758**	**894 457 719**
COMMUNITY WEALTH			
Accumulated Surplus		887 547 087	857 238 150
Reserves	**22**	40 252 671	37 219 568
		927 799 758	**894 457 719**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**337 742 118**	**316 620 011**
Taxation Revenue		**127 714 860**	**121 164 337**
Property Rates	**23**	127 714 860	121 164 337
Transfer Revenue - Operating		**127 779 231**	**138 256 711**
Government Grants and Subsidies - Operating	**24**	127 049 690	137 761 584
Public Contributions and Donations	**25**	729 541	495 127
Transfer Revenue - Capital		**44 248 540**	**38 125 132**
Government Grants and Subsidies - Capital	**24**	44 214 890	35 843 766
Contributed Assets	**26**	33 650	2 281 367
Other Revenue		**37 999 487**	**19 073 830**
Availability Charges	**27**	4 735 093	4 656 737
Fines, Penalties and Forfeits	**28**	26 620 869	13 928 678
Actuarial Gains	**29**	1 682 669	76 027
Other Income (Non-Exchange)	**30**	4 960 856	412 387
REVENUE FROM EXCHANGE TRANSACTIONS		**308 132 584**	**282 263 887**
Operating Activities		**308 132 584**	**282 263 887**
Service Charges	**31**	262 935 587	247 303 902
Rental of Facilities and Equipment	**32**	2 165 371	2 060 385
Interest Earned - External Investments		10 542 388	8 097 552
Interest Earned - Outstanding Debtors		16 906 671	12 155 517
Agency Services	**33**	7 139 847	7 283 913
Licences and Permits	**34**	35 792	108 598
Other Income (Exchange)	**35**	8 406 927	5 254 020
CONSTRUCTION CONTRACTS	**36**	**29 853**	**1 555 677**
TOTAL REVENUE		**645 904 555**	**600 439 574**
EXPENDITURE			
Employee Related Costs	**37**	234 022 083	217 957 936
Remuneration of Councillors	**38**	11 899 590	12 147 720
Debt Impairment	**39**	83 302 343	62 215 194
Depreciation and Amortisation	**40**	30 091 929	22 515 198
Impairment	**41**	1 558 714	9 178 903
Finance Charges	**42**	25 836 421	21 727 594
Bulk Purchases	**43**	105 610 057	93 756 366
Contracted Services	**44**	44 754 133	43 057 421
Transfers and Grants	**45**	4 716 958	3 356 719
Other Expenditure	**46**	70 160 199	59 422 445
Loss on disposal of Non-Monetary Assets	**47**	610 096	996 933
Actuarial Losses	**48**	-	4 192 124
TOTAL EXPENDITURE		**612 562 523**	**550 524 551**
NET SURPLUS FOR THE YEAR		**33 342 032**	**49 915 023**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2022

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2020 - Previously Reported	**24 266 886**	**824 680 244**	**848 947 130**
Correction of error restatement - refer to note 49.7	-	(4 404 428)	(4 404 428)
Balance on 30 June 2020 - Restated	**24 266 886**	**820 275 816**	**844 542 702**
Net Surplus for the year	-	49 915 017	49 915 017
Transfer to Capital Replacement Reserve	12 952 683	(12 952 683)	-
Balance on 30 June 2021 - Restated	**37 219 568**	**857 238 150**	**894 457 719**
Net Surplus for the year	-	33 342 039	33 342 039
Transfer to Capital Replacement Reserve	3 653 439	(3 653 439)	-
Capital Replacement Reserve utilised for capital purchases	(620 337)	620 337	-
Balance on 30 June 2022	**40 252 670**	**887 547 087**	**927 799 758**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		117 845 068	117 331 473
Service Charges and Interest on outstanding Debtors		232 519 826	219 901 702
Other Revenue and Receipts		31 868 856	25 659 778
Government Grants		177 297 925	176 601 317
Investment Income		9 226 244	7 198 213
Payments			
Suppliers and employees		(475 219 799)	(436 310 659)
Finance charges		(11 218 494)	(9 882 890)
Transfer and Grants		(4 716 958)	(3 356 719)
NET CASH FROM OPERATING ACTIVITIES	**50**	**77 602 668**	**97 142 216**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		1 239 910	816 669
Payments			
Purchase of Capital Assets		(98 692 182)	(85 599 427)
NET CASH USED INVESTING ACTIVITIES		**(97 452 272)**	**(84 782 759)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		34 862 548	22 094 345
Payments			
Loans repaid		(13 120 615)	(9 552 434)
NET CASH FROM FINANCING ACTIVITIES		**21 741 933**	**12 541 911**
NET INCREASE IN CASH HELD		**1 892 329**	**24 901 368**
Cash and Cash Equivalents at the beginning of the year		164 089 992	139 188 624
Cash and Cash Equivalents at the end of the year		165 982 321	164 089 992

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash	32 129 198	72 843 665	104 972 863	116 883 630	11 910 767
Call investment deposits	55 000 000	-	55 000 000	49 098 691	(5 901 309)
Consumer debtors	75 126 277	(32 725 447)	42 400 830	46 596 458	4 195 628
Other Receivables	13 208 617	(1 039 981)	12 168 636	14 805 436	2 636 800
Current portion of long-term receivables	768 924	1 126 625	1 895 549	1 560 573	(334 976)
Inventory	6 432 500	3 730 416	10 162 915	12 641 109	2 478 193
Total current assets	**182 665 516**	**43 935 278**	**226 600 794**	**241 585 896**	**14 985 103**
Non current assets					
Long-term receivables	1 602 787	1 694 829	3 297 617	2 306 099	(991 518)
Investments	10 905 675	1 576 903	12 482 578	12 836 955	354 378
Investment property	73 092 449	(4 683 363)	68 409 086	69 973 721	1 564 635
Property, plant and equipment	1 150 260 248	(81 871 522)	1 068 388 727	1 026 117 310	(42 271 417)
Intangible Assets	642 803	6 760	649 563	332 434	(317 129)
Total non current assets	**1 236 503 963**	**(83 276 393)**	**1 153 227 570**	**1 111 566 519**	**(41 661 051)**
TOTAL ASSETS	**1 419 169 479**	**(39 341 114)**	**1 379 828 364**	**1 353 152 416**	**(26 675 948)**
LIABILITIES					
Current liabilities					
Borrowing	12 135 711	-	12 135 711	13 810 915	1 675 204
Consumer deposits	5 403 269	(328 904)	5 074 365	4 968 411	(105 954)
Trade and other payables	90 871 609	(3 096 432)	87 775 177	86 325 566	(1 449 611)
Provisions and Employee Benefits	28 540 637	(381 510)	28 159 127	30 522 858	2 363 731
Total current liabilities	**136 951 226**	**(3 806 846)**	**133 144 381**	**135 627 750**	**2 483 370**
Non current liabilities					
Borrowing	173 400 407	(43 716 469)	129 683 938	102 775 493	(26 908 444)
Provisions and Employee Benefits	151 354 550	27 562 327	178 916 877	186 949 415	8 032 538
Total non current liabilities	**324 754 956**	**(16 154 142)**	**308 600 814**	**289 724 908**	**(18 875 906)**
TOTAL LIABILITIES	**461 706 183**	**(19 960 988)**	**441 745 195**	**425 352 659**	**(16 392 536)**
NET ASSETS	**957 463 296**	**(19 380 127)**	**938 083 169**	**927 799 757**	**(10 283 412)**
COMMUNITY WEALTH					
Accumulated Surplus	933 196 410	(34 332 809)	898 863 601	887 547 087	(11 316 514)
Reserves	24 266 886	14 952 683	39 219 568	40 252 671	1 033 102
TOTAL COMMUNITY WEALTH/EQUITY	**957 463 296**	**(19 380 127)**	**938 083 169**	**927 799 757**	**(10 283 412)**

Refer to note 52.2 for explanations of material variances.

Material variances are considered to be any variances greater than R6 million.

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE							
REVENUE							
Property Rates	124 583 975	1 450 645	126 034 620	-	126 034 620	127 714 860	1 680 240
Service Charges - Electricity Revenue	119 225 199	(1 999 226)	117 225 973	-	117 225 973	114 624 975	(2 600 998)
Service Charges - Water Revenue	80 575 965	(1 393 048)	79 182 917	-	79 182 917	78 378 131	(804 786)
Service Charges - Sanitation Revenue	38 908 551	(1 122 573)	37 785 978	-	37 785 978	36 981 360	(804 618)
Service Charges - Refuse Revenue	38 478 797	(579 837)	37 898 960	-	37 898 960	37 686 213	(212 747)
Rental of Facilities and Equipment	2 279 000	(213 672)	2 065 328	-	2 065 328	2 165 371	100 043
Interest Earned - External Investments	11 000 000	(3 200 000)	7 800 000	-	7 800 000	10 542 388	2 742 388
Interest Earned - Outstanding Debtors	22 472 000	(6 672 000)	15 800 000	-	15 800 000	16 906 671	1 106 671
Fines, Penalties and Forfeits	15 657 318	9 463 682	25 121 000	-	25 121 000	26 620 869	1 499 869
Licences and Permits	68 370	(46 370)	22 000	-	22 000	35 792	13 792
Agency Services	8 376 389	(29 189)	8 347 200	-	8 347 200	7 139 847	(1 207 353)
Transfers Recognised - Operational	142 866 385	830 324	143 696 709	-	143 696 709	128 201 647	(15 495 062)
Other Revenue	7 892 649	1 422 484	9 315 133	-	9 315 133	14 097 325	4 782 192
Gains	-	-	-	-	-	1 682 669	1 682 669
Total Revenue (excluding capital transfers)	**612 384 598**	**(2 088 780)**	**610 295 818**	**-**	**610 295 818**	**602 778 118**	**(7 517 700)**
EXPENDITURE							
Employee Related Costs	254 167 059	(12 434 241)	241 732 818	(1 800 000)	239 932 818	238 699 223	(1 233 595)
Remuneration of Councillors	13 849 333	(1 429 492)	12 419 841	-	12 419 841	11 899 590	(520 251)
Debt Impairment	64 320 969	13 851 557	78 172 526	5 600 000	83 772 526	83 302 343	(470 183)
Depreciation and Asset Impairment	22 907 961	11 873 905	34 781 866	(3 000 000)	31 781 866	31 650 643	(131 223)
Finance Charges	15 506 590	4 844 284	20 350 874	-	20 350 874	20 011 421	(339 453)
Bulk Purchases	87 217 142	(860 000)	86 357 142	-	86 357 142	86 238 654	(118 488)
Inventory Consumed	40 700 795	(1 241 877)	39 458 918	(1 500 000)	37 958 918	34 528 216	(3 430 702)
Contracted Services	52 911 865	(3 211 837)	49 700 028	-	49 700 028	46 710 307	(2 989 721)
Transfers and Grants	16 398 560	(1 715 774)	14 682 786	-	14 682 786	1 765 601	(12 917 185)
Other Expenditure	54 998 113	8 584 354	63 582 467	-	63 582 467	58 268 534	(5 313 933)
Losses	-	-	-	700 000	700 000	610 096	(89 904)
Total Expenditure	**622 978 387**	**18 260 879**	**641 239 266**	**-**	**641 239 266**	**613 684 627**	**(27 554 639)**
Surplus/(Deficit)	(10 593 789)	(20 349 659)	(30 943 448)	-	(30 943 448)	(10 906 509)	20 036 939
Transfers and subsidies - capital (monetary) - Governmen	95 183 806	(25 289 523)	69 894 283	-	69 894 283	44 248 540	(25 645 743)
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**-**	**38 950 835**	**33 342 031**	**(5 608 804)**

Refer to note 52.3 for explanations of material variances.

Material variances are considered to be any variances greater than R6 million.

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	105 720 716	5 047 078	110 767 794	117 845 068	7 077 275
Service charges	235 219 401	3 915 156	239 134 557	232 519 826	(6 614 731)
Other revenue	21 230 578	1 057 088	22 287 666	31 733 172	9 445 507
Government Grants	238 050 191	(27 844 102)	210 206 089	177 297 925	(32 908 164)
Interest	30 069 515	(8 383 400)	21 686 114	9 226 244	(12 459 870)
Payments					
Suppliers and Employees	(501 833 779)	17 448 179	(484 385 600)	(475 219 799)	9 165 801
Finance Charges	(11 350 874)	-	(11 350 874)	(11 218 494)	132 380
Transfers and Grants	(16 398 560)	1 715 774	(14 682 786)	(4 716 958)	9 965 828
Net Cash from/(used) Operating Activities	**100 707 188**	**(7 044 229)**	**93 662 960**	**77 466 985**	**(16 195 975)**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	-	-	-	1 239 910	1 239 910
Decrease/(Increase) in Other Non-Current Investments	-	(594 408)	(594 408)	-	594 408
Payments					
Capital Assets	(181 136 164)	36 733 681	(144 402 483)	(98 692 182)	45 710 301
Net Cash from/(used) Investing Activities	**(181 136 164)**	**36 139 273**	**(144 996 891)**	**(97 452 272)**	**47 544 620**
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	62 749 589	(4 920 547)	57 829 042	34 862 548	(22 966 494)
Increase/(Decrease) in Consumer Deposits	257 299	(15 662)	241 636	135 684	(105 953)
Payments					
Repayment of Borrowing	(7 879 410)	(2 974 466)	(10 853 876)	(13 120 615)	(2 266 739)
Net Cash from/(used) Financing Activities	**55 127 478**	**(7 910 675)**	**47 216 802**	**21 877 616**	**(25 339 186)**
NET INCREASE/(DECREASE) IN CASH HELD	**(25 301 498)**	**21 184 368**	**(4 117 130)**	**1 892 329**	**6 009 458**
Cash and Cash Equivalents at the year begin	112 430 696	51 659 296	164 089 992	164 089 992	-
Cash and Cash Equivalents at the year end	87 129 198	72 843 665	159 972 863	165 982 321	6 009 458

Refer to note 52.4 for explanations of material variances.

Material variances are considered to be any variances greater than R6 million.

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1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

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

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

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

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

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

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

1.02 TRANSITIONAL PROVISIONS

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

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

In terms of GRAP 108 - "Statutory Receivables", the Municipality is utilising the transitional provision contained in Directive 4 that grant the Municipality a period of three years (1 July 2019 to 30 June 2022) in order to finalise the classification and impairment methods of Statutory Receivables.

1.03 PRESENTATION CURRENCY

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

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

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

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

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

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1.05.2 Amended Accounting Policies

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

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

1.06 MATERIALITY

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

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

1.07 BUDGET INFORMATION

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

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

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

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

1.08.1 Effective dates determined

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

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

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

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

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

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

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

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

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1.08.2 Effective dates not yet determined

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

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

1.08.2.1 GRAP 25 (Revised 2021) - Employee Benefits

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

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

1.08.2.2 GRAP 103 (Revised 2022) - Heritage Assets

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

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

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

This Interpretation addresses the following:

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

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

1.09 RESERVES

1.09.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

(a) The cash funds that back up the CRR are invested until utilised.
(b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
(c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.10 INVESTMENT PROPERTY

1.10.1 Initial Recognition

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

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

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

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

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

1.10.2 Subsequent Measurement – Cost Model

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

1.10.3 Depreciation – Cost Model

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

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

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

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

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

	YEARS
Buildings	20 - 100

1.10.4 Impairment

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

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

1.10.5 Derecognition

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

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

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

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 Initial Recognition

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

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

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

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

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

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

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

1.11.2 Subsequent Measurement - Cost Model

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

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

1.11.3 Depreciation

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

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

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

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

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

	YEARS		YEARS
Land and Buildings		**Community Assets**	
Land	N/A	Parks and Gardens	15 - 20
Buildings	20 - 100	Cemeteries	30
Work in progress	N/A	**Leased Assets**	
		Office Equipment	3 - 15
Infrastructure			
Roads and Storm water	5 - 150	**Other Assets**	
Electricity Network	10 - 100	Computer Equipment	3 - 15
Sewerage Network	10 - 200	Furniture and Office Equipment	3 - 25
Water Network	10 - 200	Machinery and Equipment	3 - 35
Refuse Removal	20 - 50	Transport Assets	5 - 35
Work in progress	N/A		

1.11.4 Impairment

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

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

1.11.5 Derecognition

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

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

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

1.12 INTANGIBLE ASSETS

1.12.1 Initial Recognition

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

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

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

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

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

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

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

1.12.2 Subsequent Measurement - Cost Model

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

1.12.3 Amortisation

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

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

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

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

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

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

	Years
Computer Software	3 - 15

1.12.4 Impairment

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

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

1.12.5 Derecognition

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

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

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1.13 HERITAGE ASSETS

1.13.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

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

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

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

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

1.13.2 Subsequent Measurement – Cost Model

Heritage assets are carried at its cost less any accumulated impairment losses.

1.13.3 Depreciation

Heritage assets are not depreciated.

1.13.4 Impairment

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

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

1.13.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

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

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

1.14 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

1.14.1 Recoverable amount of Cash-generating assets

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

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

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

1.14.2 Recoverable amount of Non-cash-generating assets

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

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

1.14.3 Impairment loss

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

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

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

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

1.14.4 Reversal of an impairment loss

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

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

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

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

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

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1.15 INVENTORIES

1.15.1 Initial Recognition

Inventories are assets:

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

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

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

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

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs incurred in bringing the inventories to their current location and condition.

1.15.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.16 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

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1.16.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.16.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.16.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.2 Long-term Benefits

1.16.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.3 Short-term Benefits

1.16.3.1 Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

1.16.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

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1.16.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.16.3.4 Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

(b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.17 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.18 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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1.18.1 Municipality as Lessee

1.18.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

1.18.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.18.2 Municipality as Lessor

1.18.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

1.18.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

1.19 FINANCIAL INSTRUMENTS

1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

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1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

(a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.

(b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.

(c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:

- (i) derivatives;
- (ii) combined instruments that are designated at fair value;
- (iii) instruments held for trading;
- (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.19.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.19.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

1.19.4 Derecognition of financial instruments

1.19.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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1.19.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.19.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.20 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.20.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

1.20.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.20.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

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1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

1.23 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.24 NON-CURRENT INVESTMENTS

Investments which include investments in listed shares and fixed deposits invested in registered commercial banks.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

1.25 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.26 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

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1.27 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.28 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.28.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.28.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.28.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

1.28.1.3 Availability Charges

Availability charges are based on the approved tariffs of the Municipality. These charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

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1.28.1.4 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue.

1.28.1.5 Insurance Refunds

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

1.28.1.6 Unclaimed deposits

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

1.28.1.7 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

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

1.28.1.8 Services in-kind

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

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

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

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

1.28.1.9 Contributed Assets

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

1.28.2 Revenue from Exchange Transactions

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

1.28.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

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

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Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

1.28.2.2 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.28.2.3 Rental income

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.28.2.4 Income from Agency Services

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.28.2.5 Other Tariffs

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

1.28.2.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
(b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
(c) The amount of revenue can be measured reliably.
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.28.2.7 Deferred payment

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.28.3 Construction Contracts

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

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The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Human Settlements. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Human Settlements to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme.* The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Human Settlements. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Human Settlements.

Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Human Settlements. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Human Settlements.

The binding agreements entered into with the provincial Department of Human Settlements are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the Department through a housing grant or subsidy.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

1.29 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

1.30 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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1.32 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.34 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.35 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
(b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.36 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the Municipality and a related party, regardless of whether a price is charged.

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

The Municipality is exempt from the disclosure requirements in relation to related party transactions if that transactions occurs within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and the terms and conditions are within the normal operating parameters established by Municipality's legal mandate.

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Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the financial statements to understand the effect of related party transactions.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

1.37 ACCOUNTING BY PRINCIPALS AND AGENTS

An agent is an is an entity that has been directed another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

(a) It does not have the power to determine the significant terms and conditions of the transaction.
(b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
(c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principal, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

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1.38 LIVING AND NON-LIVING RESOURCES

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

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

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

1.39 SEGMENT REPORTING

A segment is an activity of the Municipality:

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

Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation.

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

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

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

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

1.40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.40.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

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GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an items of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.40.2 Impairment of Receivables

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

1.40.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.40.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.40.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.40.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.40.7 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

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1.40.8 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

1.40.9 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

In considering the revenue to which the Municipality is entitled, the Municipality considers other factors that may impact the inflow of future economic benefits or service potential on initial recognition of revenue. Such factors include fines issued which will be reduced or withdrawn after reporting date. The Municipality applies judgement based on past experience and current facts and circumstances in order to adjust the traffic fine revenue accordingly.

1.40.10 Recognition and Derecognition of Land

In order for land to be meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

1.40.11 Materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality's circumstances. The assessment of materiality therefore requires management to apply judgement about:

(a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.
(b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.

