

2020-2021

Annual Report

Hessequa Municipality



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# 1 MAYOR'S FOREWORD & EXECUTIVE SUMMARY

## 1.1 EXECUTIVE MAYOR'S FOREWORD

It is with great pride that this Annual Report is presented to the reader and as Executive Mayor of Hessequa Municipality, would I like to provide a few words of welcome. The contents of this report reflect a general overview of the 2020/2021 financial year, the final performance that was achieved in relation to targets set and the financial position as at the end of the reporting year.



I would like to emphasise the role of National and Provincial Government in the successful service delivery Hessequa has been able to sustain. The Hessequa Integrated Development Plan (IDP) aligns and support the strategic framework of national and provincial departments. This is seen in the successful projects being implemented with funding from national and provincial programs that ranges from investment in bulk infrastructure, road and stormwater infrastructure, human settlements, environmental management, fully funded library services and many more.

I want to highlight the achievements of the Hessequa Municipality, not only in this reporting year, but also in the past Annual Reports that confirms our commitment to our vision. I acknowledge all the challenges that were experienced, however the management of a municipality should be focused on service delivery and the needs of communities. In our annual IDP and budget process, communities participate through various mechanisms. These include Ward Committees, comment procedures, formal inputs and many more. I also acknowledge that this year's performance in terms of capital spending did not result in our planned targets, however, there has been noticeable improvement with the in-year spending and less "spiking" at the end of the year.

It is also with great pride that this Annual Report reflects another year of good governance practices and the audit outcome reflects it. I know a municipality is much more than just a clean audit and will our commitment to our vision always be to reach our goals in a way that is accountable and transparent.

This year also revealed the challenges that communities are facing as a result of the COVID-19 pandemic and have we prepared responses to the needs of the community and business owners, as reported within this Annual Report. We will strive to maintain and improve on our current levels of service delivery.

Yours sincerely

*Grant Riddles*

Executive Mayor

## 1.2 MUNICIPAL MANAGER'S FOREWORD

Hessequa Municipality provides this Annual Report in alignment with the powers and functions, as set out in sections 155 and 156 of the Constitution of South Africa, as a Category B municipality. It does so without any municipal entities or sharing of functions with other sector departments.

It is a pleasure to reflect on the previous seven consecutive clean audit outcomes Hessequa Municipality has achieved, but it remains a priority to comply and perform in a highly regulated environment. Service delivery of a continuous high quality to all residents of Hessequa and all visitors to the area remain the highest priority and will not be neglected. The financial health of the municipality is stable and growing during challenging economic circumstances and a below average economic growth, which was also compacted by the COVID-19 pandemic.



The primary concern to financial sustainability is the ability of residents to fully pay their accounts on time within the current economic climate. Service delivery is still seen as a growth enabler which will ensure an expanding income base. Council responded to the outcry of residents and businesses to assist with the social and economic challenges communities are facing currently.

Investment in aging information systems remain a priority, but with the implementation of required changes to financial systems, integration and automation is limited. The information technology environment is ever changing, and the cost implication thereof is immense. All upgrades or development of systems are focused on improving efficiencies within municipal processes.

Hessequa Municipality is committed to constructive dialogue with communities, and would I like to thank all Ward Committee members who have served their communities in their endeavours to participate in the affairs of local government. All of this assists the municipality to remain financially stable and provide the administration with the input that is needed to ensure that service delivery is at an acceptable level.

*Johan Jacobs*

Municipal Manager



### 1.3 MUNICIPAL OVERVIEW

The Hessequa Municipality consists of three large towns located on the N2 that passes through the municipal area from east to west and four coastal towns. Then there are four smaller communities, varying in size, located in the vast rural area of Hessequa. On the following map the main towns and communities are shown to indicate the geographic layout of the Hessequa region.

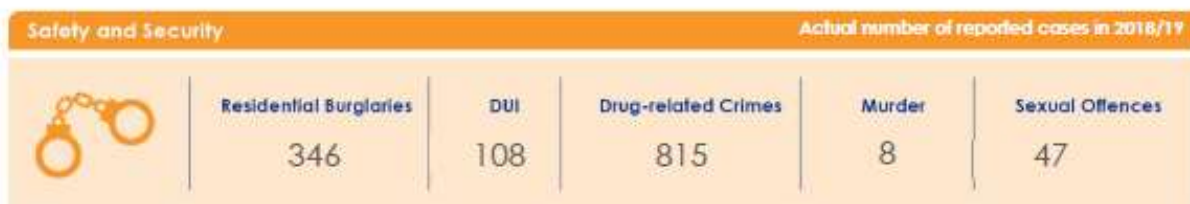
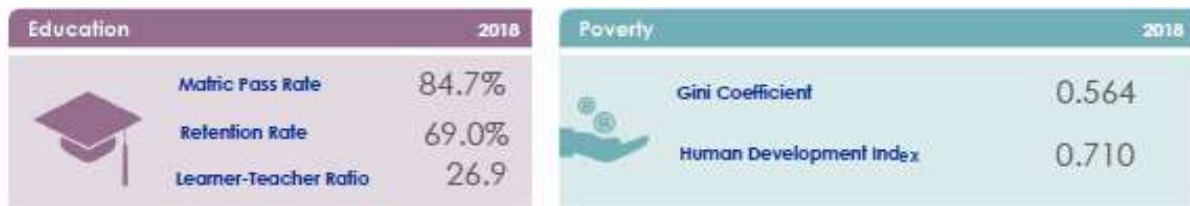


As indicated by the distance scale, the towns are physically removed from each other. This causes that all bulk infrastructure is duplicated for every town. These include wastewater treatment plants, water treatment works, electricity substations and reticulation networks. In terms of service delivery, this causes the municipality to provide seven different service desks that need to be able to manage account queries, payments, service disruption response personnel and duplication of personnel that is on standby. Hessequa centralised administrative functions in Riversdale to curtail as much duplication as possible.

This overview reflects the 2018 and 2019 publication of the Social & Economic Profile as published by Provincial Treasury.