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2 CASH AND CASH EQUIVALENTS

Bank Accounts	116 873 931	116 550 486
Call Investment Deposits	49 098 691	47 529 807
Cash Floats	9 699	9 699
Total	**165 982 321**	**164 089 992**

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

Department of Human Settlements	5 334 915	5 447 325
Unspent Conditional Grants	15 815 250	10 729 168
Unspent Public Contributions	302 018	329 439
Capital Replacement Reserve	40 252 671	37 219 568
Working Capital Requirements	104 277 467	110 364 491
Total Cash and Cash Equivalents	**165 982 321**	**164 089 992**

2.1 Bank Accounts

Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)	116 727 948	116 308 034
Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)	-	-
ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)	145 982	242 452
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	-
ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)	-	-
Total	**116 873 931**	**116 550 486**

Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)

Cash book balance at beginning of year	116 308 034	-
Cash book balance at end of year	116 727 948	116 308 034
Bank statement balance at beginning of year	115 513 106	-
Bank statement balance at end of year	115 941 236	115 513 106

Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Traffic account is cleared daily to Primary Bank Account.

ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)

Cash book balance at beginning of year	242 452	93 110 932
Cash book balance at end of year	145 982	242 452
Bank statement balance at beginning of year	242 452	92 427 664
Bank statement balance at end of year	145 982	242 452

The Municipality has one guarantee of R15 000 in the name of the beneficiary, Eskom.

ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Income account is cleared daily to Primary Bank Account.

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2 CASH AND CASH EQUIVALENTS (CONTINUED)

ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Traffic account is cleared daily to Primary Bank Account.

2.2 Call Investment Deposits

Call investment deposits consist out of the following accounts:

Interneuron Capital Ltd	- Notice deposit	- Account number CA 002	430 224	430 224
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5651	13 524 570	13 082 142
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5415	27 616 972	26 700 181
ABSA Bank Limited	- Notice deposit	- Account number 90-9522-5460	7 957 148	7 747 485
			49 528 915	**47 960 031**
Less: Provision for Impairment			(430 224)	(430 224)
Total			**49 098 691**	**47 529 807**

An amount of R 430 224 (2021: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables	**265 107 911**	**222 299 020**
Electricity	10 254 387	8 470 493
Water	57 333 579	44 415 301
Refuse	66 016 451	57 049 027
Sewerage	59 470 656	52 152 689
Interest	67 880 692	56 891 411
Other	4 152 146	3 320 098
Other Receivables	**4 616 432**	**3 439 256**
Prepayments	3 887 751	3 077 933
Accrued Interest	728 681	361 323
Total Gross Balance	**269 724 343**	**225 738 276**
Less: Allowance for Debt Impairment	(232 905 994)	(190 467 674)
Total Net Receivable	**36 818 349**	**35 270 602**
As previously reported		36 911 669
Correction of error restatement - note 49.1		(1 641 067)
Restated balance		**35 270 602**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilites.

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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	190 467 674	167 531 271
Movement in the contribution to the provision	57 781 951	44 572 090
Electricity	494 440	(247 900)
Water	17 616 895	11 562 201
Refuse	12 786 745	11 712 367
Sewerage	11 588 296	11 154 817
Interest	14 338 231	9 727 003
Other	957 344	663 601
Bad Debts Written off	(15 343 631)	(21 635 687)
Electricity	(33 109)	(45 616)
Water	(4 303 495)	(17 375 185)
Refuse	(4 088 688)	(1 759 015)
Sewerage	(3 216 595)	(1 425 692)
Interest	(3 558 774)	(912 370)
Other	(142 969)	(117 810)
Balance at the end of the year	**232 905 994**	**190 467 674**

The allowance for impairment of receivables has been made for all consumer balances outstanding (excluding outstanding government debt) based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2022			
Service Receivables			
Electricity	10 254 387	(1 073 611)	9 180 776
Water	57 333 579	(44 727 620)	12 605 959
Refuse	66 016 451	(62 166 059)	3 850 392
Sewerage	59 470 656	(54 406 135)	5 064 520
Interest	67 880 692	(66 810 356)	1 070 336
Other	4 152 146	(3 722 213)	429 933
Other Receivables			
Prepayments	3 887 751	-	3 887 751
Accrued Interest	728 681	-	728 681
Total	**269 724 343**	**(232 905 994)**	**36 818 349**
30 June 2021			
Service Receivables			
Electricity	8 470 493	(612 280)	7 858 213
Water	44 415 301	(31 414 221)	13 001 081
Refuse	57 049 027	(53 468 002)	3 581 026
Sewerage	52 152 689	(46 034 434)	6 118 255
Interest	56 891 411	(56 030 900)	860 511
Other	3 320 098	(2 907 838)	412 260
Other Receivables			
Prepayments	3 077 933	-	3 077 933
Accrued Interest	361 323	-	361 324
Total	**225 738 276**	**(190 467 674)**	**35 270 602**

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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Ageing of Receivables from Exchange Transactions		
Electricity		
0 - 30 Days (Current)	8 163 434	6 897 944
1 to 3 months	1 452 769	1 137 570
4 months to 1 year	255 402	163 424
Over 1 year	382 781	271 555
Total	**10 254 387**	**8 470 493**
Water		
0 - 30 Days (Current)	12 179 302	12 691 198
1 to 3 months	6 403 029	4 793 596
4 months to 1 year	12 560 948	8 404 991
Over 1 year	26 190 301	18 525 516
Total	**57 333 579**	**44 415 301**
Refuse		
0 - 30 Days (Current)	4 029 306	3 529 145
1 to 3 months	4 595 910	4 451 194
4 months to 1 year	10 043 508	8 989 391
Over 1 year	47 347 726	40 079 297
Total	**66 016 451**	**57 049 027**
Sewerage		
0 - 30 Days (Current)	5 175 966	6 164 685
1 to 3 months	4 053 313	3 721 986
4 months to 1 year	10 272 625	9 049 334
Over 1 year	39 968 751	33 216 684
Total	**59 470 656**	**52 152 689**
Interest		
0 - 30 Days (Current)	2 161 977	1 328 630
1 to 3 months	5 126 376	4 132 877
4 months to 1 year	9 127 381	6 252 117
Over 1 year	51 464 958	45 177 787
Total	**67 880 692**	**56 891 411**
Other		
0 - 30 Days (Current)	463 089	278 939
1 to 3 months	492 768	473 816
4 months to 1 year	667 319	615 981
Over 1 year	2 528 970	1 951 363
Total	**4 152 146**	**3 320 098**
Summary Ageing of all Receivables from Exchange Transactions		
0 - 30 Days (Current)	32 173 075	30 890 540
1 to 3 months	22 124 166	18 711 039
4 months to 1 year	42 927 184	33 475 237
Over 1 year	167 883 486	139 222 203
Total	**265 107 911**	**222 299 020**

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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Service Receivables	**60 247 815**	**53 457 636**
Property Rates	48 545 414	42 521 093
Availability Charges	11 702 401	10 936 543
Other Receivables	**32 613 545**	**22 222 176**
Unpaid Traffic Fines	32 150 600	20 721 500
Other Receivables	462 946	553 414
Unpaid Grants	-	947 263
Total Gross Balance	**92 861 361**	**75 679 812**
Less: Allowance for Debt Impairment	(75 702 273)	(59 120 055)
Total Net Receivable	**17 159 087**	**16 559 757**
As previously reported		16 029 637
Correction of error restatement - note 49.1		530 120
Restated balance		**16 559 757**

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilites.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	59 120 055	64 982 649
Movement in the contribution to the provision	30 891 690	18 126 181
Property Rates	10 100 479	4 542 158
Availability Charges	909 861	1 223 865
Unpaid Traffic Fines	19 881 350	12 360 158
Bad Debts Written off	(14 309 472)	(23 988 774)
Property Rates	(3 845 470)	(4 646)
Availability Charges	(129 652)	(475 538)
Unpaid Traffic Fines	(10 334 350)	(23 508 590)
Balance at the end of the year	**75 702 273**	**59 120 055**

The allowance for debt impairment of property rates has been made for all balances outstanding (excluding outstanding government debt) based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the collection rate over the last 12 months.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2022			
Service Receivables			
Property Rates	48 545 414	(34 666 642)	13 878 772
Availability Charges	11 702 401	(11 186 631)	515 770
Other Receivables			
Unpaid Traffic Fines	32 150 600	(29 849 000)	2 301 600
Other Receivables	462 946	-	462 946
Unpaid Grants	-	-	-
Total	**92 861 361**	**(75 702 273)**	**17 159 087**

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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2021			
Service Receivables			
Property Rates	42 521 093	(28 411 632)	14 109 461
Availability Charges	10 936 543	(10 406 423)	530 120
Other Receivables			
Unpaid Traffic Fines	20 721 500	(20 302 000)	419 500
Other Receivables	553 414	-	553 414
Unpaid Grants	947 263	-	947 263
Total	**75 679 812**	**(59 120 055)**	**16 559 757**

Ageing of Receivables from Non-Exchange Transactions

Property Rates		
0 - 30 Days (Current)	8 329 431	9 518 399
1 to 3 months	5 698 902	5 520 812
4 months to 1 year	11 312 707	8 662 926
Over 1 year	23 204 374	18 818 956
Total	**48 545 414**	**42 521 093**
Availability Charges		
0 - 30 Days (Current)	447 408	396 918
1 to 3 months	664 635	632 000
4 months to 1 year	1 366 941	1 344 120
Over 1 year	9 223 416	8 563 506
Total	**11 702 401**	**10 936 543**

5 TAXES

VAT Claimable/(Payable)	3 202 925	2 307 868
VAT in Suspense	(18 875 647)	(14 042 398)
VAT on Allowance for Debt Impairment	22 499 914	18 289 447
Total	**6 827 192**	**6 554 917**
As previously reported		6 554 917
Correction of error restatement - note 49.1		-
Restated balance		6 554 917

Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	18 289 447	16 287 548
Debt Impairment for current year	4 210 467	2 001 898
Balance at the end of the year	**22 499 914**	**18 289 447**

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6 OPERATING LEASES

6.1 OPERATING LEASE ASSET

Operating Lease Asset	597 267	522 793

The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	522 793	457 759
Movement during the year	74 475	65 034
Balance at the end of the year	**597 267**	**522 793**

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	684 596	1 101 411
Between 1 and 5 Years	1 548 758	1 319 034
After 5 Years	1 384 293	1 119 608
Total operating lease payments	**3 617 648**	**3 540 053**

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The Municipality leases a number of land and buildings for periods ranging from 2 to 99 years with escalations of between 0% and 20% per annum.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

Significant lease agreements include, but are not limited to:

- Lease of Loerkop Caravan Park for a period of 20 years ending 30 September 2031 with an annual escalation of 10%.
- Lease of a portion of Farm 329 - Grabouw for a period of 9 years and 10 months ending 30 March 2029, with an annual escalation of 6%.
- Lease of office space at the Thusong Centre - Grabouw for a period of 3 years ending 31 March 2023 with an annual escalation of 8%

7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	6 074 560	8 561 885
Less: Allowance for Debt Impairment	(2 207 888)	(3 368 719)
Total Net Receivable	**3 866 671**	**5 193 166**
Less: Current portion of Long-term Receivables	(1 560 573)	(1 895 549)
Total	**2 306 099**	**3 297 617**

At year-end debtors amounting to R6 074 4560 (2021 - R8 561 885) arranged to settle their accounts over an re-negotiated period. Total payments to the value of R3 677 468 (2021 - R5 725 877) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	3 368 719	1 849 898
Movement in the contribution to the provision	(1 160 831)	1 518 821
Balance at the end of the year	**2 207 888**	**3 368 719**

The allowance for debt impairment of arrangements has been made for all balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

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8 INVENTORY

Maintenance Materials	11 920 222	9 433 552
Water	720 887	729 363
Total	**12 641 109**	**10 162 915**

Inventory are disclosed at the lower of cost or net realisable value.

The Municipality recognised only purification costs in respect of non-purchased purified water inventory.

No inventory were pledged as security for liabilities.

Inventory written down due to losses identified during the annual stores counts	76 960	372 612
Inventory recognised as an expense during the year	11 728 972	11 058 021

9 INVESTMENT PROPERTY

Investment Property - Carrying Value	**69 973 721**	**71 817 801**
As previously reported		69 981 587
Correction of error restatement - note 49.2		1 836 214
Restated balance		71 817 801

The carrying value of Investment Property is reconciled as follows:

Opening Carrying Value	**71 817 801**	**73 092 451**
Cost	77 965 807	76 245 140
Accumulated Depreciation	(950 114)	(823 105)
Accumulated Impairment	(5 197 892)	(2 329 584)
Additions	-	-
Contributed Assets	-	1 850 000
Impairment	(1 558 714)	(2 868 308)
Disposals	(183 109)	(129 333)
Cost	(205 254)	(129 333)
Accumulated Depreciation	-	-
Accumulated Impairment	22 145	-
Depreciation	(102 257)	(127 009)
Closing Carrying Value	**69 973 721**	**71 817 801**
Cost	77 760 552	77 965 807
Accumulated Depreciation	(1 052 371)	(950 114)
Accumulated Impairment	(6 734 460)	(5 197 892)

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance or enhancements.

Revenue derived from the rental of Investment Property	1 829 947	1 789 517

No significant operating expenditure was incurred on investment property during the 2021/22 and 2020/21 financial year.

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10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2022				
Land and Buildings	131 037 548	(7 680 827)	(2 660 710)	120 696 011
Infrastructure	1 035 268 157	(194 040 492)	-	841 227 665
Community Assets	763 623	(497 209)	-	266 415
Other Assets	81 026 503	(26 070 523)	-	54 955 980
Capitalised Restoration Cost	72 374 154	(53 259 218)	(10 143 696)	8 971 240
Total	**1 320 469 985**	**(281 548 268)**	**(12 804 406)**	**1 026 117 310**
30 June 2021				
Land and Buildings	130 574 094	(6 833 243)	(2 660 710)	121 080 141
Infrastructure	946 145 423	(176 193 589)	-	769 951 834
Community Assets	763 623	(474 817)	-	288 806
Other Assets	75 509 546	(24 859 963)	-	50 649 583
Capitalised Restoration Cost	71 211 934	(45 599 085)	(10 143 696)	15 469 152
Total	**1 224 204 620**	**(253 960 698)**	**(12 804 406)**	**957 439 516**
As previously reported				957 066 418
Correction of error restatement - note 49.3				373 098
Restated balance				957 439 516

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

10.1 Repairs and Maintenance were incurred on the following asset classes:

Land and Buildings	6 904 239	8 859 029
Infrastructure	12 632 674	11 664 665
Community Assets	60 020	107 142
Other Assets	4 737 320	5 943 361
Total	24 334 253	26 574 196

10.2 Capital Restoration Cost

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.3 Reconciliation of Carrying Value

30 June 2022	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**130 574 094**	**463 454**	**-**	**-**	**-**	**131 037 548**	**9 493 952**	**847 585**	**-**	**-**	**10 341 537**	**120 696 011**
Land	44 523 013	-	-	-	-	44 523 013	2 660 710	-	-	-	2 660 710	41 862 303
Buildings	82 222 645	-	-	-	564 573	82 787 218	6 833 243	847 585	-	-	7 680 827	75 106 390
Work in progress	3 828 436	463 454	-	-	(564 573)	3 727 317	-	-	-	-	-	3 727 317
Infrastructure	**946 145 423**	**89 122 734**	**-**	**-**	**-**	**1 035 268 157**	**176 193 589**	**17 846 902**	**-**	**-**	**194 040 492**	**841 227 665**
Roads and Storm water	231 962 657	-	-	-	4 459 762	236 422 419	65 043 027	4 290 673	-	-	69 333 701	167 088 718
Electricity Network	123 296 802	-	-	-	4 997 289	128 294 091	22 402 273	2 592 093	-	-	24 994 366	103 299 725
Sewerage Network	216 140 707	-	-	-	5 065 546	221 206 253	41 025 803	5 236 552	-	-	46 262 355	174 943 898
Water Network	183 899 661	-	-	-	11 310 793	195 210 455	46 599 513	5 243 374	-	-	51 842 887	143 367 568
Refuse Removal	11 953 887	-	-	-	6 780 456	18 734 343	1 122 972	484 210	-	-	1 607 183	17 127 160
Work in progress	178 891 707	89 122 734	-	-	(32 613 845)	235 400 596	-	-	-	-	-	235 400 596
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**763 623**	**474 817**	**22 391**	**-**	**-**	**497 209**	**266 415**
Parks and Gardens	561 924	-	-	-	-	561 924	273 118	22 391	-	-	295 509	266 415
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	201 699	-
Other Assets	**75 509 546**	**8 998 105**	**(3 514 798)**	**33 650**	**-**	**81 026 503**	**24 859 963**	**3 483 080**	**-**	**(2 272 520)**	**26 070 523**	**54 955 980**
Computer Equipment	8 861 153	1 352 351	(960 548)	33 650	-	9 286 606	3 434 308	495 052	-	(595 810)	3 333 550	5 953 056
Furniture and Office Equipment	8 495 797	1 248 146	(392 169)	-	-	9 351 774	4 013 486	513 407	-	(257 526)	4 269 368	5 082 407
Machinery and Equipment	10 470 138	567 377	(433 881)	-	-	10 603 635	4 284 657	570 358	-	(242 447)	4 612 569	5 991 066
Transport Assets	47 682 457	5 830 231	(1 728 200)	-	-	51 784 488	13 127 512	1 904 263	-	(1 176 738)	13 855 037	37 929 451
Capitalised Restoration Cost	**71 211 934**	**1 575 021**	**(412 801)**	**-**	**-**	**72 374 154**	**55 742 782**	**7 660 132**	**-**	**-**	**63 402 914**	**8 971 240**
Landfill Site Rehabilitation	71 211 934	1 575 021	(412 801)	-	-	72 374 154	55 742 782	7 660 132	-	-	63 402 914	8 971 240
	1 224 204 620	**100 159 313**	**(3 927 599)**	**33 650**	**-**	**1 320 469 985**	**266 765 104**	**29 860 091**	**-**	**(2 272 520)**	**294 352 675**	**1 026 117 310**

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.3 Reconciliation of Carrying Value

30 June 2021	Cost						Accumulated Depreciation and Impairment					Carrying Value (Restated)
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**129 397 602**	**1 146 229**	**(385 906)**	**416 169**	**-**	**130 574 094**	**8 709 640**	**784 313**	**-**	**-**	**9 493 952**	**121 080 141**
Land	44 485 543	-	-	-	37 470	44 523 013	2 660 710	-	-	-	2 660 710	41 862 303
Buildings	77 235 950	-	-	416 169	4 570 526	82 222 645	6 048 930	784 313	-	-	6 833 243	75 389 402
Work in progress	7 676 109	1 146 229	(385 906)	-	(4 607 996)	3 828 436	-	-	-	-	-	3 828 436
Infrastructure	**872 139 928**	**74 781 295**	**(775 800)**	**-**	**-**	**946 145 423**	**158 864 195**	**17 341 506**	**-**	**(12 112)**	**176 193 589**	**769 951 834**
Roads and Storm water	225 469 004	-	-	-	6 493 653	231 962 657	60 958 287	4 084 740	-	-	65 043 027	166 919 630
Electricity Network	103 344 506	-	(12 177)	-	19 964 474	123 296 802	19 775 968	2 638 417	-	(12 112)	22 402 273	100 894 529
Sewerage Network	213 614 600	-	-	-	2 526 108	216 140 707	35 838 646	5 187 157	-	-	41 025 803	175 114 904
Water Network	181 831 672	-	-	-	2 067 989	183 899 661	41 459 057	5 140 456	-	-	46 599 513	137 300 148
Refuse Removal	11 953 887	-	-	-	-	11 953 887	832 237	290 735	-	-	1 122 972	10 830 915
Work in progress	135 926 259	74 781 295	(763 622)	-	(31 052 224)	178 891 707	-	-	-	-	-	178 891 707
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**763 623**	**452 426**	**22 391**	**-**	**-**	**474 817**	**288 806**
Parks and Gardens	561 924	-	-	-	-	561 924	250 726	22 391	-	-	273 118	288 806
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	201 699	-
Other Assets	**66 693 566**	**9 671 904**	**(871 123)**	**15 198**	**-**	**75 509 546**	**21 489 996**	**3 706 415**	**-**	**(336 448)**	**24 859 963**	**50 649 583**
Computer Equipment	8 229 726	804 069	(186 441)	13 799	-	8 861 153	2 884 741	626 969	-	(77 402)	3 434 308	5 426 845
Furniture and Office Equipment	8 111 771	678 346	(295 718)	1 399	-	8 495 797	3 611 317	474 860	-	(72 692)	4 013 486	4 482 311
Machinery and Equipment	9 045 909	1 708 143	(283 914)	-	-	10 470 138	3 846 672	560 077	-	(122 092)	4 284 657	6 185 481
Transport Assets	41 306 161	6 481 346	(105 049)	-	-	47 682 457	11 147 265	2 044 508	-	(64 262)	13 127 512	34 554 945
Capitalised Restoration Cost	**50 645 161**	**20 566 774**	**-**	**-**	**-**	**71 211 934**	**49 027 863**	**404 325**	**6 310 595**	**-**	**55 742 782**	**15 469 152**
Landfill Site Rehabilitation	50 645 161	20 566 774	-	-	-	71 211 934	49 027 863	404 325	6 310 595	-	55 742 782	15 469 152
	1 119 639 880	**106 166 201**	**(2 032 828)**	**431 367**	**-**	**1 224 204 620**	**238 544 120**	**22 258 949**	**6 310 595**	**(348 559)**	**266 765 104**	**957 439 516**

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11 INTANGIBLE ASSETS

Intangible Assets - Carrying Value	**332 434**	**778 745**

The carrying value of intangible Assets is reconciled as follows:

Opening Carrying Value	**778 745**	**907 985**
Cost	1 453 516	1 453 516
Accumulated Amortisation	(674 770)	(545 530)
Accumulated Impairment	-	-
Additions	107 890	-
Amortisation	(129 581)	(129 240)
Disposal	(424 620)	-
Cost	(939 250)	-
Accumulated Amortisation	514 630	-
Closing Carrying Value	**332 434**	**778 745**
Cost	622 156	1 453 516
Accumulated Amortisation	(289 721)	(674 770)
Accumulated Impairment	-	-

The following material intangible assets are included in the carrying value above:

Description	**Remaining amortisation period**	**Carrying Value**	
Computer software/licenses	5 - 8 years	332 434	778 745

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

12 HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets are for service delivery and to derive rental income and are therefore recognised in Property, Plant and Equipment and Investment Property. The assets are as follows:

Erf 614, Caledon - utilised as the Town Hall	519 451	524 445
Erven 12 and 14 - Villiersdorp - leased to Tourism Buro	114 861	116 096
Bridge at Meul Street, Caledon	-	-
Bridge at Farm 39, Genadendal	96	109
Total carrying value included under Property, Plant and Equipment	**634 408**	**640 650**

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

13 NON-CURRENT INVESTMENTS

Listed shares	163 051	189 265
Fixed Deposits	12 673 904	11 698 904
Total	**12 836 955**	**11 88[illegible]169**

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13 NON-CURRENT INVESTMENTS (CONTINUED)

13.1 Listed shares

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

Listed investments comprise of the following:

Sanlam - Shares Investment	163 051	189 265

13.2 Fixed Deposits

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 9.75% per annum. The fixed deposit matures 4 October 2024.

The fixed deposit is ring-fenced for the repayment of stock loans as per note 14.2.

Fixed deposits consist out of the following:

Nedbank - Account number 03 7881715316 0000 44 - 5 year investment	12 673 904	11 698 904

14 LONG-TERM LIABILITIES

Annuity Loans	102 116 608	78 821 514
Stock Loans	14 469 800	16 022 969
Sub-Total	**116 586 408**	**94 844 483**
Less: Current portion of Long-term Liabilities	13 810 915	10 995 688
Annuity Loans	13 810 915	9 442 519
Stock Loans	-	1 553 169
Total	**102 775 493**	**83 848 795**
Long-term Liabilities were utilised as follow:		
Total Long-term Liabilities taken up	116 586 408	94 844 483
Used to finance Property, Plant and Equipment at cost	(116 586 408)	(94 844 483)
Unspent Borrowings	**-**	**-**

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

14.1 Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA BANK - 10 & 20 year (Loan No. 102807/1)	10.74%	30/06/2028	4 531 595	5 071 581
DBSA BANK - 10 & 20 year (Loan No. 103108/1)	11.44%	30/09/2028	5 614 159	6 173 049
DBSA BANK - 20 year (103313.1)	9.85%	31/03/2029	12 895 152	14 127 092
DBSA BANK - 15 year (103313.2)	9.97%	31/03/2024	1 496 863	2 143 045
DBSA BANK - 20 year (103817/3)	11.06%	31/12/2030	7 654 027	8 176 551
STANDARD BANK- 15 year (272400572)	12.22%	30/06/2026	3 733 380	4 421 359
ABSA BANK - 15 year (40-7908-8994)	10.79%	27/06/2027	6 064 626	6 941 292
ABSA BANK - 10 year (387230963)	10.63%	27/06/2024	2 400 975	3 427 429
ABSA - 5 year (3050777771)	8.95%	30/06/2024	901 468	1 295 408
ABSA - 7 year (3050777789)	9.19%	30/06/2026	1 607 861	1 925 994
ABSA - 10 year (3050777763)	9.62%	30/06/2029	2 586 386	2 833 785
NEDBANK - 15 year (05/78310356050)	10.45%	30/06/2034	2 373 881	2 469 963
STANDARD BANK - 4 year (000600694)	6.63%	31/12/2024	4 569 155	5 903 939
STANDARD BANK - 10 year (000600703)	8.26%	28/06/2030	4 485 538	4 868 511
STANDARD BANK - 15 year (000600712)	9.76%	28/06/2035	6 135 986	6 363 656
ABSA - 7 year (3052887574)	9.19%	30/06/2027	2 327 944	2 678 860
STANDARD BANK - 15 year (000682253)	10.79%	30/12/2036	14 091 133	-
ABSA - 5 year (3054670983)	8.66%	30/10/2026	11 907 933	-
ABSA - 7 year (3054671133)	9.19%	30/10/2028	4 805 266	-
ABSA - 10 year (3054671256)	9.89%	30/10/2031	1 933 280	-
Total			**102 116 608**	**78 821 514**

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14 LONG-TERM LIABILITIES (CONTINUED)

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	23 530 004	17 066 817
Payable within two to five years	79 278 786	61 138 961
Payable after five years	46 246 833	36 544 034
Total amount payable	**149 055 624**	**114 749 812**
Less: Outstanding Future Finance Charges	(46 939 016)	(35 928 298)
Present value of annuity loans	**102 116 608**	**78 821 514**

14.2 Stock Loans

Stock Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA BANK - 15 year (1022754)	9.39%	31/03/2022	-	1 553 169
DBSA BANK - 20 year (1022755)	9.29%	31/03/2027	8 469 800	8 469 800
DBSA BANK - 20 year (1014871)	9.46%	31/12/2024	6 000 000	6 000 000
Total			**14 469 800**	**16 022 969**

The following serve as security for stock loans:

- Fixed Deposit as per note 13.2	12 673 904	11 698 904
- Cession on outstanding consumer debtors	6 000 000	6 000 000
Total	**18 673 904**	**17 698 904**

Stock loans are payable as follows:

Payable within one year	1 354 582	3 053 418
Payable within two to five years	18 474 906	10 572 928
Payable after five years	-	9 256 560
Total amount payable	**19 829 488**	**22 882 906**
Less: Outstanding Future Finance Charges	(5 359 688)	(6 859 937)
Present value of stock loans	**14 469 800**	**16 022 969**

15 CONSUMER DEPOSITS

Water and Electricity Deposits	**4 968 411**	**4 832 729**

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

16 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	31 560 043	37 406 091
Retentions	8 589 370	10 721 031
Payments Received in Advance	6 702 110	7 606 577
Department of Human Settlements	5 334 915	5 447 325
Unused Pre-paid Electricity	1 103 346	1 122 746
Sundry Deposits	15 638 481	7 747 510
Accrued Interest	709 317	819 732
Land Sales Deposits	570 717	594 644
Total	**70 208 298**	**71 465 658**
As previously reported		71 031 727
Correction of error restatement - note 49.4		433 931
Restated balance		**71 465 658**

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16 PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Payables are being recognised net of any discounts received.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include wayleave, hall, builders and housing deposits.

Department of Human Settlements balance consist of the following:

Advances received in terms of principal-agent arrangments - note 60	5 334 916	5 447 327

17 UNSPENT CONDITIONAL GOVERNMENT GRANTS

National Government	9 616 504	5 390 714
Provincial Government	5 708 319	4 938 027
District Municipality	90 000	-
Other Grant Providers	400 427	400 427
Total	**15 815 250**	**10 729 168**
As previously reported		10 794 063
Correction of error restatement - note 49.5		(64 895)
Restated balance		**10 729 168**

Detail reconciliations of all grants received and grant conditions met are included in note 24. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

18 UNSPENT PUBLIC CONTRIBUTIONS

Hogeschool van Arnhem en Nijmegen (HAN)	297 868	329 439
Bursaries Fund	4 150	-
Total	**302 018**	**329 439**

Detail reconciliations of all public contributions received are included in note 25. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.

Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.

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19 CURRENT EMPLOYEE BENEFITS

Bonuses	5 786 275	5 637 851
Staff Leave	19 361 628	17 420 525
Performance Bonuses	-	211 495
Pension	10 768	10 768
Group Insurance	163 052	189 266
Standby and Overtime	1 672 135	1 128 248
Current portion of Non-Current Employee Benefits - note 20	3 529 000	2 918 000
Post Retirement Medical Benefits	1 928 000	1 875 000
Long Service Awards	1 601 000	1 043 000
Total	**30 522 858**	**27 516 153**
As previously reported		26 818 216
Correction of error restatement - note 49.6		697 937
Restated balance		**27 516 153**

The movement in current employee benefits are reconciled as follows:

19.1 Bonuses

Opening Balance	5 637 851	5 271 519
Contribution during the year	11 530 402	11 236 970
Payments made	(11 381 977)	(10 870 639)
Balance at the end of the year	**5 786 275**	**5 637 851**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.

19.2 Staff Leave

Opening Balance	17 420 525	16 827 198
Contribution during the year	2 870 549	1 712 737
Payments made	(929 446)	(1 119 410)
Balance at the end of the year	**19 361 628**	**17 420 525**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

19.3 Performance Bonuses

Opening Balance	211 495	398 505
Contribution during the year	(7 603)	(21 978)
Payments made	(203 892)	(165 032)
Balance at the end of the year	**-**	**211 495**

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.

19.4 Pension

Opening Balance	10 768	10 768
Payments made	-	-
Balance at the end of the year	**10 768**	**10 768**

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

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19 CURRENT EMPLOYEE BENEFITS (CONTINUED)

19.5 Group Insurance

Opening Balance	189 266	181 771
Fair Value adjustment during the year	(26 214)	7 495
Balance at the end of the year	**163 052**	**189 266**

Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.

19.6 Standby and Overtime

Balance at beginning of year	1 128 248	1 031 122
Contribution during the year	1 672 135	1 128 248
Payments made	(1 128 248)	(1 031 122)
Balance at end of year	**1 672 135**	**1 128 248**

Standby and overtime worked by staff in current financial year, but paid in following financial year.

20 EMPLOYEE BENEFITS

Post Retirement Medical Benefits	52 433 000	48 610 000
Long Service Awards	12 239 000	11 239 000
Sub-Total	**64 671 999**	**59 849 000**
Less: Current portion of Employee Benefits	**3 529 000**	**2 918 000**
Post Retirement Medical Benefits	1 928 000	1 875 000
Long Service Awards	1 601 000	1 043 000
Total	**61 142 999**	**56 931 000**
As previously reported		51 225 000
Correction of error restatement - note 49.6		5 706 000
Restated balance		**56 931 000**

20.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	48 610 000	39 962 000
Contribution during the year	7 286 000	6 167 000
Current Service Cost	2 493 000	2 079 000
Interest Cost	4 793 000	4 088 000
Payments made	(1 802 937)	(1 711 124)
Actuarial Loss/(Gain)	(1 660 063)	4 192 124
Total balance at year-end	52 433 000	48 610 000
Less: Current portion	(1 928 000)	(1 875 000)
Total	**50 505 000**	**46 735 000**

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	242	230
In-service non-members	386	408
Continuation members	35	35
Total	**663**	**673**

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20 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	**In-Service Members R**	**In-Service non-Members R**	**Continuation Members R**	**Total unfunded Liability R**
30 June 2022	24 890 000	5 656 000	21 887 000	**52 433 000**
30 June 2021	22 103 000	5 082 000	21 425 000	**48 610 000**
30 June 2020	18 142 000	4 031 000	17 789 000	**39 962 000**
30 June 2019	19 925 000	4 575 000	19 323 000	**43 823 000**
30 June 2018	30 211 000	5 795 000	16 449 000	**52 455 000**

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:	**Liabilities (Gain) / Loss R**	**Assets Gain / (Loss) R**
30 June 2022	(1 065 000)	-
30 June 2021	(296 000)	-
30 June 2020	5 928 000	-
30 June 2019	(4 506 000)	-
30 June 2018	6 859 000	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas
LA Health
Hosmed
Samwumed
Keyhealth

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	11.83%	10.05%
Health Care Cost Inflation Rate	8.44%	6.79%
Net Effective Discount Rate (Health Care Cost Inflation)	3.13%	3.05%

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

A discount rate of 11.83% per annum has been used. The corresponding index-linked yield at this term is 4.10%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Stock Exchange of South Africa after the market close on 30 June 2022.

ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Last Valuation

The last valuation was performed on 4 August 2022.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

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20 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Liability at year-end

Assumption	Eligible Employees (R)	Continuation members (R)	Total liability (R)	% change
Liability	30 546 000	21 887 000	52 433 000	
Health care inflation rate (+ 1%)	37 013 000	23 932 000	60 945 000	16%
Health care inflation rate (- 1%)	25 448 000	20 111 000	45 559 000	-13%
Discount rate (+ 1%)	25 626 000	20 176 000	45 802 000	-13%
Discount rate (- 1%)	36 857 000	23 885 000	60 742 000	16%
Post-employment mortality (+ 1 year)	29 722 000	21 113 000	50 835 000	-3%
Post-employment mortality (- 1 year)	31 363 000	22 665 000	54 028 000	3%
Average retirement age (- 1 year)	33 508 000	21 887 000	55 395 000	6%
Membership continuation (- 10%)	26 691 000	21 887 000	48 578 000	-7%

Sensitivity Analysis - Future Service and Interest Cost

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2022/23	2 669 000	6 092 000	8 761 000	
Health care inflation (+ 1%)	3 298 000	7 098 000	10 396 000	19%
Health care inflation (- 1%)	2 179 000	5 279 000	7 458 000	-15%
Discount rate (+ 1%)	2 216 000	5 756 000	7 972 000	-9%
Discount rate (- 1%)	3 253 000	6 477 000	9 730 000	11%
Post-employment mortality (+ 1 year)	2 597 000	5 903 000	8 500 000	-3%
Post-employment mortality (- 1 year)	2 737 000	6 280 000	9 017 000	3%
Average retirement age (- 1 year)	2 810 000	6 442 000	9 252 000	6%
Continuation of membership at retirement (- 10%)	2 336 000	5 636 000	7 972 000	-9%

20.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	11 239 000	10 429 000
Contribution during the year	2 076 000	1 757 000
Current Service Cost	1 044 000	981 000
Interest Cost	1 032 000	776 000
Payments made	(1 053 394)	(870 973)
Actuarial Loss/(Gain)	(22 606)	(76 027)
Total balance at year-end	**12 239 000**	**11 239 000**
Less: Current portion	(1 601 000)	(1 043 000)
Total	**10 638 000**	**10 196 000**

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards	628	638

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	**Unfunded Liability R**
30 June 2022	12 239 000
30 June 2021	11 239 000
30 June 2020	10 429 000
30 June 2019	9 684 129
30 June 2018	7 194 517

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The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Figures in Rand	2022	2021

20 EMPLOYEE BENEFITS (CONTINUED)

Experience adjustments were calculated as follows:	**Liabilities (Gain) / Loss R**	**Assets Gain / (Loss) R**
30 June 2022	106 394	-
30 June 2021	110 973	-
30 June 2020	405 329	-
30 June 2019	142 031	-
30 June 2018	482 659	-

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	11.25%	9.62%
General earnings inflation rate (long-term)	7.42%	5.91%
Net discount rate	3.56%	3.50%

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

A discount rate of 11.25% per annum has been used. The corresponding liability-weighted index-linked yield is 4.07%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2022.

ii) Last Valuation

The last valuation was performed on 23 July 2022.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	**Current Liability (R)**	**Liability (R)**	**% Change**
General earnings inflation rate (+ 1%)	12 239 000	13 071 000	7%
General earnings inflation rate (- 1%)	12 239 000	11 490 000	-6%
Discount rate (+ 1%)	12 239 000	11 476 000	-6%
Discount rate (- 1%)	12 239 000	13 101 000	7%
Average retirement age (+ 2 years)	12 239 000	13 846 000	13%
Average retirement age (- 2 years)	12 239 000	10 793 000	-12%
Withdrawal rates (x 2)	12 239 000	9 665 000	-21%
Withdrawal rates (x 0.5)	12 239 000	14 043 000	15%

Sensitivity Analysis on the Current-service and Interest Costs (Next Financial Year)

Assumption	**Current Service Cost (R)**	**Interest Cost (R)**	**Total (R)**	**% Change**
Estimated for 2022/23	1 076 000	1 289 000	2 365 000	
General earnings inflation rate (+ 1%)	1 168 000	1 382 000	2 550 000	8%
General earnings inflation rate (- 1%)	994 000	1 205 000	2 199 000	-7%
Discount rate (+ 1%)	1 001 000	1 310 000	2 311 000	-2%
Discount rate (- 1%)	1 160 000	1 262 000	2 422 000	2%
Average retirement age (+ 2 years)	1 198 000	1 470 000	2 668 000	13%
Average retirement age (- 2 years)	966 000	1 127 000	2 093 000	-12%
Withdrawal rates (x 2)	771 000	999 000	1 770 000	-25%
Withdrawal rates (x 0.5)	1 305 000	1 492 000	2 797 000	18%

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Figures in Rand	2022	2021

20 EMPLOYEE BENEFITS (CONTINUED)

20.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	116 623	110 037
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in an sound financial position with a funding level of 102% (30 June 2020 - 100%).		
Consolidated Retirement Fund (Former Cape Retirement Fund)	21 882 431	21 146 679
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in a sound financial position with a funding level of 100.5% (30 June 2020 - 100.5%).		
Total	**21 999 053**	**21 256 716**

Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

Defined Contribution Plans

Council contributes to the following defined contribution plans:

Municipal Councillors Pension Fund	14 864	44 669
SALA Pension Fund	130 279	134 629
SAMWU National Provident Fund	2 328 346	2 410 239
National Fund for Municipal Workers	230 350	217 811
Total	**2 703 838**	**2 807 348**

The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

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Figures in Rand	2022	2021

21 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	**125 806 416**	**119 172 025**

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	119 172 025	91 568 233
Contribution during the year	6 634 391	27 603 792
Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset	1 162 221	20 566 774
Decrease in estimate allocated to Statement of Financial Performance	(3 431 172)	-
Interest Cost	8 903 342	7 037 019
Total	**125 806 416**	**119 172 025**

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life.

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate of 8.818% (2021 - 7.471%) which is based on the South African 5 year Government Bond yield.

The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions (m^2)	Rehabilitation cost per m^2 (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Caledon	59 661	828	46 798 435	42 262 585
Genadendal	20 490	907	16 431 259	15 648 782
Greyton	16 978	930	14 180 185	13 011 487
Riviersonderend	10 720	1 194	11 848 791	11 049 444
Villiersdorp	21 110	919	18 009 312	17 399 161
Botrivier	17 537	1 196	18 538 434	19 800 565
Total			**125 806 416**	**119 172 025**

The estimate cost, based on an average inflation rate of 5.52% (2021 - 5.36%), and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Caledon	2024	55 010 957	51 975 131
Genadendal	2026	23 039 539	20 137 245
Greyton	2026	19 060 508	17 994 415
Riviersonderend	2025	14 636 118	14 218 702
Villiersdorp	2025	22 789 257	18 919 290
Botrivier	2026	25 994 172	22 869 684
Total		**160 530 551**	**146 114 467**

22 RESERVES

Capital Replacement Reserve	**40 252 671**	**37 219 568**

The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

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Figures in Rand	2022	2021

23 PROPERTY RATES

Rateable Land and Buildings	127 714 860	121 164 337
Total	**127 714 860**	**121 164 337**
As previously reported		121 197 773
Correction of error restatement - note 49.1		(33 435)
Restated balance		**121 164 337**

Property rate levied are based on the following rateable valuations:

Residential (including Residential Vacant)	6 340 245 737	6 486 581 369
Business and Commercial (Including vacant)	2 002 074 716	1 981 155 366
Industrial (Including vacant)	288 654 500	298 247 500
Mining	3 174 000	3 174 000
Public benefit Organizations	136 549 369	96 354 819
Public Service Infrastructure	65 161 000	51 552 500
Public Service Purposes (formerly included in State-owned)	591 812 692	567 046 000
Agricultural	15 870 366 672	15 829 001 391
Total Valuation	25 298 038 686	25 313 112 945

Rate that is applicable to the valuations above:

Residential (including Residential Vacant)	0.9553 c/R	0.8970 c/R
Business and Commercial (Including vacant)	1.9106 c/R	1.7940 c/R
Industrial (Including vacant)	1.9106 c/R	1.7940 c/R
Mining	1.9106 c/R	1.7940 c/R
Public benefit Organizations	0.2389 c/R	0.2243 c/R
Public Service Infrastructure	0.2389 c/R	0.2243 c/R
Public Service Purposes (formerly included in State-owned)	1.9106 c/R	1.7940 c/R
Agricultural	0.1913 c/R	0.1796 c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it. The Municipality grants the following rebates on the valuation of property:

- R85 000 for all residential properties valued R200 000 or less.
- R145 000 if the consumer is older than 70 years and the residential property is valued R200 000 or less.
- 100% rebate if the consumer is older than 60 years and the household income is less than R5 000 per month.
- 50% rebate if the consumer is older than 60 years and the household income is less than R10 000 per month.
- 100% rebate for all registered Non-profit organisations (NPO's)

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Figures in Rand	2022	2021
24 GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants - National Government	**106 976 000**	**118 783 000**
Equitable Share	106 976 000	118 783 000
Conditional Grants - National Government	**32 572 994**	**35 436 502**
Finance Management Grant (FMG)	1 636 460	1 702 037
Municipal Infrastructure Grant (MIG)	21 080 186	23 112 927
Expanded Public Works Programme (EPWP)	1 721 000	1 924 047
Integrated National Electrification Programme (INEP)	2 116 146	5 000 000
Public Works	-	-
Water and Sanitation	-	-
Municipal Disaster Relief Grant	-	150 229
Energy Efficiency & Demand Side Management Grant	3 519 202	3 547 263
Water Service Infrastructure Grant (WSIG)	2 500 000	-
Municipal Drought Relief	-	-
Conditional Grants - Provincial Government	**31 367 825**	**19 043 801**
Housing	18 089 152	5 693 273
CDW Contribution	139 797	170 000
Thusong Multi Purpose Centre	-	150 000
Main Roads Subsidy	129 932	130 000
Financial Management Support Grant (FMSG)	1 217	153 399
Library Subsidy	9 723 977	9 250 757
Municipal Capacity Building Grant	373 146	473 287
Local Government Graduate Internship Allocation	-	-
Municipal Disaster Recovery (Water Supply Grant)	-	-
Sport and Recreation	-	238 066
Municipal Drought Relief (MDR)	112 584	1 874 786
Regional socio-economic projects (RSEP)	440 564	52 600
Municipal Intervention Grant	147 770	-
Municipal Service Delivery and Capacity Building Grant (MSDCB)	1 000 000	857 632
Public Employment Support Grant	1 209 687	-
Conditional Grants - District Municipality		
Safety Audit and Safety Plan Grant	-	-
Conditional Grants - Other Grant Providers	**347 761**	**342 047**
DBSA Local Economic Development	-	-
SETA	347 761	342 047
SANRAL	-	-
Total	**171 264 580**	**173 605 350**
Disclosed as:		
Government Grants and Subsidies - Operating	127 049 690	137 761 584
Government Grants and Subsidies - Capital	44 214 890	35 843 766
Total	**171 264 580**	**173 605 350**
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	106 976 000	118 783 000
Vote 1 - Directorate Finance	5 725 903	6 061 211
Vote 4 - Electricity	5 359 328	8 752 894
Vote 6 - Executive and council	-	-
Vote 6 - Office of the Municipal Manager	1 217	4 149
Vote 8 - Directorate Technical Services and Planning	38 336 036	27 925 838
Vote 12 - Waste management	-	-
Vote 13 - Waste water management	-	-
Vote 14 - Water	2 612 584	1 874 786
Vote 15 - Directorate Development and Community Services	12 253 511	10 203 772
Total	**171 264 580**	**173 605 350**

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Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

24.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received / (Repaid)	106 976 000	118 783 000
Transferred to Revenue - Operating	(106 976 000)	(118 783 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	**-**	**-**

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

24.02 Finance Management Grant (FMG)

Opening Unspent Balance	-	2 037
Grants Received / (Repaid)	1 650 000	1 700 000
Transferred to Revenue - Operating	(1 610 000)	(1 682 037)
Transferred to Revenue - Capital	(26 460)	(20 000)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	13 540	**-**

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

24.03 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	2 875 312	175 239
Grants Received / (Repaid)	22 762 000	25 813 000
Transferred to Revenue - Operating	(3 180 794)	(3 550 205)
Transferred to Revenue - Capital	(17 899 392)	(19 562 722)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	4 557 126	2 875 312

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

24.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	6 953	76 002
Grants Received / (Repaid)	1 714 047	1 854 998
Transferred to Revenue - Operating	(1 721 000)	(1 924 047)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	6 953

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

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24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.05 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	7 120 000	5 000 000
Transferred to Revenue - Operating	(276 019)	(652 000)
Transferred to Revenue - Capital	(1 840 127)	(4 348 000)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	5 003 854	-

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

24.06 Municipal Disaster Relief Grant

Opening Unspent Balance	-	166 228
Grants Received / (Repaid)	-	(15 999)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(150 229)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

This grant was utilised to provide for the immediate release of funds for disaster purpose.

24.07 Energy Efficiency & Demand Side Management Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	4 500 000	2 600 000
Transferred to Revenue - Operating	(504 885)	(469 000)
Transferred to Revenue - Capital	(3 014 317)	(3 078 263)
Transfer to / (from) Receivables	(947 263)	947 263
Closing Unspent Balance	33 535	-

Grant was utilised for the purchase and installation of street lights.

24.08 Water Service Infrastructure Grant (WSIG)

Opening Unspent Balance	2 500 000	-
Grants Received / (Repaid)	-	2 500 000
Transferred to Revenue - Operating	(326 087)	-
Transferred to Revenue - Capital	(2 173 913)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	2 500 000

Grant will be utilised for the replacement of water pipes.

24.09 Municipal Drought Relief

Opening Unspent Balance	8 449	8 449
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	8 449	8 449

The grant will be utilised for boreholes.

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Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.10 Housing

Opening Unspent Balance	277 998	-
Grants Received / (Repaid)	20 052 691	5 971 271
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(18 089 152)	(5 693 273)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	2 241 537	277 998

Housing grants was utilised for the development of erven and infrastructure.

24.11 CDW Contribution

Opening Unspent Balance	105 156	163 156
Grants Received / (Repaid)	132 000	112 000
Transferred to Revenue - Operating	(139 797)	(170 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	97 359	105 156

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

24.12 Thusong Multi Purpose Centre

Opening Unspent Balance	70 593	70 593
Grants Received / (Repaid)	(70 593)	150 000
Transferred to Revenue - Operating	-	(150 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	70 593

The grant is intended to be utilised for the improvement of financial governance.

24.13 Main Roads Subsidy

Opening Unspent Balance	88 611	88 611
Grants Received / (Repaid)	129 932	130 000
Transferred to Revenue - Operating	(129 932)	(130 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	88 611	88 611

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

24.14 Financial Management Support Grant (FMSG)

Opening Unspent Balance	719 079	872 478
Grants Received / (Repaid)	(323 228)	-
Transferred to Revenue - Operating	(1 217)	(153 399)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	394 634	719 079

The grant is intended to be utilised for the improvement of financial governance.

24.15 Library Subsidy

Opening Unspent Balance	1 508 467	1 648 224
Grants Received / (Repaid)	10 612 000	9 111 000
Transferred to Revenue - Operating	(9 646 761)	(9 044 496)
Transferred to Revenue - Capital	(77 216)	(206 261)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	2 396 490	1 508 467

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

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24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.16 Municipal Capacity Building Grant

Opening Unspent Balance	825 866	999 153
Grants Received / (Repaid)	(369 152)	300 000
Transferred to Revenue - Operating	(373 146)	(473 287)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	83 568	825 866

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

24.17 Local Government Graduate Internship Allocation

Opening Unspent Balance	20 000	20 000
Grants Received / (Repaid)	(20 000)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	20 000

This grant will be utilised for the recruitment of interns.

24.18 Municipal Disaster Recovery (Water Supply Grant)

Opening Unspent Balance	569 425	569 425
Grants Received / (Repaid)	(569 425)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	569 425

This grant will be utilised for boreholes.

24.19 Sport and Recreation

Opening Unspent Balance	6 636	244 702
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	(238 066)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	6 636	6 636

This grant will be utilised for boreholes.

24.20 Municipal Drought Relief (MDR)

Opening Unspent Balance	263 214	388 000
Grants Received / (Repaid)	(150 525)	1 750 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(112 584)	(1 874 786)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	105	263 214

The grant will be utilised for boreholes.

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Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.21 Regional socio-economic projects (RSEP)

Opening Unspent Balance	447 400	-
Grants Received / (Repaid)	-	500 000
Transferred to Revenue - Operating	(67 110)	-
Transferred to Revenue - Capital	(373 454)	(52 600)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	6 836	447 400

This grant is earmarked for the erection of fencing, security gates and installation of shutter doors at the trading market.

24.22 Municipal Intervention Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	150 000	-
Transferred to Revenue - Operating	(147 770)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	2 230	-

This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.

24.23 Municipal Service Delivery and Capacity Building Grant (MSDCB)

Opening Unspent Balance	35 582	893 214
Grants Received / (Repaid)	964 418	-
Transferred to Revenue - Operating	(391 725)	-
Transferred to Revenue - Capital	(608 275)	(857 632)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	35 582

This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.

24.24 Public Employment Support Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 600 000	-
Transferred to Revenue - Operating	(1 209 687)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	390 313	-

This grant will be used to coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress.

24.25 Safety Audit and Safety Plan Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	90 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	90 000	-

This grant will be used to conduct a safety audit and draft a safety plan with the aim to establish a Community Safety Forum (CSF) for the Municipality as outlined in the National Crime Prevention Strategy and White Paper on Safety and Security.

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Figures in Rand		2022	2021
24	**GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**		
24.26	**DBSA Local Economic Development**		
	Opening Unspent Balance	226 477	226 477
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	226 477	226 477
	This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.		
24.27	**SETA**		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	347 761	342 047
	Transferred to Revenue - Operating	(347 761)	(342 047)
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	-	-
	This grant is for the training and development of municipal officials.		
24.28	**SANRAL**		
	Opening Unspent Balance	173 950	173 950
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	173 950	173 950
	This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.		
24.29	**Total Grants**		
	Opening Unspent Balance	10 729 169	6 785 938
	Grants Received / (Repaid)	177 297 926	176 601 317
	Transferred to Revenue - Operating	(127 049 690)	(137 761 584)
	Transferred to Revenue - Capital	(44 214 890)	(35 843 766)
	Transfer to / (from) Receivables	(947 263)	947 263
	Closing Unspent Balance	15 815 252	10 729 169
25	**PUBLIC CONTRIBUTIONS AND DONATIONS**		
	Hogeschool van Arnhem en Nijmegen (HAN)	729 541	495 127
	Bursaries Fund	-	-
	Total	**729 541**	**495 127**
	The movements per grant can be summarised as follows:		
25.01	**Hogeschool van Arnhem en Nijmegen (HAN)**		
	Opening Unspent Balance	329 439	536 036
	Grants Received	697 970	288 530
	Transferred to Revenue - Operating	(729 541)	(495 127)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	**297 868**	**329 439**
	The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.		

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Figures in Rand		2022	2021
25	**PUBLIC CONTRIBUTIONS AND DONATIONS (CONTINUED)**		
25.02	**Bursaries Fund**		
	Opening Unspent Balance	-	-
	Grants Received	4 150	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	**4 150**	**-**

Contributions are made by contractors in terms of the service level agreements with the Municipality. The funds are to be utilised for bursary schemes towards the community.

26	**CONTRIBUTED ASSETS**	
Investment Property	-	1 850 000
Property, Plant and Equipment	33 650	431 367
Total	**33 650**	**2 281 367**
As previously reported		15 198
Correction of error restatement - note 49.2		1 850 000
Correction of error restatement - note 49.3		416 169
Restated balance		2 281 367
Contributed Assets consists out of the following:		
- Computer and Office Equipment	33 650	15 198
- Building	-	1 850 000
- Sports field	-	416 169
Total	33 650	2 281 367
The contributed assets were received from the following parties:		
- Insurance company replaced the assets rather than paying a refund	33 650	15 198
- Building became the property of Municipality after lease expired	-	1 850 000
- The Sports Trust	-	416 169
Total	33 650	2 281 367
27	**AVAILABILITY CHARGES**	
Electricity	1 310 984	1 179 358
Water	1 830 394	1 873 819
Refuse Removal	718 767	727 696
Sewerage and Sanitation	874 948	875 865
Total	**4 735 093**	**4 656 737**
As previously reported		-
Correction of error restatement - note 49.1		4 656 737
Restated balance		**4 656 737**

Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

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Figures in Rand	2022	2021

28 FINES, PENALTIES AND FORFEITS

Traffic	24 541 000	12 302 900
Pound Fees	430 517	130 316
Unclaimed Money	1 642 754	1 488 385
Overdue Books	6 598	7 077
Total	**26 620 869**	**13 928 678**

In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.

29 ACTUARIAL GAINS

Post Retirement Medical Benefits	1 660 063	-
Long Service Awards	22 606	76 027
Total	**1 682 669**	**76 027**

The actuarial gains mainly originated as a result of a increase in the net discount rate being used by the actuaries to calculate the employee benefits.

30 OTHER INCOME (NON-EXCHANGE)

Landfill Sites - iGRAP 2 adjustments	3 431 172	-
Insurance Refund	1 529 684	412 387
Total	**4 960 856**	**412 387**

Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.

31 SERVICE CHARGES

Electricity	118 368 896	105 438 957
Water	86 907 199	83 474 403
Refuse Removal	51 791 925	48 596 860
Sewerage and Sanitation	49 311 037	47 077 737
Total Revenue	**306 379 056**	**284 587 957**
Less: Rebates	(43 443 469)	(37 284 055)
Electricity	(5 054 905)	(4 092 895)
Water	(10 359 461)	(8 387 616)
Refuse Removal	(14 824 479)	(13 137 842)
Sewerage and Sanitation	(13 204 624)	(11 665 701)
Total	**262 935 587**	**247 303 902**
As previously reported		253 477 071
Correction of error restatement - note 49.1		(6 173 168)
Restated balance		**247 303 902**

Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.

32 RENTAL OF FACILITIES AND EQUIPMENT

Buildings and Commonage	2 049 607	1 013 447
Halls and Sportfields	115 764	46 938
Total	**2 165 371**	**1 060 385**

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Figures in Rand	2022	2021

33 AGENCY SERVICES

Drivers Licences	1 151 543	1 348 913
Duplicate Registration	106 334	102 729
Instructor Certificate	825	165
Learners	167 837	170 823
Roadworthy Applications	230 346	245 074
Roadworthy Certificates	45 276	48 325
Special Permits	32 832	26 256
Temporary Permits	37 188	39 072
Vehicle Licences	3 887 743	3 738 115
Vehicle Registration	1 479 922	1 564 442
Total	**7 139 847**	**7 283 913**

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 60 for additional disclosure in this regard.

The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.

34 LICENCES AND PERMITS

Trading	16 543	108 598
Filming Fees	19 250	-
Total	**35 792**	**108 598**

35 OTHER INCOME (EXCHANGE)

Building Plan Approval	1 512 325	1 217 993
Building Plans Clause Levy	116 795	106 063
Cemetery and Burial	910 348	779 536
Clearance Certificates	247 530	279 985
Collection Charges	1 182 490	1 028 849
Development Charges	1 278 945	826 505
Escort Fees	72 431	2 562
Photocopies and Faxes	59 604	43 061
Sub-division and Consolidation Fees	422 968	269 726
Sundry Income	377 457	161 987
Tender Documents	352 316	357 394
Wayleave Charges	1 873 718	180 357
Total	**8 406 927**	**5 254 020**

36 CONSTRUCTION CONTRACTS

Construction of Housing Top Structures	29 853	1 555 677
Total	**29 853**	**1 555 677**

The Municipality has assessed that it acts as the Developer for the Department of Human Settlements for the construction of top structures.

As the contracts with the Department of Human Settlements are non-commercial contracts with no profit margins, the revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the top structures, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

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36 CONSTRUCTION CONTRACTS (CONTINUED)

Reconciliation for the year

Opening balance	-	882 222
Payments / Advances received	29 853	673 455
Expenditure incurred / Revenue Recognised	(29 853)	(1 555 677)
Gross amount due to Department of Human Settlements	-	-

37 EMPLOYEE RELATED COSTS

Basic Salaries and Wages	150 309 696	139 939 992
Pension and UIF Contributions	25 922 223	25 107 649
Medical Aid Contributions	8 816 039	8 338 064
Overtime	9 692 072	8 087 326
Motor Vehicle Allowances	9 091 531	8 782 696
Cell Phone Allowances	870 375	724 961
Housing Allowances	914 566	1 833 628
Other benefits and allowances	9 327 374	8 127 844
Acting Allowances	1 185 248	1 312 631
Bargaining Council	80 480	80 240
Group Life Insurance	2 194 995	1 485 603
Standby Allowances	5 866 652	5 249 371
Contributions to Employee Benefits	17 930 347	15 987 730
Bonuses	11 530 402	11 236 970
Staff Leave	2 870 549	1 712 737
Performance Bonuses	(7 603)	(21 978)
Long Service Awards	1 044 000	981 000
Post Retirement Medical Benefits	2 493 000	2 079 000
Workmen's Compensation	1 147 860	1 028 046
Total	**234 022 083**	**217 957 936**
As previously reported		217 632 903
Correction of error restatement - note 49.6		325 033
Restated balance		**217 957 936**

Remuneration of Management Personnel

The Municipal Manager's contract was terminated on 30 June 2022. At year end, the only permanent employed director was the Director: Financial Services of which his contract was subsequently terminated on 28 July 2022. During the year interim directors were appointed on a 3 months contract period which was subject to renewal. There are no post-employment or termination benefits payable to them at the end of the contract period.

Municipal Manager - DP Lubbe (8 April 2021 - 30 June 2022)

Annual Remuneration	943 322	248 417
Travelling Allowance	360 526	82 806
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	38 860	-
Total	1 342 708	331 223

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37 EMPLOYEE RELATED COSTS (CONTINUED)

Interim Municipal Manager - JJ Jonkers (17 Jan 22 - 17 Apr 22)		
Annual Remuneration	638 510	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	638 510	-
Director: Financial Services - D Louw		
Annual Remuneration	859 797	862 047
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical and Pension Funds	211 004	208 755
Performance Bonus	165 032	165 032
Total	1 343 834	1 343 834
Interim Director: Financial Services - BM Ngubo (Appointed 4 April 22)		
Annual Remuneration	284 877	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	284 877	-
Director: Technical and Infrastructure - DD Damons (1 Aug 21 - 31 May 2022)		
Annual Remuneration	780 583	-
Travelling Allowance	100 000	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	880 583	-
Interim Director: Development and Planning - MH Gxoyiya (Appointed 24 Jan 22)		
Annual Remuneration	477 741	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	19 092	-
Performance Bonus	-	-
Total	496 833	-
Interim Director: Community Services - WSE Solomons-Johannes (Appointed 24 Jan 22)		
Annual Remuneration	504 369	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	504 369	-

Employees acting in management positions

The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are the acting allowances and additional benefits received for the period in which they acted in the respective positions.

		Duration (days)			
Employee	**Acting Position**	**2022**	**2021**		
J Amansure	Municipal Manager	-	14	-	13 453
D Louw	Municipal Manager	34	194	33 954	205 142
A Riddles	Director: Finance Services	57	181	17 122	24 161
J Amansure	Director: Corporate Services	261	-	24 486	-
Total				75 562	242 756

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38 REMUNERATION OF COUNCILLORS

Executive Mayor	888 632	931 874
Deputy Executive Mayor	606 573	754 326
Speaker	717 262	754 319
Mayoral Committee Members	3 365 425	3 526 814
Other Councillors	6 321 698	6 180 387
Total	**11 899 590**	**12 147 720**

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and five Mayoral Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties.

39 DEBT IMPAIRMENT

Receivables from Exchange Transactions	57 781 951	44 572 090
Receivables from Non-Exchange Transactions	30 891 690	18 126 181
Long-term Receivables	(1 160 831)	1 518 821
Total Debt Impairment	**87 512 810**	**64 217 092**
Movement in VAT included in debt impairment	(4 210 467)	(2 001 898)
Total	**83 302 343**	**62 215 194**
As previously reported		62 817 073
Correction of error restatement - note 49.1		(601 880)
Restated balance		**62 215 194**

40 DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	29 860 091	22 258 949
Investment Property	102 257	127 009
Intangible Assets	129 581	129 240
Total	**30 091 929**	**22 515 198**
As previously reported		22 407 813
Correction of error restatement - note 49.2		13 786
Correction of error restatement - note 49.3		93 599
Restated balance		**22 515 198**

41 IMPAIRMENT

Investment Property	1 558 714	2 868 308
Capitalised Restoration Cost	-	6 310 595
Total	**1 558 714**	**9 178 903**

Impairment on Investment Property relates to buildings which were vandalised.

Impairment on Capitalised Restoration Cost relates to an increase in the landfill site rehabilitation provision of which the corresponding asset is no longer in use. In terms of iGRAP 2, the increase in the provision will result in an increase in the corresponding asset, but as the asset is no longer in use, the said increase in the asset is impaired in full.

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42 FINANCE CHARGES

Cash	11 108 079	9 826 576
Long-term Liabilities	11 108 079	9 826 576
Non-cash	14 728 342	11 901 019
Post Retirement Medical Benefits	4 793 000	4 088 000
Long Service Awards	1 032 000	776 000
Rehabilitation of Landfill Sites	8 903 342	7 037 019
Total	**25 836 421**	**21 727 594**
As previously reported		21 245 594
Correction of error restatement - note 49.6		482 000
Restated balance		**21 727 594**

43 BULK PURCHASES

Electricity	86 238 654	75 568 546
Water	19 371 402	18 187 819
Total	**105 610 057**	**93 756 366**

Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including Department of Water and Sanitation, Overberg Water and a number of private suppliers.

44 CONTRACTED SERVICES

Alien Vegetation Control	362 176	582 933
Business and Financial Management	4 347 578	5 478 116
Clearing and Grass Cutting Services	249 848	260 378
Construction of Housing Top Structures	29 853	1 555 677
Copier Costs	156 780	192 608
Drivers Licence Cards	564 929	321 480
Electrical Contractors	2 404 287	1 258 609
Engineering - Civil	1 005 421	253 994
Fire Services	2 358 208	2 121 296
Legal Advice	2 196 658	1 881 608
Maintenance Services	12 800 652	16 577 299
Management of Informal Settlements	86 480	862 500
Refuse Haulage	3 932 276	2 333 858
Research and Advisory	195 929	572 986
Personnel and Labour	7 185 615	5 339 447
Security Services	4 523 852	489 585
Traffic Fines Management	-	162 908
Translators, Scribes and Editors	42 154	58 651
Valuation Services	175 828	49 906
Water Tests	495 760	465 805
Other Contracted Services	1 639 853	2 237 779
Total	**44 754 133**	**43 057 421**

Other Contracted Services consist out of a variety of services, including but not limited to animal care, catering services, human resources and audit committee.

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Figures in Rand		2022	2021
45	**TRANSFERS AND GRANTS**		
	Indigent Subsidies - Electricity	4 103 314	3 223 774
	Mayoral Charity Fund	213 644	132 945
	Local Economic Development	100 000	-
	Visitors Information Centre	200 000	-
	Small Enterprise Development Agency (SEDA)	100 000	-
	Total	**4 716 958**	**3 356 719**
	As previously reported		3 223 774
	Correction of error restatement - note 49.8		132 945
	Restated balance		**3 356 719**
46	**OTHER EXPENDITURE**		
	Advertising, Publicity and Marketing	523 724	441 848
	Audit Fees	3 971 782	3 990 968
	Bank Charges	623 442	733 551
	Commission Paid (Electricity)	1 986 026	1 984 651
	Electricity - Eskom	13 997 384	10 053 115
	Computer Services and Licences	9 739 502	7 196 237
	Dumping fees (Karwyderskraal)	1 669 823	1 834 816
	Fuel Cost	7 038 530	5 065 420
	Full Time Union Representative	252 745	186 716
	Hire Charges	3 463 103	2 505 583
	Insurance	3 062 174	2 632 202
	Maintenance Materials	9 424 647	8 284 140
	Material and protective clothing	1 315 803	1 806 776
	Membership fees	2 380 261	2 326 299
	Postage	81 798	168 711
	Printing and stationery	816 742	738 988
	Refuse bags	490 822	591 648
	Skills development levy	1 950 929	1 522 136
	Telephone	967 265	747 234
	Training	523 362	383 082
	Travel and subsistence	532 710	276 055
	Ward Committees	6 400	60 950
	Water Purification	2 141 594	1 896 804
	Sundries and Other Consumables	3 199 630	3 994 514
	Total	**70 160 199**	**59 422 445**
	As previously reported		59 555 390
	Correction of error restatement - note 49.8		(132 945)
	Restated balance		**59 422 445**
47	**LOSS ON DISPOSAL OF NON-MONETARY ASSETS**		
	Proceeds	1 239 910	816 669
	Less: Carrying value of Investment Property disposed	(183 109)	(129 333)
	Less: Carrying value of Property, Plant and Equipment disposed	(1 242 278)	(1 684 269)
	Less: Carrying value of Intangible Assets disposed	(424 620)	-
	Total	**(610 096)**	**(996 933)**

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Figures in Rand	2022	2021

48 ACTUARIAL LOSSES

Post Retirement Medical Benefits	-	4 192 124
Total	**-**	**4 192 124**
As previously reported		3 681 140
Correction of error restatement - note 49.6		510 984
Restated balance		**4 192 124**

The actuarial loss mainly originated as a result of a decrease in the net discount rate being used by the actuaries to calculate the Post Retirements Medical Benefits.

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

49.1 Receivables from Exchange Transactions

The following errors were noted:

- Industrial effluent for 2020/21 was incorrectly calculated, resulting that both receivables and revenue were overstated by R1 110 947.
- During the 2020/21 statutory audit, the Auditor General (AGSA) raised a finding that Availability Charges should be disclosed as non-exchange revenue and not as exchange revenue. The Municipality adopted AGSA's recommendation and reclassified Availability Charges as non-exchange revenue. Accordingly, availability charges revenue and the associated net receivable amounting to R4 723 467 and R530 120 respectively, were reclassified.
- Internal charges amounting to R2 401 300 (VAT inclusive) was not cleared at year-end, which resulted in revenue being overstated. In addition, the said internal charges were also fully impaired which resulted that debt impairment was also overstated. Due to the internal charges balances being fully impaired, there were no impact on the net receivable balances.

The net effect of the above-mentioned errors were as follow:

- Receivables from Exchange Transactions - note 2	Overstated	(1 641 067)
- Receivables from Non-Exchange Transactions - note 3	Understated	530 120
- Taxes - note 5	Understated	-
- Property Rates - note 23	Overstated	(33 435)
- Availability Charges - note 27	Understated	4 656 737
- Service Charges - note 31	Overstated	(6 173 168)
- Interest Earned - Outstanding Debtors - note 49.8	Overstated	(162 961)
- Debt Impairment - note 39	Overstated	(601 880)
- Accumulated Surplus - note 49.7	Understated	-

49.2 Investment Property

The Municipality had a property lease agreement with a third party. As per the agreement, the building constructed by the third party on the property will revert back to the Municipality upon termination of the lease agreement. The agreement was terminated during 2020/21, but the building with a net carrying value of R1 836 214 was not recognised in the asset register.

The net effect of the above-mentioned error were as follow:

- Investment Property - note 9	Understated	1 836 214
- Contributed Assets - note 26	Understated	1 850 000
- Depreciation and Amortisation - note 40	Understated	13 786

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Figures in Rand		2022	2021

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

49.3 Property, Plant and Equipment

The following errors were noted:

- It was noted during the physical verifications of assets that movable assets with a carrying value amounting to R47 721 were not recorded on the asset register.
- Projects completed in prior years were incorrectly disclosed as work in progress, and accordingly depreciation amounting to R90 791 was not charged.
- A building amounting to R416 169 was donated to the Municipality in the prior year, but was not recorded in the asset register.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 10	Understated	373 098
- Contributed Assets - note 26	Understated	416 169
- Depreciation and Amortisation - note 40	Understated	93 599
- Accumulated Surplus - note 49.7	Understated	50 528

49.4 Payables from Exchange Transactions

Unknown receipts amounting to R566 069 relating to 2018/19 was not recognised as revenue in the following year as per the accounting policy.

The net effect of the above-mentioned errors were as follow:

- Payables from Exchange Transactions - note 16	Overstated	(566 069)
- Accumulated Surplus - note 49.7	Understated	566 069

49.5 Unspent Conditional Government Grants

The grant conditions relating to the Economic Development grant was met, but the revenue was never recognised.

The net effect of the above-mentioned errors were as follow:

- Unspent Conditional Government Grants - note 17	Overstated	(64 895)
- Accumulated Surplus - note 49.7	Understated	64 895

49.6 Employee Benefits

The following errors were noted:

- Post Retirement Medical Benefits was incorrectly calculated due to an assumption which was incorrectly applied. The assumption related to whether a maximum subsidy threshold will be applied for post employment contributions. The assumption was that a maximum subsidy threshold would apply, however it was noted that no maximum subsidy threshold is applied for post employment contributions. Accordingly, the benefits balance was understated by R5 951 000.
- Standby hours worked by staff in June which are paid in July, were not accrued resulting that Current Employee Benefits were under by R452 937.

The net effect of the above-mentioned errors were as follow:

- Current Employee Benefits - note 19	Understated	697 937
- Employee Benefits - note 20	Understated	5 706 000
- Employee Related Costs - note 37	Understated	325 033
- Finance Charges - note 42	Understated	482 000
- Actuarial Losses - note 48	Understated	910 984
- Accumulated Surplus - note 49.7	Overstated	(5 085 920)

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49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

49.7 Accumulated Surplus

The net effect of the above-mentioned errors were as follow on Accumulated Surplus:

- Receivables from Exchange Transactions - note 49.1	-
- Property, Plant and Equipment - note 49.3	50 528
- Payables from Exchange Transactions - note 49.4	566 069
- Employee Benefits - note 49.6	(5 085 920)
- Unspent Conditional Government Grants - note 49.5	64 895
Total	(4 404 428)

49.8 Statement of Financial Performance

Interest Earned - Outstanding Debtors	12 155 517
As previously reported	12 318 478
Correction of error restatement - note 49.1	(162 961)

49.8 Reclassification

Mayoral Charity Fund amounting to R132 945 was incorrectly classified as Other Expenditure, rather than Transfers and Grants.

The above mentioned reclassification effected the following line items:

- Transfers and Grants - note 45	132 945
- Other Expenditure - note 46	(132 945)

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50 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus for the year	33 342 032	49 915 023
Adjusted for:		
Non-cash revenue included in Net Surplus	(5 221 967)	(2 422 428)
Actuarial Gains	(1 682 669)	(76 027)
Contributed Assets	(33 650)	(2 281 367)
Rental of Facilities and Equipment - decrease in operating lease asset	(74 475)	(65 034)
Change in Provisions for Restoration of Landfill Site	(3 431 172)	-
Non-cash expenditure included in Net Surplus	149 867 692	128 122 842
Employee Related Costs - Contributions towards	19 576 268	17 123 472
Post Retirement Medical Benefits	2 493 000	2 079 000
Long Service Awards	1 044 000	981 000
Bonuses	11 530 402	11 236 970
Staff Leave	2 870 549	1 712 737
Performance Bonuses	(7 603)	(21 978)
Group Insurance	(26 214)	7 495
Standby and Overtime	1 672 135	1 128 248
Debt Impairment	83 302 343	62 215 194
Depreciation and Amortisation	30 091 929	22 515 198
Impairment	1 558 714	9 178 903
Actuarial Losses	-	4 192 124
Finance Charges	14 728 342	11 901 019
Post Retirement Medical Benefits	4 793 000	4 088 000
Long Service Awards	1 032 000	776 000
Provision for Rehabilitation of Landfill-sites	8 903 342	7 037 019
Loss on disposal of Non-Monetary Assets	610 096	996 933
Cash expenditure not included in Net Surplus	(16 499 894)	(15 768 300)
Post Retirement Medical Benefits	(1 802 937)	(1 711 124)
Long Service Awards	(1 053 394)	(870 973)
Bonuses	(11 381 977)	(10 870 639)
Staff Leave	(929 446)	(1 119 410)
Performance Bonuses	(203 892)	(165 032)
Pension	-	-
Standby and Overtime	(1 128 248)	(1 031 122)
Operating Surplus before changes in working capital	161 487 864	159 847 138
Movement in working capital	(83 885 196)	(62 704 922)
Long-term Receivables	2 487 325	(4 340 275)
Receivables from Exchange Transactions	(59 329 698)	(40 034 039)
Receivables from Non-Exchange Transactions	(31 491 021)	(16 256 278)
Taxes	3 938 192	2 413 355
Inventory	(2 478 193)	(3 730 416)
Consumer Deposits	135 684	67 942
Payables from exchange transactions	(1 257 359)	(3 579 350)
Unspent Conditional Government Grants	5 086 082	3 943 230
Unspent Public Contributions	(27 421)	(206 597)
Non-current Investments	(948 786)	(982 494)
Cash Flow from Operating Activities	**77 602 668**	**97 142 216**

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51 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	116 873 931	116 550 486
Call and Notice Deposits	49 098 691	47 529 807
Cash Floats	9 699	9 699
Total	**165 982 321**	**164 089 992**

Refer to note 2 for more details relating to cash and cash equivalents.

52 BUDGET COMPARISONS

52.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats. The following items are affected by these classification differences:

Statement of Financial Position

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Statement of Financial Performance

The following actual results were reclassified to ensure that the performance for the year is measured on a comparable basis to the budget approved, which are guided by mSCOA and National Treasury (NT) classifications and principles:

Item	GRAP Classification	Budget Classification	Amount
Workmen's Compensation	Employee Related Costs	Other Expenditure	1 147 860
Employee Benefits	Finance Charges	Employee Related Costs	5 825 000
Water	Bulk Purchases	Inventory Consumed	19 371 402
Construction of Housing Top Structures	Contracted Services	Transfers and Grants	29 853
Indigent Subsidies - Electricity	Transfers and Grants	Other Expenditure	4 103 314
Commission Paid (Electricity)	Other Expenditure	Contracted Services	1 986 026
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	2 372 749
Printing and stationery	Other Expenditure	Inventory Consumed	727 001
Maintenance Materials	Other Expenditure	Inventory Consumed	9 424 647
Refuse bags	Other Expenditure	Inventory Consumed	490 822
Water Purification	Other Expenditure	Inventory Consumed	2 141 594
Property, Plant and Equipment	Contributed Assets	Transfers and subsidies - capital (monetary)	33 650

The treatment of the funding received from the Department of Human Settlements (DoHS) for the Peoples Housings Project (PHP) has different treatment for GRAP and budget purposes. For budget purposes, revenue is budgeted as part of "Transfers recognised - Operational" and the respective expenditure is budgeted as Transfers and Grants, but for GRAP purposes it is treated as an agent function and accordingly no revenue or expenditure is reflected in the Statement of Financial Performance. In order to align the actuals to the budgeted amounts, the following reclassification of revenue and expenditure is required:

Item	GRAP Classification	Budget Classification	Amount
Funding received from DoHS	None	Transfers Recognised - Operational	1 122 105
Expenditure incurred on behalf of DoHS	None	Transfers and Grants	1 122 105

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52 BUDGET COMPARISONS (CONTINUED)

Reconciliation of Actuals	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
REVENUE			
Property Rates	127 714 860	-	127 714 860
Service Charges - Electricity Revenue	114 624 975	-	114 624 975
Service Charges	113 313 991		
Availability Charges	1 310 984		
Service Charges - Water Revenue	78 378 131	-	78 378 131
Service Charges	76 547 737		
Availability Charges	1 830 394		
Service Charges - Sanitation Revenue	36 981 360	-	36 981 360
Service Charges	36 106 413		
Availability Charges	874 948		
Service Charges - Refuse Revenue	37 686 213	-	37 686 213
Service Charges	36 967 446		
Availability Charges	718 767		
Rental of Facilities and Equipment	2 165 371	-	2 165 371
Interest Earned - External Investments	10 542 388	-	10 542 388
Interest Earned - Outstanding Debtors	16 906 671	-	16 906 671
Fines	26 620 869	-	26 620 869
Licences and Permits	35 792	-	35 792
Agency Services	7 139 847	-	7 139 847
Transfers and Subsidies - operating	127 079 543	1 122 105	128 201 647
Government Grants and Subsidies - Operating	127 049 690		
Construction Contracts	29 853		
Other Revenue	14 097 325	-	14 097 325
Public Contributions and Donations	729 541		
Other Income (Non-Exchange)	4 960 856		
Other Income (Exchange)	8 406 927		
Gains	1 682 669	-	1 682 669
Actuarial Gains	1 682 669		
Gain on disposal of Non-Monetary Assets	-		
Total Revenue (excluding capital transfers)	**601 656 014**	**1 122 105**	**602 778 118**

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52 BUDGET COMPARISONS (CONTINUED)

EXPENDITURE

Employee Related Costs	234 022 083	4 677 140	238 699 223
Remuneration of Councillors	11 899 590	-	11 899 590
Debt Impairment	83 302 343	-	83 302 343
Depreciation and Asset Impairment	31 650 643	-	31 650 643
Depreciation and Amortisation	30 091 929		
Impairment	1 558 714		
Finance Charges	25 836 421	(5 825 000)	20 011 421
Bulk purchases	105 610 057	(19 371 402)	86 238 654
Inventory consumed	-	34 528 216	34 528 216
Contracted Services	44 754 133	1 956 173	46 710 307
Transfers and Grants	4 716 958	(2 951 357)	1 765 601
Other Expenditure	70 160 199	(11 891 664)	58 268 534
Losses	610 096	-	610 096
Loss on disposal of Non-Monetary Assets	610 096		
Actuarial Losses	-		
Total Expenditure	**612 562 523**	**1 122 105**	**613 684 627**
Surplus/(Deficit)	**(10 906 508)**	**-**	**(10 906 509)**
Transfers and subsidies - capital (monetary) - Government	44 214 890	33 650	44 248 540
Transfers and subsidies - capital (monetary) - Other	-	-	-
Transfers and subsidies - capital (in-kind)	33 650	(33 650)	-
Surplus/(Deficit) for the year	**33 342 032**	**-**	**33 342 031**

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects.

52.2 Statement of Financial Position

Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2020/21.

Accumulated Surplus was adjusted to take into account budget adjustments made to the Statement of Financial Performance.

Actual Amounts vs Final Budget

Cash and Call Investment Deposits	Actuals were more than budget due to a general underspending of operating and capital budget which resulted in more cash available.
Property, plant and equipment	Actuals were less than budget due to underspending of capital budget by R45 million.
Borrowing	Actuals were less than budget as not all loans were taken up at year-end.
Provisions and Employee Benefits	Actuals were more than budget due to Post Retirement Medical Benefits was which incorrectly calculated due to an assumption which was incorrectly applied. Refer to prior year error note 49.6.
Accumulated Surplus	Accumulated Surplus was more than budget as a result of variances as noted under the budget comparison of the Statement of Financial Performance.

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52 BUDGET COMPARISONS (CONTINUED)

52.3 Statement of Financial Performance

Adjustments to Original Budget

Interest Earned - Outstanding Debtors	Decreased due to initial budget inflated as result of income targets not reached.
Fines, Penalties and Forfeits	Traffic Fine revenue increased due to the implementation of a new traffic revenue strategy to increase the amount of traffic fines issued.
Employee Related Costs	Decreased as a result of vacant posts of directors not filled.
Debt Impairment	Increased due to the increase in traffic fine revenue of which the collection rate is relatively low.
Depreciation and Asset Impairment	Increased as a result of impairment on assets identified during the year.
Other Expenditure	Increased mainly due to software licences not included in initial budget, and own electricity usage which was more than anticipated.
Transfers and subsidies - capital (monetary) - Government	Decrease due to the MIG grant and Human Settlements grant allocation which were withheld, as well as SANRAL funding project postponed to the following financial year.

Virements

The Virement Policy as approved by Council gives authority to the Chief Financial Officer to approve transfers or adjustments falling outside the ambit of this policy. This includes virements between any vote to comply with GRAP requirements. These entries in the final virement passed is within the allowed exception of said policy.

Actual Amounts vs Final Budget

Transfers Recognised - Operational	Actuals were less than budget mainly as a result of housing projects which were suspended as a result of disputes with contractors.
Transfers and Grants	Actuals were less than budget mainly as a result of housing projects which were suspended as a result of disputes with contractors.
Transfers and subsidies - capital (monetary) - Government	Actuals were less than budget mainly as a result of housing projects which were delayed for various reasons.

52.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Decreased due to MIG and Human Settlements grant monies withheld.
Net Cash from/(used) Investing Activities	Increased due to the MIG grant and Human Settlements grant allocation which were withheld, as well as SANRAL funding project postponed to the following financial year.
Net Cash from/(used) Financing Activities	Decrease due to less loans anticipated to be taken up.

Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	Actuals were less than budget mainly as a result of housing projects which were delayed for various reasons.
Net Cash from/(used) Investing Activities	Actuals were less than budget mainly as a result of housing projects which were delayed for various reasons.
Net Cash from/(used) Financing Activities	Actuals were less than budget as less loans were taken up as anticipated.

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53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

53.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	-	-
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	-
Unauthorised expenditure awaiting further action	**-**	**-**

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2022 (Actual) R	2022 (Final Budget) R	2022 (Unauthorised) R	2021 (Unauthorised) R
Unauthorised expenditure - Operating				
Vote 1 - Directorate Finance	75 617 037	76 966 273	-	-
Vote 4 - Electricity	110 461 608	113 061 760	-	-
Vote 6 - Office of the Municipal Manager	8 870 453	10 349 990	-	-
Vote 8 - Directorate Technical Services and Planning	33 647 741	47 483 402	-	-
Vote 12 - Waste management	60 677 521	62 382 713	-	-
Vote 13 - Waste water management	47 659 189	48 463 417	-	-
Vote 14 - Water	67 158 445	68 316 907	-	-
Vote 15 - Directorate Development and Community Serv	209 592 634	214 214 804	-	-
Total	**613 684 627**	**641 239 266**	**-**	**-**
Unauthorised expenditure - Capital				
Vote 1 - Directorate Finance	130 639	456 400	-	-
Vote 4 - Electricity	7 111 393	15 861 122	-	-
Vote 6 - Office of the Municipal Manager	-	18 893	-	-
Vote 8 - Directorate Technical Services and Planning	18 800 889	34 013 778	-	-
Vote 12 - Waste management	13 641 483	14 649 083	-	-
Vote 13 - Waste water management	26 539 620	29 106 992	-	-
Vote 14 - Water	16 433 600	27 217 056	-	-
Vote 15 - Directorate Development and Community Serv	16 068 209	23 079 159	-	-
Total	**98 725 833**	**144 402 483**	**-**	**-**

53.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	1 850	13 800
Fruitless and wasteful expenditure incurred - current year	-	1 850
Approved by Council	(1 850)	(13 800)
Fruitless and wasteful expenditure awaiting further action	**-**	**1 850**

Details of fruitless and wasteful expenditure incurred:

(a) DNA tests performed due to poor recordkeeping	-	1 850
Total	**-**	**1 850**

Details of fruitless and wasteful expenditure awaiting further action:

(a) DNA tests performed due to poor recordkeeping	-	1 850
Total	**-**	**1 850**

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53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

53.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	2 690 071	79 262 705
Opening balance correction - prior year error	-	54 763
Irregular expenditure incurred in the current year	1 980 693	4 422 448
Approved by Council	(3 915 125)	(81 049 845)
Irregular expenditure awaiting further action	**755 639**	**2 690 071**

Details of irregular expenditure incurred

(a) Non-compliance with Preferential Procurement Regulations 2017	197 695	200 413
(b) Deviations not considered to be impractical or exceptional circumstances	155 471	119 146
(c) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	305 616	-
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	-	1 978 535
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	-	197 887
(f) Services rendered without a contract, order or quotation.	12 900	960 468
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	-	966 000
(h) Non-compliance with Regulations on Appointment and Conditions of Employment of Senior Managers, as per Government Gazette No. 37245; and Upper Limits for Senior Managers' Remuneration, as per Government Gazette No. 43122.	394 056	-
(i) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1)(a) of the Municipal supply chain regulations	233 683	-
(j) SCM Reg 43 Suppliers tax matters not compliant	150 839	-
(k) SCM Reg 36 (1) (v) Deviation Impractical - extension of contract due to new service provider not delivering	530 433	-
Total	**1 980 693**	**4 422 448**

Details of irregular expenditure awaiting further action:

(a) Non-compliance with Preferential Procurement Regulations 2017	-	200 412
(b) Deviations not considered to be impractical or exceptional circumstances	115 000	16 100
(c) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	-	-
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	-	1 114 067
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	-	99 360
(f) Services rendered without a contract, order or quotation.	12 900	294 131
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	-	966 000
(h) Non-compliance with Regulations on Appointment and Conditions of Employment of Senior Managers, as per Government Gazette No. 37245; and Upper Limits for Senior Managers' Remuneration, as per Government Gazette No. 43122.	394 056	-
(i) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1)(a) of the Municipal supply chain regulations	233 683	-
(j) SCM Reg 43 Suppliers tax matters not compliant	-	-
(k) SCM Reg 36 (1) (v) Deviation Impractical - extension of contract due to new service provider not delivering	-	-
Total	**755 639**	**2 690 071**

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53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Incidents/cases identified in the current year include:

(a) Non-compliance with Preferential Procurement Regulations 2017	14	2
(b) Deviations not considered to be impractical or exceptional circumstances	6	2
(c) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	3	0
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	0	2
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	0	4
(f) Services rendered without a contract, order or quotation.	2	17
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	0	1
(h) Non-compliance with Regulations on Appointment and Conditions of Employment of Senior Managers, as per Government Gazette No. 37245; and Upper Limits for Senior Managers' Remuneration, as per Government Gazette No. 43122.	2	0
(i) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1)(a) of the Municipal supply chain regulations	2	0
(j) SCM Reg 43 Suppliers tax matters not compliant	1	0
(k) SCM Reg 36 (1) (v) Deviation Impractical - extension of contract due to new service provider not delivering	1	0

No irregular expenditure incurred has been recovered.

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

54 MATERIAL LOSSES

54.1 Water distribution losses

Kilo litres disinfected/purified/purchased	5 189 890	5 020 639
Kilo litres sold and free basic services	3 431 679	3 272 353
Kilo litres lost during distribution	1 758 211	1 748 286
Percentage lost during distribution	33.88%	34.82%

Normal pipe bursts, field leakages and unmetered connections are responsible for water losses.

54.2 Electricity distribution losses

Units purchased (Kwh)	60 798 092	62 386 291
Units sold, free basic services and standard friction losses	56 801 157	57 846 862
Units lost during distribution (Kwh)	3 996 935	4 539 429
Percentage lost during distribution	6.57%	7.28%

55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

55.1 SALGA Contributions [MFMA 125 (1)(b)]

Opening balance	(2 370 736)	(2 316 799)
Expenditure incurred	2 370 736	2 316 799
Payments	(2 416 499)	(2 370 736)
Payments in advance	**(2 416 499)**	**(2 370 736)**

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55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

55.2 Audit Fees [MFMA 125 (1)(c)]

Opening balance	-	-
Expenditure incurred	4 567 549	4 589 613
External Audit - Auditor-General	3 971 782	3 990 968
VAT on External Audit	595 767	598 645
Payments	(4 567 549)	(4 589 613)
Outstanding Balance	**-**	**-**

55.3 VAT [MFMA 125 (1)(c)]

Opening balance	2 437 411	2 910 505
Net amount claimed/(declared) during the year	6 930 843	3 369 642
Net amount paid/(received) during the year	(6 097 318)	(3 842 736)
Outstanding Balance Receivable/(Payable)	**3 270 937**	**2 437 411**

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.

55.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	36 283 560	32 650 694
Payments	(36 283 560)	(32 650 694)
Outstanding Balance	**-**	**-**

55.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	55 221 271	53 970 159
Payments made to pension and medical fund	(55 221 271)	(53 970 159)
Outstanding Balance	**-**	**-**

55.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June:

MS Shale	25 945	-
MA Nomkoko	48 691	-
S Fredericks	2 394	-
M Gana	17 044	-
DA Appel	13 255	-
B Mkwhibiso	14 195	-
Total	**121 524**	**-**

Payment arrangements have been undertaken by listed Councillors.

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55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

55.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

Section 36(1)(a)(i) - Emergencies	5 363 530	3 481 981
Section 36(1)(a)(ii) - Single provider	198 131	316 473
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical to follow official procurement process	13 715 286	9 024 613
Total	**19 276 947**	**12 823 067**

Deviations from Supply Chain Management Regulations can be allocated as follow:

MM Office	343 275	-
Financial Services	6 077 648	1 062 836
Corporate Services	1 900 134	-
Development Services and Community Services	8 638 553	10 360 341
Economic Development and Planning	1 742 348	-
Technical and Infrastructure and Implementation	574 988	1 399 890
Total	**19 276 947**	**12 823 067**

Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:

Less than R30 000	2 357 783	3 000 679
Between R30 001 and R200 000	7 605 674	6 442 664
Between R200 001 and R2 000 000	7 100 474	3 379 724
More than R2 000 001	2 213 016	-
Total	**19 276 947**	**12 823 067**

56 CAPITAL COMMITMENTS

Approved and contracted for	**48 014 951**	**67 389 594**
Infrastructure	48 014 951	63 608 724
Transport assets	-	3 780 870

This expenditure will be financed from:

External Loans	24 633 674	47 290 310
Government Grants	19 126 647	18 263 662
Own Resources	4 254 630	1 835 622
Total	**48 014 951**	**67 389 594**

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).

57 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

57.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	165 972 622	164 080 293
Receivables from exchange transactions	32 930 598	32 192 669
Receivables from non-exchange transactions	515 770	530 120
Long-term Receivables	3 866 671	5 193 166
Non-current Investments	12 836 955	11 888 169
Total	**216 122 615**	**213 884 417**

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57 FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash and Cash Equivalents and Non-current Investments

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held, except for the fixed deposit that serve as security for stock loans as disclosed in note 13.2 and 14.2.

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be past due.

Refer to note 3 and 4 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be past due.

Also refer to note 7 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No collateral is held from any consumers (other than consumer deposits).

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.

The following service receivables are past due, but not impaired:

Electricity	1 243 752	1 069 364
Water	2 278 751	2 091 635
Refuse	1 437 184	1 451 353
Sewerage	1 246 754	1 283 884
Interest	892 591	779 410
Other	246 259	247 736
Availability Charges	285 904	307 340
Total	**7 631 195**	**7 230 722**

Past due receivables are aged as follow:

1 to 3 months overdue	4 544 950	4 186 744
4 months to 1 year overdue	1 850 958	1 758 530
1 year overdue	1 235 287	1 285 448
Total	**7 631 195**	**7 230 722**

57.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

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57 FINANCIAL RISK MANAGEMENT (CONTINUED)

57.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	165 972 622	164 080 293
Long-term Liabilities (including current portion)	-	-
Net balance exposed	**165 972 622**	**164 080 293**

Potential effect of changes in interest rates on surplus and deficit for the year:

0.5% (2021 - 0.5%) increase in interest rates	829 863	820 401
0.5% (2021 - 0.5%) decrease in interest rates	(829 863)	(820 401)

57.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2022				
Annuity Loans	23 530 004	79 278 786	46 246 833	149 055 624
Stock Loans	1 354 582	18 474 906	-	19 829 488
Payables from exchange transactions	61 832 125	-	-	61 832 125
Total	**86 716 711**	**97 753 693**	**46 246 833**	**230 717 237**
30 JUNE 2021				
Annuity Loans	17 066 817	61 138 961	36 544 034	114 749 812
Stock Loans	3 053 418	10 572 928	9 256 560	22 882 906
Payables from exchange transactions	62 141 690	-	-	62 141 690
Total	**82 261 925**	**71 711 889**	**45 800 594**	**199 774 408**

57.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The following balance is exposed to price risk:

Non-current Investments - Listed shares	163 051	189 265

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58 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

Cash and Cash Equivalents	165 972 622	164 080 293
Bank Accounts	116 873 931	116 550 486
Call Investment Deposits	49 098 691	47 529 807
Receivables from exchange transactions	32 930 598	32 192 669
Electricity	9 180 776	7 858 213
Water	12 605 959	13 001 081
Refuse	3 850 392	3 581 026
Sewerage	5 064 520	6 118 255
Interest	1 070 336	860 511
Other	429 933	412 260
Accrued Interest	728 681	361 324
Receivables from non-exchange transactions	515 770	530 120
Availability Charges	515 770	530 120
Long-term Receivables	3 866 671	5 193 166
Receivables with repayment arrangements	3 866 671	5 193 166
Non-current Investments	12 673 904	11 698 904
Fixed Deposits	12 673 904	11 698 904
Total	**215 959 564**	**213 695 152**

Financial Liabilities

Payables from Exchange Transactions	61 832 125	62 141 690
Trade Payables	31 560 043	37 406 091
Retentions	8 589 370	10 721 031
Department of Human Settlements	5 334 915	5 447 325
Sundry Deposits	15 638 481	7 747 510
Accrued Interest	709 317	819 732
Long-Term Liabilities	116 586 408	94 844 483
Annuity Loans	102 116 608	78 821 514
Stock Loans	14 469 800	16 022 969
Total	**178 418 533**	**156 986 173**

The Municipality recognised the following financial instruments at fair value:

Financial Assets

Non-current Investments		
Listed shares	**163 051**	**189 265**

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59 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

Receivables from Non-Exchange Transactions	16 180 371	14 528 960
Property Rates	13 878 772	14 109 461
Unpaid Traffic Fines	2 301 600	419 500
Taxes - VAT Claimable from SARS	3 202 925	2 307 868
Total	**19 383 296**	**16 836 828**

The amounts above are disclosed after any provision for impairment has been taken into account.

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 23 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 28 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

Taxes (Value Added Tax) are raised in terms of the Value Added Tax Act. No interest is paid by the South African Revenue Service on outstanding VAT claims.

Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates

- Past due at the reporting date, and which have been impaired	33 416 355	27 493 608
- Past due that have not been impaired	6 799 628	5 509 086

60 PRINCIPAL-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principal-agent arrangements exists:

60.1 Department of Transport and Public Works

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.

The following transactions were undertaken as part of principal-agent arrangement:

Collections payable to the Department at beginning of year	599 075	61 665
Revenue collected from third parties	35 838 863	34 751 952
Commission earned on collections included in note 33	(5 498 510)	(5 458 360)
VAT on commission earned payable to the South African Revenue Services	(824 777)	(818 754)
Collections paid over to The Department	(29 800 208)	(27 937 427)
Collections payable to the Department at year-end	**314 444**	**599 075**

60.2 Department of Human Settlements

The Municipality acts as an agent for the Department of Human Settlements for the Peoples Housing Project (PHP) and to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principal-agent arrangements:

Balance at beginning of year	5 447 327	6 007 730
Payments received from the Department	1 201 560	18 349 698
Expenditure incurred on behalf of the Department	(1 313 971)	(18 910 101)
Balance at year-end	**5 334 916**	**5 447 327**

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60 PRINCIPAL-AGENT ARRANGEMENTS

60.3 Other Arrangements

The Municipality has entered into arrangements with prepaid electricity vendors to provide services to the public on behalf of the Municipality. Various prepaid electricity vendors sell electricity on the Municipality's behalf. The software used results in all transactions being recorded in the Municipality's sub-system. The Municipality collects the cash receipts from the vendors on a daily basis and therefore collects the revenue in full. Prepaid vendors earn commission on the value of each transaction. The nature of these arrangements were assessed and the transactions are not considered to fall within the scope of GRAP 109.

61 EVENTS AFTER REPORTING DATE

The Chief Financial Officer resigned on 28 July 2022 after a settlement agreement was reached. At reporting date, this vacant position has not been filled.

62 IN-KIND DONATIONS AND ASSISTANCE

Property, Plant and Equipment as per note 26 were donated to the Municipality.

63 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

64 CONTINGENT LIABILITIES

Summonses were served to the Municipality by three plaintiffs. The summonses relate to a protest in April 2019 whereby the plaintiffs are claiming to have been unlawfully assaulted which ultimately also led to the death of one of the plaintiffs. The first defendant in this matter is listed as the Minister of Police, while the Municipality is listed as the third defendant. The plaintiffs have a total claim of R5 993 200 against the defendants. This matter has been referred to the Municipality's insurer, which has assessed that the possible financial implication on the Municipality will be remote, if any.

65 CONTINGENT ASSETS

Council resolved on 26 April 2022 that the overpayment in respect of the former Municipal Manager’s salary of R269 768 and the overpayment of the Director Technical Service’s salary of R124 288 be dealt with as irregular expenditure and be recovered from the former Executive Mayor and prior Municipal Manager respectively. As on 30 June 2022, uncertainty still existed from the fact that the claim still needed to be instituted against the affected parties and that the said parties still needed to acknowledge the debt.

66 COVID-19

The summary below indicates the total Covid-19 response expenditure:

Personal Protective Equipment and Sanitizers	72 238	471 446
Total	**72 238**	**471 446**

The Covid-19 response expenditure was funded from the following sources:

Own Revenue	72 238	321 446
Grant Funding	-	150 000
Total	**72 238**	**471 446**

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67 RELATED PARTIES

67.1 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

67.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 37 and 38.

67.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

Mr DP Lubbe	-	Municipal Manager	-	14 835
Mr D Louw	-	Director: Financial Services	187 126	76 750
Total			**187 126**	**91 585**

67.4 Remuneration payable to Council

The Government Gazette for the determination of upper limits of the salaries, allowances and benefits of different members of municipal councils were issued on 2 June 2022, Notice no 2126 of Government Gazette no 46470, which stipulate that the notice takes effect from 1 July 2021. The notice was implemented after year-end of which payment was made on 25 August 2022.

Remuneration payable to Council in terms of the notice	**351 522**	**-**

67.5 Related Party Transactions

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

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68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company	Relationship	Position of person in service of the state	2022	2021
Finck Attorneys	Owner Ronald Finck is the spouse Gail Finck	TWK Senior Clerk Clearances	-	11 186
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius	TWK Chief Clerk	1 232 765	1 162 267
Marshall Armature Winding	Owner Gert Koegelenberg is the spouse of Martie Koegelenberg	TWK Councillor	-	2 398
Adenco Construction	Director Victor Machimana is the parent of Helen Machimana; Director Vuyo Machimana is the parent of Busisiwe Skosana and Director Daniel Jackson is the parent of Adele Kassner	Helen Machimana, Department of Welfare Limpopo Social Worker; Busisiwe Skosana, Department of Health Gauteng Nursing Sister and Adele Kassner, Department of Education Teacher	3 860 999	7 681 752
WAM Technology	Director Willem Botes is the spouse of Stella Botes and Maria le Roux is his daughter	Spouse - Department of Education Teacher Daughter - Employee at City of Cape Town (Manager of Coastal Engineering Department)	29 662	380 769
Zutari (Pty) Ltd. (Aurecon SA - Professional Services)	Parent of R Mehlala and Son of G Saaiman	R Mehlala, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General	3 038 361	4 449 454
Fairbridges Attorneys	Director Waheeda Shreef is the spouse of Mohammed Jawodeen; Director Adela Petersen is the sister of Shaheed Hofmeester and Director Diane-Maree Rauch is the daughter-in-law of Henk Rauch	Mohammed Jawodeen, Non-Executive Director of the Central Energy Fund; Shaheed Hofmeester, a Teacher and Henk Rauch, Programme Manger at Petrosa.	916 294	623 517
Suid-Kaap Waardeerders	Owner Stephanus de Swardt is the spouse of Anna de Swardt	Professional Nurse at the Provincial Adminstration of Western Cape	69 283	-
NCC Environmental Services (Pty) Ltd	Director Linden Rhode is the spouse of Cahndre Rhode	Clerk at the City of Cape Town	-	2 530
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams	TWK Debtors Clerk	117 773	14 150
Bergstan South Africa	Director Cobin Beukes is the spouse of Jacqueline Beukes	Social Worker	-	111 838
Greyton Repairs	Owner Riaan Groenewald is the spouse of Gail Groenewald	TWK Principle Clerk	-	800
Sydney Amanzi Management Solutions	Member Sydney Armoed is the father of Eslin Armoed	Knysna Municipality Supervisor	77 334	80 899

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68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2022	2021
Conlog (Pty) Ltd	Director Logandhren Moodley is the spouse of Nirvasha Moodley	Department of Health Director	-	152 581
Reginald du Plessis	Owner Reginald du Plessis is the spouse of Cerhal du Plessis and the son-in-law of Caroline Wood	Cerhal du Plessis, TWK General Worker; Caroline Wood, TWK Councillor	3 400	25 675
Bosman Smit Pretorius Inc	Owner Marriette Pretorius is the spouse of Gavin Brink	SAPS Police Officer	-	31 130
Shyzac 01 Security Solutions & Maintenance	Director Bjorn Africa is the second cousin of Annielle Martin	TWK - Senior Administrator	1 005 570	809 477
Neil Lyners and Associates	Director Neil Lyners is the brother of HG Lyners	Department of Transport and Public Works - Director	643 865	710 275
Kreesan Investments	Director Kreesan Subramoney is the son of Sivalingum Subramoney and the brother of Kubeshnie Subramoney	Sivalingum Subramoney, Deputy Director Correctional Services; Kubeshnie Subramoney, Warden	-	9 529
Red Ant Security Relocation and Eviction Services (Pty) Ltd	Director: Buthi Lesiela is the spouse of Noxolo Lesiela, employee at Mogale City Local Municipality	Employee at Mogale City Local Municipality	-	991 875
Lipus Goods and Services (Pty) Ltd.	The spouse of Templeton Tando Maku (Director) is a Chief Registry Clerk at the Department of Community Safety	Chief Registry Clerk	313 630	377 142
Mad Bulldogz Distributors	The spouse of Hein Erasmus (Director) is a Principle Clerk Salaries at TWK Mun.	Principle Clerk Salaries	1 944	19 585
AmandlaGCF Construction CC	Wendell Frazenberg, Director of AmandlaGCF Construction CC, is the brother-in-law of John Jacobs who is employed at the National Government Employment & Labour Department. Wendell Frazenberg is the brother of Unita Frazenberg, Eben Frazenberg, Jaqueline Frazenberg and Bryan Frazenberg who is employed at the National Government Deeds office, Education Department, Education Department and City of Cape Town - Traffic Department.	Teachers and Traffic Department	13 238 038	12 694 994
JVZ Construction (Pty) Ltd.	Marisa Matthee, Director of JVZ Construction (Pty) Ltd., is the spouse of RE Matthee whom is employed at the Department of Correctional Services.	Security Officer	20 315 837	7 636 616
LIT Technics (Pty) Ltd.	Jan Petrus Barnard, Director of LIT Technics (Pty) Ltd., is the independent child of Jan Barnard who works at TWK Mun.	Dep. Dir. Community Services	1 199	19 550

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68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2022	2021
Royal Haskoning DHV	Salani Sithole, Director of Royal Haskoning DHV, is the spouse of Tryphosa Sithole who is employed at the City of Johannesburg.	Associate Director	172 073	1 413 664
Abe Rewinds t/a Delta Rewinds	Abduragman Daniels, Director of Abe Rewinds t/a Delta Rewinds, is the independent child of Mischa Human who is employed by the City of Cape Town.	Clerk	444 978	54 270
Groenland Motor Truck & Bakkie	Mina Snyders, Director of Groenland Motor Truck & Bakkie, is the sister-in-law of Morrizlin Josephs and Cornelius Josephs who is employed at TWK Mun. and SAPD.	Traffic Officer and Police Officer	158 768	19 446
Renco Advisory Services	Renco Theunissen, Director of Renco Advisory Services. Ranver Theunissen is the brother of Renco, Inge Theunissen is the sister-in-law of Renco, Kassandra Theunissen is the sister of Renco, Kallie Papier is the uncle of Renco, Christolene Theunissen, Melanie Fisher and Daniel papier is the cousin of Renco.	Department of Health - Temp. Worker, Assistant Director, SCM Clerk. TWK Mun. - Deputy Mayor, Administrator - Income, Administrator, Operator	90 150	74 765
Element Consulting Engineers (Pty) Ltd.	P Rossouw, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of R Rossouw who is employed by the Education Department. M Shezi, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of E Shezi also employed by the Education Department.	Teachers	4 965 630	2 085 858
JLA Logistics (Pty) Ltd.	Janine Cupido, Director of JLA Logistics (Pty) Ltd., is the daughter of A Cupido who is employed at the Department of Correctional Services.	Warden	101 282	60 120
Dick Whittington Shoes (Pty) Ltd.	Dr Z.L Mkhize spouse of MM.Mkhize director of Dick Whiitington Shoes	Minister of Health	40 365	-
JPCE (Pty) Ltd.	J.Minnie spouse of Jorina Minnie director of JPCE	Head:Operation Centre and System Integration Disaster Risk Management Centre, Safety and Security Directorate	1 327 363	-
Ez Projects	K.Piquer spouse of E.Piquer director of EZ Projects	Department of Health(Professional Nurse Tulbagh Clinic)	94 055	-
EJ'S Auto and Mechanical Services (Pty) Ltd	Spouse of Sue-Ellen Januarie	Sergeant Traffic Officer	58 690	-
Zweni Energy (Pty) Ltd	Spouse of Michell Everol Thomas	Senior Clerk/Cashier	153 990	-
Total			**52 473 287**	**[illegible]08 112**

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69 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Theewaterskloof municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Botrivier
- Caledon
- Genadendal
- Greyton
- Tesselaarsdal
- Villiersdorp

70 SEGMENT REPORTING

70.1 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has 59 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance and Administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Tourism, Sportfields, Housing, Informal Settlements, Parks, Cemeteries, Halls and Cemeteries
3	Public Safety	Traffic control, animal control and pounds
4	Planning and Development	Town planning, local economic development and building control
5	Roads and Stormwater	Construction and maintenance of roads and storm water
6	Environmental Affairs	Disaster management, air pollution control and nature reserve
7	Electricity Services	Electricity Services
8	Water Services	Water Services
9	Sewerage Services	Sewerage Services
10	Refuse Services	Refuse Services

70.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

70.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. towns), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

70.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.

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70 SEGMENT REPORTING (CONTINUED)

70.5 Specific Segment Reporting

	Governance and Administration R	Community Services R	Public Safety R	Planning and Development R	Roads and Stormwater R	Environmental Affairs R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
2022											
REVENUE											
External Revenue from Non-Exchange Transactions	**201 397 698**	**29 894 121**	**24 971 517**	**21 767 203**	**129 932**	**-**	**11 725 217**	**14 802 439**	**14 079 572**	**18 974 419**	**337 742 117**
Property Rates	127 714 860	-	-	-	-	-	-	-	-	-	127 714 860
Government Grants and Subsidies - Operating	69 112 474	10 038 486	-	3 494 357	129 932	-	5 559 789	10 685 548	13 204 624	14 824 479	127 049 690
Public Contributions and Donations	729 541	-	-	-	-	-	-	-	-	-	729 541
Government Grants and Subsidies - Capital	634 735	18 166 368	-	18 272 846	-	-	4 854 443	2 286 497	-	-	44 214 889
Contributed Assets	33 650	-	-	-	-	-	-	-	-	-	33 650
Availability Charges	-	-	-	-	-	-	1 310 984	1 830 394	874 948	718 767	4 735 093
Other Income (Non-Exchange)	1 529 684	-	-	-	-	-	-	-	-	3 431 172	4 960 856
Fines, penalties and forfeits	1 642 754	6 598	24 971 517	-	-	-	-	-	-	-	26 620 869
Actuarial Gains	-	1 682 669	-	-	-	-	-	-	-	-	1 682 669
External Revenue from Exchange Transactions	**31 489 529**	**988 916**	**7 248 071**	**5 468 723**	**-**	**-**	**113 313 991**	**76 547 737**	**36 108 171**	**36 967 446**	**308 132 584**
Service Charges	-	-	-	-	-	-	113 313 991	76 547 737	36 106 413	36 967 446	262 935 587
Rental of Facilities and Equipment	-	16 347	-	2 149 024	-	-	-	-	-	-	2 165 371
Interest Earned - external investments	10 542 388	-	-	-	-	-	-	-	-	-	10 542 388
Interest Earned - outstanding debtors	16 906 671	-	-	-	-	-	-	-	-	-	16 906 671
Agency Services	-	-	7 139 847	-	-	-	-	-	-	-	7 139 847
Licences and Permits	-	-	35 792	-	-	-	-	-	-	-	35 792
Other Income (Exchange)	4 040 469	972 569	72 431	3 319 699	-	-	-	-	1 759	-	8 406 927
Construction Contracts	**-**	**29 853**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**29 853**
TOTAL REVENUE	**232 887 227**	**30 912 889**	**32 219 587**	**27 235 926**	**129 932**	**-**	**125 039 208**	**91 350 176**	**50 187 743**	**55 941 865**	**645 904 554**
EXPENDITURE											
Employee Related Costs	55 939 595	53 704 311	24 785 641	29 969 473	15 979 930	-	8 590 431	9 260 181	16 741 644	19 050 879	234 022 083
Remuneration of Councillors	11 899 590	-	-	-	-	-	-	-	-	-	11 899 590
Debt Impairment	24 923 581	-	19 881 350	-	-	-	765 071	15 902 736	10 425 426	11 404 179	83 302 343
Depreciation and Amortisation	3 614 674	869 976	-	102 257	4 865 061	-	2 590 183	5 243 374	4 662 061	8 144 343	30 091 929
Impairment	-	-	-	1 558 714	-	-	-	-	-	-	1 558 714
Finance Charges	645 151	5 946 519	40 802	161 872	1 745 475	-	1 145 639	4 103 883	2 520 256	9 526 824	25 836 421
Bulk Purchases	-	-	-	-	-	-	86 238 654	19 371 402	-	-	105 610 057
Contracted Services	10 381 791	5 094 908	2 033 064	2 479 931	3 378 734	3 597 858	2 534 249	3 834 141	4 532 544	6 886 914	44 754 133
Transfers and Grants	148 049	265 595	-	200 000	-	-	4 103 314	-	-	-	4 716 958
Other Expenditure	24 710 460	5 948 435	1 953 905	3 677 723	5 331 232	160 008	4 494 068	9 442 728	8 777 258	5 664 383	70 160 199
Loss on disposal of Non-Monetary Assets	610 096	-	-	-	-	-	-	-	-	-	610 096
Total Expenditure	**132 872 987**	**71 829 744**	**48 694 762**	**38 149 969**	**31 300 431**	**3 757 866**	**110 461 608**	**67 158 445**	**47 659 189**	**60 677 521**	**612 562 523**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**100 014 240**	**(40 916 854)**	**(16 475 174)**	**(10 914 043)**	**(31 170 499)**	**(3 757 866)**	**14 577 599**	**24 191 732**	**2 528 554**	**(4 735 656)**	**33 342 031**
Less: Government Grants and Subsidies - Capital	(634 735)	(18 166 368)	-	(18 272 846)	-	-	(4 854 443)	(2 286 497)	-	-	(44 214 889)
Less: Contributed Assets	(33 650)	-	-	-	-	-	-	-	-	-	(33 650)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**99 345 854**	**(59 083 222)**	**(16 475 174)**	**(29 186 890)**	**(31 170 499)**	**(3 757 866)**	**9 723 156**	**21 905 235**	**2 528 554**	**(4 735 656)**	**(10 [illegible] 6 509)**
CAPITAL EXPENDITURE FOR THE YEAR	**6 894 576**	**20 573 346**	**583 904**	**479 162**	**6 468 749**	**-**	**7 111 393**	**16 433 600**	**26 539 620**	**13 641 483**	**98 725 833**

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70 SEGMENT REPORTING (CONTINUED)

70.5 Specific Segment Reporting

	Governance and Administration R	Community Services R	Public Safety R	Planning and Development R	Roads and Stormwater R	Environmental Affairs R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
2021											
REVENUE											
External Revenue from Non-Exchange Transactions	**213 993 983**	**15 339 174**	**12 433 216**	**22 155 165**	**130 000**	**-**	**14 025 148**	**12 136 221**	**12 541 566**	**13 865 538**	**316 620 010**
Property Rates	121 164 337	-	-	-	-	-	-	-	-	-	121 164 337
Government Grants and Subsidies - Operating	87 906 124	9 432 563	-	2 539 843	130 000	-	4 561 895	8 387 616	11 665 701	13 137 842	137 761 584
Public Contributions and Donations	495 127	-	-	-	-	-	-	-	-	-	495 127
Government Grants and Subsidies - Capital	170 228	5 899 534	-	19 615 322	-	-	8 283 894	1 874 786	-	-	35 843 765
Contributed Assets	2 281 367	-	-	-	-	-	-	-	-	-	2 281 367
Availability Charges	-	-	-	-	-	-	1 179 358	1 873 819	875 865	727 696	4 656 737
Other Income (Non-Exchange)	412 387	-	-	-	-	-	-	-	-	-	412 387
Fines, penalties and forfeits	1 488 385	7 077	12 433 216	-	-	-	-	-	-	-	13 928 678
Actuarial Gains	76 027	-	-	-	-	-	-	-	-	-	76 027
External Revenue from Exchange Transactions	**22 268 600**	**828 930**	**7 395 073**	**4 461 011**	**-**	**-**	**101 346 492**	**75 092 727**	**35 412 036**	**35 459 017**	**282 263 887**
Service Charges	-	-	-	-	-	-	101 346 062	75 086 787	35 412 036	35 459 017	247 303 902
Rental of Facilities and Equipment	-	1 732	-	2 058 653	-	-	-	-	-	-	2 060 385
Interest Earned - external investments	8 097 552	-	-	-	-	-	-	-	-	-	8 097 552
Interest Earned - outstanding debtors	12 155 517	-	-	-	-	-	-	-	-	-	12 155 517
Agency Services	-	-	7 283 913	-	-	-	-	-	-	-	7 283 913
Licences and Permits	-	-	108 598	-	-	-	-	-	-	-	108 598
Other Income (Exchange)	2 015 531	827 198	2 562	2 402 358	-	-	431	5 940	-	-	5 254 020
Construction Contracts	**-**	**1 555 677**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 555 677**
TOTAL REVENUE	**236 262 583**	**17 723 781**	**19 828 289**	**26 616 176**	**130 000**	**-**	**115 371 640**	**87 228 948**	**47 953 602**	**49 324 555**	**600 439 574**
EXPENDITURE											
Employee Related Costs	50 125 296	49 387 789	23 991 312	27 771 205	15 193 455	-	7 993 987	9 238 617	16 572 585	17 683 691	217 957 936
Remuneration of Councillors	12 147 720	-	-	-	-	-	-	-	-	-	12 147 720
Debt Impairment	14 164 896	-	12 360 158	-	-	-	-60 952	13 706 424	10 717 035	11 327 632	62 215 194
Depreciation and Amortisation	3 836 548	802 812	-	127 015	4 659 230	-	2 638 417	5 159 569	4 596 547	695 060	22 515 198
Impairment	-	-	-	2 868 308	-	-	-	-	-	6 310 595	9 178 903
Actuarial Losses	-	4 192 124	-	-	-	-	-	-	-	-	4 192 124
Finance Charges	451 208	5 086 010	49 577	157 987	1 419 584	-	1 118 245	4 066 292	2 043 401	7 335 290	21 727 594
Bulk Purchases	-	-	-	-	-	-	75 568 546	18 187 819	-	-	93 756 366
Contracted Services	6 810 382	8 206 347	1 480 102	1 347 150	4 134 707	3 575 241	1 437 168	3 028 606	5 479 419	7 558 298	43 057 421
Transfers and Grants	132 945	-	-	-	-	-	3 223 774	-	-	-	3 356 719
Other Expenditure	21 252 489	4 554 529	1 451 325	3 346 153	5 452 914	244 238	3 299 965	7 707 703	6 519 314	5 593 814	59 422 445
Loss on disposal of Non-Monetary Assets	996 933	-	-	-	-	-	-	-	-	-	996 933
Total Expenditure	**109 918 418**	**72 229 611**	**39 332 474**	**35 617 818**	**30 859 890**	**3 819 479**	**95 219 150**	**61 095 031**	**45 928 301**	**56 504 379**	**550 524 552**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**126 344 165**	**(54 505 830)**	**(19 504 185)**	**(9 001 642)**	**(30 729 890)**	**(3 819 479)**	**20 152 490**	**26 133 916**	**2 025 301**	**(7 179 824)**	**49 915 022**
Less: Government Grants and Subsidies - Capital	(170 228)	(5 899 534)	-	(19 615 322)	-	-	(8 283 894)	(1 874 786)	-	-	(35 843 765)
Less: Contributed Assets	(2 281 367)	-	-	-	-	-	-	-	-	-	(2 281 367)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**123 892 569**	**(60 405 364)**	**(19 504 185)**	**(28 616 964)**	**(30 729 890)**	**(3 819 479)**	**11 868 596**	**24 259 130**	**2 025 301**	**(7 179 8[illegible]**	**[illegible] 789 891**
CAPITAL EXPENDITURE FOR THE YEAR	**7 439 164**	**7 637 902**	**886 168**	**1 907 467**	**9 621 868**	**-**	**12 306 716**	**9 114 351**	**26 306 673**	**12 660 425**	**87 880 704**

AUDITOR-GENERAL SOUTH AFRICA

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2022

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2021	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2022
ANNUITY LOANS							
DBSA BANK - 10 & 20 year	Loan No. 102807/1	10.74%	30/06/2028	5 071 581	-	(539 986)	4 531 595
DBSA BANK - 10 & 20 year	Loan No. 103108/1	11.44%	30/09/2028	6 173 049	-	(558 890)	5 614 159
DBSA BANK - 20 year	103313.1	9.85%	31/03/2029	14 127 092	-	(1 231 940)	12 895 152
DBSA BANK - 15 year	103313.2	9.97%	31/03/2024	2 143 045	-	(646 182)	1 496 863
DBSA BANK - 20 year	103817/3	11.06%	31/12/2030	8 176 551	-	(522 524)	7 654 027
STANDARD BANK- 15 year	272400572	12.22%	30/06/2026	4 421 359	-	(687 979)	3 733 380
ABSA BANK - 15 year	40-7908-8994	10.79%	27/06/2027	6 941 292	-	(876 666)	6 064 626
ABSA BANK - 10 year	387230963	10.63%	27/06/2024	3 427 429	-	(1 026 454)	2 400 975
ABSA - 5 year	3050777771	8.95%	30/06/2024	1 295 408	-	(393 940)	901 468
ABSA - 7 year	3050777789	9.19%	30/06/2026	1 925 994	-	(318 133)	1 607 861
ABSA - 10 year	3050777763	9.62%	30/06/2029	2 833 785	-	(247 399)	2 586 386
NEDBANK - 15 year	05/78310356050	10.45%	30/06/2034	2 469 963	-	(96 082)	2 373 881
STANDARD BANK - 4 year	000600694	6.63%	31/12/2024	5 903 939	-	(1 334 784)	4 569 155
STANDARD BANK - 10 year	000600703	8.26%	28/06/2030	4 868 511	-	(382 973)	4 485 538
STANDARD BANK - 15 year	000600712	9.76%	29/06/2035	6 363 656	-	(227 670)	6 135 986
ABSA - 7 year	3052887574	9.19%	30/06/2027	2 678 860	-	(350 916)	2 327 944
STANDARD BANK - 15 year	000682253	10.79%	30/12/2036	-	15 099 032	(1 007 899)	14 091 133
ABSA - 5 year	3054670983	8.66%	30/10/2026	-	12 799 713	(891 780)	11 907 933
ABSA - 7 year	3054671133	9.19%	30/10/2028	-	5 000 000	(194 734)	4 805 266
ABSA - 10 year	3054671256	9.89%	30/10/2031	-	1 963 803	(30 523)	1 933 280
Total Annuity Loans				**78 821 514**	**34 862 548**	**(11 567 453)**	**102 116 608**
STOCK LOANS							
DBSA BANK - 15 year	1022754	9.39%	31/03/2022	1 553 169	-	(1 553 169)	-
DBSA BANK - 20 year	1022755	9.29%	31/03/2027	8 469 800	-	-	8 469 800
DBSA BANK - 20 year	1014871	9.46%	31/12/2024	6 000 000	-	-	6 000 000
Total Stock Loans				**16 022 969**	**-**	**(1 553 169)**	**14 469 800**
Total Long-Term Liabilities				**94 844 483**	**34 862 548**	**(13 120 622)**	**116 586 408**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2022

NATIONAL GOVERNMENT	OPENING BALANCE R	GRANTS RECEIVED R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	TRANSFER TO / (FROM) RECEIVABLES R	CLOSING BALANCE R
Equitable Share	-	106 976 000	-	(106 976 000)	-	-	-
Finance Management Grant (FMG)	-	1 650 000	-	(1 610 000)	(26 460)	-	13 540
Municipal Infrastructure Grant (MIG)	2 875 312	25 602 000	(2 840 000)	(3 180 794)	(17 899 392)	-	4 557 126
Expanded Public Works Programme (EPWP)	6 953	1 721 000	(6 953)	(1 721 000)	-	-	-
Integrated National Electrification Programme (INEP)	-	7 120 000	-	(276 019)	(1 840 127)	-	5 003 854
Energy Efficiency & Demand Side Management Grant	-	4 500 000	-	(504 885)	(3 014 317)	(947 263)	33 535
Water Service Infrastructure Grant (WSIG)	2 500 000	2 500 000	(2 500 000)	(326 087)	(2 173 913)	-	-
Municipal Drought Relief	8 449	-	-	-	-	-	8 449
Total	**5 390 714**	**150 069 000**	**(5 346 953)**	**(114 594 785)**	**(24 954 209)**	**(947 263)**	**9 616 504**
PROVINCIAL GOVERNMENT							
Housing	277 998	20 052 691	-	-	(18 089 152)	-	2 241 537
CDW Contribution	105 156	132 000	-	(139 797)	-	-	97 359
Thusong Multi Purpose Centre	70 593	-	(70 593)	-	-	-	-
Main Roads Subsidy	88 611	129 932	-	(129 932)	-	-	88 611
Financial Management Support Grant (FMSG)	719 079	-	(323 228)	(1 217)	-	-	394 634
Library Subsidy	1 508 467	10 612 000	-	(9 646 761)	(77 216)	-	2 396 490
Municipal Capacity Building Grant	825 866	250 000	(619 152)	(373 146)	-	-	83 568
Local Government Graduate Internship Allocation	20 000	-	(20 000)	-	-	-	-
Municipal Disaster Recovery (Water Supply Grant)	569 425	-	(569 425)	-	-	-	-
Sport and Recreation	6 636	-	-	-	-	-	6 636
Municipal Drought Relief (MDR)	263 214	-	(150 525)	-	(112 584)	-	105
Regional socio-economic projects (RSEP)	447 400	-	-	(67 110)	(373 454)	-	6 836
Municipal Intervention Grant	-	150 000	-	(147 770)	-	-	2 230
Municipal Service Delivery and Capacity Building Grant (MSDCB)	35 582	1 000 000	(35 582)	(391 725)	(608 275)	-	-
Public Employment Support Grant	-	1 600 000	-	(1 209 687)	-	-	390 313
Total	**4 938 027**	**33 926 623**	**(1 788 505)**	**(12 107 144)**	**(19 260 681)**	**-**	**5 708 319**
DISTRICT MUNICIPALITY							
Safety Audit and Safety Plan Grant	-	90 000	-	-	-	-	90 000
Total	**-**	**90 000**	**-**	**-**	**-**	**-**	**90 000**
OTHER GRANT PROVIDERS							
DBSA Local Economic Development	226 477	-	-	-	-	-	226 477
SETA	-	347 761	-	(347 761)	-	-	-
SANRAL	173 950	-	-	-	-	-	173 950
Total	**400 427**	**347 761**	**-**	**(347 761)**	**-**	**-**	**400 427**
ALL SPHERES OF GOVERNMENT	**10 729 168**	**184 433 384**	**(7 135 458)**	**(127 049 690)**	**(44 214 890)**	**(947 263)**	**15 815 250**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
Financial Performance						
Property rates	124 583 975	1 450 645	126 034 620	127 714 860	1 680 240	121 164 337
Service charges	277 188 512	(5 094 684)	272 093 828	267 670 679	(4 423 149)	251 960 640
Investment revenue	11 000 000	(3 200 000)	7 800 000	10 542 388	2 742 388	8 097 552
Transfers and Subsidies - operating	142 866 385	830 324	143 696 709	128 201 647	(15 495 062)	139 317 261
Other own revenue	56 745 726	3 924 935	60 670 661	68 648 544	7 977 883	41 774 652
Total Operating Revenue (excluding capital transfers)	**612 384 598**	**(2 088 780)**	**610 295 818**	**602 778 118**	**(7 517 700)**	**562 314 442**
Employee costs	254 167 059	(14 234 241)	239 932 818	238 699 223	(1 233 595)	221 793 890
Remuneration of councillors	13 849 333	(1 429 492)	12 419 841	11 899 590	(520 251)	12 147 720
Debt impairment	64 320 969	19 451 557	83 772 526	83 302 343	(470 183)	62 215 194
Depreciation and asset impairment	22 907 961	8 873 905	31 781 866	31 650 643	(131 223)	31 694 101
Finance charges	15 506 590	4 844 284	20 350 874	20 011 421	(339 453)	16 863 594
Bulk purchases	87 217 142	(860 000)	86 357 142	86 238 654	(118 488)	93 756 366
Inventory Consumed	40 700 795	(2 741 877)	37 958 918	34 528 216	(3 430 702)	19 576 059
Contracted services	52 911 865	(3 211 837)	49 700 028	46 710 307	(2 989 721)	43 485 794
Transfers and subsidies	16 398 560	(1 715 774)	14 682 786	1 765 601	(12 917 185)	1 089 472
Other expenditure	54 998 113	8 584 354	63 582 467	58 268 534	(5 313 933)	42 713 304
Losses	-	700 000	700 000	610 096	(89 904)	5 189 057
Total Expenditure	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 627**	**(27 554 639)**	**550 524 552**
Surplus/(Deficit)	**(10 593 789)**	**(20 349 659)**	**(30 943 448)**	**(10 906 509)**	**20 036 939**	**11 789 891**
Transfers and subsidies - capital (monetary) - Government	95 183 806	(25 289 523)	69 894 283	44 248 540	(25 645 743)	38 125 132
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**33 342 031**	**(5 608 804)**	**49 915 022**
Capital expenditure & funds sources						
Capital expenditure	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**
Transfers recognised - capital	95 183 804	(25 289 523)	69 894 281	44 214 889	(25 679 392)	38 271 482
Borrowing	62 749 589	(4 920 547)	57 829 042	43 881 694	(13 947 348)	35 277 635
Internally generated funds	23 202 771	(6 523 611)	16 679 160	10 629 249	(6 049 911)	14 331 677
Total sources of capital funds	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**
Cash flows						
Net cash from (used) operating	100 707 188	(7 044 229)	93 662 960	77 466 985	(16 195 975)	97 074 273
Net cash from (used) investing	(181 136 164)	36 139 273	(144 996 891)	(97 452 272)	47 544 620	(84 782 759)
Net cash from (used) financing	55 127 478	(7 910 675)	47 216 802	21 877 616	(25 339 186)	12 609 853
Net Cash Movement for the year	(25 301 498)	21 184 368	(4 117 130)	1 892 329	6 009 458	24 901 368
Cash/cash equivalents at beginning of year	112 430 696	51 659 296	164 089 992	164 089 992	-	139 188 624
Cash/cash equivalents at the year end	**87 129 198**	**72 843 664**	**159 972 862**	**165 982 321**	**6 009 458**	**164 089 992**

AUDITOR-GENERAL SOUTH AFRICA

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THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	1 578 000	174 680	1 752 680	869 338	(883 342)	741 154
Finance and administration	272 565 852	(22 857 722)	249 708 130	256 036 590	6 328 460	259 750 945
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	10 998 067	2 200 216	13 198 283	11 085 319	(2 112 964)	10 225 259
Sport and recreation	51 516	(33 881)	17 635	16 897	(738)	240 897
Public safety	15 823 042	9 428 958	25 252 000	25 079 740	(172 260)	12 544 376
Housing	62 979 000	(15 743 436)	47 235 564	19 241 109	(27 994 455)	7 248 950
Economic and environmental services						
Planning and development	2 719 324	1 785 927	4 505 251	4 908 895	403 644	2 395 336
Road transport	12 927 580	(4 450 380)	8 477 200	7 269 779	(1 207 421)	7 413 913
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	136 589 786	(1 370 317)	135 219 469	125 039 208	(10 180 261)	115 371 640
Water management	90 828 805	895 646	91 724 451	91 350 176	(374 275)	87 228 948
Waste water management	50 230 835	468 643	50 699 478	50 187 743	(511 735)	47 953 602
Waste management	50 276 597	2 123 363	52 399 960	55 941 865	3 541 905	49 324 555
Other	-	-	-	-	-	-
Total Revenue - Standard	**707 568 404**	**(27 378 303)**	**680 190 101**	**647 026 659**	**(33 163 442)**	**600 439 575**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	21 641 358	(641 858)	20 999 500	24 925 864	3 926 364	18 409 675
Finance and administration	180 583 723	1 294 235	181 877 958	173 193 285	(8 684 673)	155 750 332
Internal audit	2 482 363	(57 038)	2 425 325	2 412 969	(12 356)	2 310 795
Community and public safety						
Community and social services	11 260 396	623 340	11 883 736	11 159 259	(724 477)	10 354 296
Sport and recreation	11 815 840	(1 786 328)	10 029 512	9 756 865	(272 647)	10 029 178
Public safety	37 193 048	5 332 223	42 525 271	42 397 547	(127 724)	33 304 980
Housing	25 569 831	(3 326 582)	22 243 249	9 377 718	(12 865 531)	10 678 007
Economic and environmental services						
Planning and development	13 324 249	1 619 337	14 943 586	13 894 388	(1 049 198)	11 092 531
Road transport	42 308 042	(796 240)	41 511 802	40 405 825	(1 105 977)	39 702 617
Environmental Protection	158 974	(158 974)	-	6 820	6 820	115 514
Trading services						
Energy sources	113 986 155	(924 395)	113 061 760	110 461 608	(2 600 152)	95 219 150
Water management	61 168 347	7 148 560	68 316 907	67 158 445	(1 158 462)	61 095 031
Waste water management	47 116 845	1 346 572	48 463 417	47 659 189	(804 228)	45 928 301
Waste management	53 749 686	8 633 027	62 382 713	60 677 521	(1 705 192)	56 504 379
Other	619 530	(45 000)	574 530	197 325	(377 205)	9 766
Total Expenditure - Standard	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 628**	**(27 554 638)**	**550 524 552**
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**33 342 031**	**(5 608 804)**	**49 915 023**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Directorate Finance	237 322 753	(14 370 410)	222 952 343	231 604 683	8 652 340	235 121 221
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	136 589 786	(1 370 317)	135 219 469	125 039 208	(10 180 261)	115 371 640
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	1 446 000	465 376	1 911 376	730 758	(1 180 618)	499 276
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	98 583 401	(25 097 012)	73 486 389	42 747 650	(30 738 739)	31 829 924
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	50 276 597	2 123 363	52 399 960	55 941 865	3 541 905	49 324 555
Vote 13 - Waste water management	50 230 835	468 643	50 699 478	50 187 743	(511 735)	47 953 602
Vote 14 - Water	90 828 805	895 646	91 724 451	91 350 176	(374 275)	87 228 948
Vote 15 - Directorate Development and Community Services	42 290 227	9 506 408	51 796 635	49 424 575	(2 372 060)	33 110 408
Total Revenue by Vote	**707 568 404**	**(27 378 303)**	**680 190 101**	**647 026 658**	**(33 163 443)**	**600 439 574**
EXPENDITURE						
Vote 1 - Directorate Finance	72 446 217	4 520 056	76 966 273	75 617 037	(1 349 236)	61 968 961
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	113 986 155	(924 395)	113 061 760	110 461 608	(2 600 152)	95 219 150
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	8 612 741	1 737 249	10 349 990	8 870 453	(1 479 537)	6 290 991
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	51 368 177	(3 884 775)	47 483 402	33 647 741	(13 835 661)	31 219 569
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	53 749 686	8 633 027	62 382 713	60 677 521	(1 705 192)	56 504 379
Vote 13 - Waste water management	47 116 845	1 346 572	48 463 417	47 659 189	(804 228)	45 928 301
Vote 14 - Water	61 168 347	7 148 560	68 316 907	67 158 445	(1 158 462)	61 095 031
Vote 15 - Directorate Development and Community Services	214 530 219	(315 415)	214 214 804	209 592 634	(4 622 170)	192 298 169
Total Expenditure by Vote	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 628**	**(27 554 638)**	**550 524 551**
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**[illegible]342 030**	**(5 608 805)**	**49 915 023**

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	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	124 583 975	1 450 645	126 034 620	127 714 860	1 680 240	121 164 337
Service charges - electricity revenue	119 225 199	(1 999 226)	117 225 973	114 624 975	(2 600 998)	102 525 420
Service charges - water revenue	80 575 965	(1 393 048)	79 182 917	78 378 131	(804 786)	76 960 606
Service charges - sanitation revenue	38 908 551	(1 122 573)	37 785 978	36 981 360	(804 618)	36 287 901
Service charges - refuse revenue	38 478 797	(579 837)	37 898 960	37 686 213	(212 747)	36 186 713
Rental of facilities and equipment	2 279 000	(213 672)	2 065 328	2 165 371	100 043	2 060 385
Interest earned - external investments	11 000 000	(3 200 000)	7 800 000	10 542 388	2 742 388	8 097 552
Interest earned - outstanding debtors	22 472 000	(6 672 000)	15 800 000	16 906 671	1 106 671	12 155 517
Fines, penalties and forfeits	15 657 318	9 463 682	25 121 000	26 620 869	1 499 869	13 928 678
Licences and permits	68 370	(46 370)	22 000	35 792	13 792	108 598
Agency services	8 376 389	(29 189)	8 347 200	7 139 847	(1 207 353)	7 283 913
Transfers and Subsidies - operating	142 866 385	830 324	143 696 709	128 201 647	(15 495 062)	139 317 261
Other revenue	7 892 649	1 422 484	9 315 133	14 097 325	4 782 192	6 161 534
Gains	-	-	-	1 682 669	1 682 669	76 027
Total Revenue (excl capital transfers)	**612 384 598**	**(2 088 780)**	**610 295 818**	**602 778 118**	**(7 517 700)**	**562 314 442**
EXPENDITURE BY TYPE						
Employee related costs	254 167 059	(14 234 241)	239 932 818	238 699 223	(1 233 595)	221 793 890
Remuneration of councillors	13 849 333	(1 429 492)	12 419 841	11 899 590	(520 251)	12 147 720
Debt impairment	64 320 969	19 451 557	83 772 526	83 302 343	(470 183)	62 215 194
Depreciation and asset impairment	22 907 961	8 873 905	31 781 866	31 650 643	(131 223)	31 694 101
Finance charges	15 506 590	4 844 284	20 350 874	20 011 421	(339 453)	16 863 594
Bulk purchases	87 217 142	(860 000)	86 357 142	86 238 654	(118 488)	93 756 366
Inventory Consumed	40 700 795	(2 741 877)	37 958 918	34 528 216	(3 430 702)	19 576 059
Contracted Services	52 911 865	(3 211 837)	49 700 028	46 710 307	(2 989 721)	43 485 794
Transfers and grants	16 398 560	(1 715 774)	14 682 786	1 765 601	(12 917 185)	1 089 472
Other expenditure	54 998 113	8 584 354	63 582 467	58 268 534	(5 313 933)	42 713 304
Losses	-	700 000	700 000	610 096	(89 904)	5 189 057
Total Expenditure	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 627**	**(27 554 639)**	**550 524 552**
Surplus/(Deficit)	**(10 593 789)**	**(20 349 659)**	**(30 943 448)**	**(10 906 509)**	**20 036 939**	**11 789 891**
Transfers and subsidies - capital (monetary) - Government	95 183 806	(25 289 523)	69 894 283	44 248 540	(25 645 743)	38 125 132
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**33 342 031**	**(5 608 804)**	**49 915 022**

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	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Directorate Finance	-	-	-	-	-	-
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	8 120 000	-	8 120 000	2 344 029	(5 775 971)	6 606 976
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	17 950 000	(3 218 997)	14 731 003	7 782 964	(6 948 039)	-
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	5 037 007	4 829 467	9 866 474	8 952 835	(913 639)	6 116 964
Vote 13 - Waste water management	27 953 530	(14 204 698)	13 748 832	12 085 487	(1 663 345)	16 267 990
Vote 14 - Water	4 750 000	(1 830 125)	2 919 875	1 960 252	(959 623)	1 845 164
Vote 15 - Directorate Development and Community Services	4 780 000	(1 757 331)	3 022 669	2 819 269	(203 400)	-
Total Multi-year expenditure	**68 590 537**	**(16 181 684)**	**52 408 853**	**35 944 836**	**(16 464 017)**	**30 837 094**
Single-year expenditure						
Vote 1 - Directorate Finance	196 400	260 000	456 400	130 639	(325 761)	173 748
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	8 614 000	(872 878)	7 741 122	4 767 364	(2 973 758)	5 699 740
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	-	18 893	18 893	-	(18 893)	-
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	30 044 440	(10 761 665)	19 282 775	11 017 926	(8 264 849)	5 698 140
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	4 782 609	-	4 782 609	4 688 649	(93 960)	6 543 522
Vote 13 - Waste water management	21 843 531	(6 485 371)	15 358 160	14 454 133	(904 027)	10 038 683
Vote 14 - Water	16 996 656	7 300 525	24 297 181	14 473 347	(9 823 834)	7 269 188
Vote 15 - Directorate Development and Community Services	30 067 991	(10 011 501)	20 056 490	13 248 940	(6 807 550)	21 620 680
Total Single-year expenditure	**112 545 627**	**(20 551 997)**	**91 993 630**	**62 780 997**	**(29 212 633)**	**57 043 700**
Total Capital Expenditure by Vote	**181 136 164**	**(36 733 681)**	**144 402 483**	**[illegible]725 833**	**(45 676 650)**	**87 880 794**

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	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	-
Finance and administration	10 719 250	293 397	11 012 647	8 269 777	(2 742 870)	10 353 320
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	997 500	1 376 718	2 374 218	259 841	(2 114 377)	622 430
Sport and recreation	7 878 493	(7 878 493)	-	-	-	99 999
Public safety	622 000	(191 657)	430 343	282 695	(147 648)	817 668
Housing	48 750 440	(14 496 752)	34 253 688	19 041 766	(15 211 922)	5 856 184
Economic and environmental services						
Planning and development	2 285	593 854	596 139	375 700	(220 439)	52 600
Road transport	14 066 578	(5 165 383)	8 901 195	6 769 958	(2 131 237)	9 690 368
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	16 734 000	(872 878)	15 861 122	7 111 393	(8 749 729)	12 306 716
Water management	21 746 656	5 470 400	27 217 056	16 433 600	(10 783 456)	9 114 351
Waste water management	49 797 061	(20 690 069)	29 106 992	26 539 620	(2 567 372)	26 306 673
Waste management	9 819 616	4 829 467	14 649 083	13 641 483	(1 007 600)	12 660 485
Other	2 285	(2 285)	-	-	-	-
Total Capital Expenditure - Standard	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	41 972 173	(8 695 652)	33 276 521	24 954 208	(8 322 313)	29 170 761
Provincial Government	48 790 440	(12 622 680)	36 167 760	19 260 681	(16 907 079)	8 684 552
District Municipality	-	-	-	-	-	-
Other transfers and grants	4 421 191	(3 971 191)	450 000	-	(450 000)	416 169
Transfers recognised - capital	95 183 804	(25 289 523)	69 894 281	44 214 889	(25 679 392)	38 271 482
Borrowing	62 749 589	(4 920 547)	57 829 042	43 881 694	(13 947 348)	35 277 635
Internally generated funds	23 202 771	(6 523 611)	16 679 160	10 629 249	(6 049 911)	14 331 677
Total Capital Funding	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**

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	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	105 720 716	5 047 078	110 767 794	117 845 068	7 077 275	117 331 473
Service charges	235 219 401	3 915 156	239 134 557	232 519 826	(6 614 731)	219 901 702
Other revenue	21 230 578	1 057 088	22 287 666	31 733 172	9 445 507	25 591 836
Government - operating	142 866 385	(1 160 597)	141 705 788	133 083 035	(8 622 753)	140 757 552
Government - capital	95 183 806	(26 683 505)	68 500 301	44 214 890	(24 285 411)	35 843 766
Interest	30 069 515	(8 383 400)	21 686 114	9 226 244	(12 459 870)	7 198 213
Payments						
Suppliers and employees	(501 833 779)	17 448 179	(484 385 600)	(475 219 799)	9 165 801	(436 310 659)
Finance charges	(11 350 874)	-	(11 350 874)	(11 218 494)	132 380	(9 882 890)
Transfers and grants	(16 398 560)	1 715 774	(14 682 786)	(4 716 958)	9 965 828	(3 356 719)
NET CASH FROM OPERATING ACTIVITIES	**100 707 188**	**(7 044 229)**	**93 662 960**	**77 466 985**	**(16 195 975)**	**97 074 273**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	1 239 910	1 239 910	816 669
Decrease (increase) other non-current receivables	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(594 408)	(594 408)	-	594 408	-
Payments		-				
Capital assets	(181 136 164)	36 733 681	(144 402 483)	(98 692 182)	45 710 301	(85 599 427)
NET CASH USED IN INVESTING ACTIVITIES	**(181 136 164)**	**36 139 273**	**(144 996 891)**	**(97 452 272)**	**47 544 620**	**(84 782 759)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	62 749 589	(4 920 547)	57 829 042	34 862 548	(22 966 494)	22 094 345
Increase (decrease) in consumer deposits	257 299	(15 662)	241 636	135 684	(105 953)	67 942
Payments						
Repayment of borrowing	(7 879 410)	(2 974 466)	(10 853 876)	(13 120 615)	(2 266 739)	(9 552 434)
NET CASH FROM FINANCING ACTIVITIES	**55 127 478**	**(7 910 675)**	**47 216 802**	**21 877 616**	**(25 339 186)**	**12 609 853**
NET INCREASE/ (DECREASE) IN CASH HELD	**(25 301 498)**	**21 184 368**	**(4 117 130)**	**1 892 329**	**6 009 458**	**24 901 368**
Cash/cash equivalents at the year begin:	112 430 696	51 659 296	164 089 992	164 089 992	-	139 188 624
Cash/cash equivalents at the year end:	87 129 198	72 843 665	159 972 863	165 982 321	6 009 458	164 089 992

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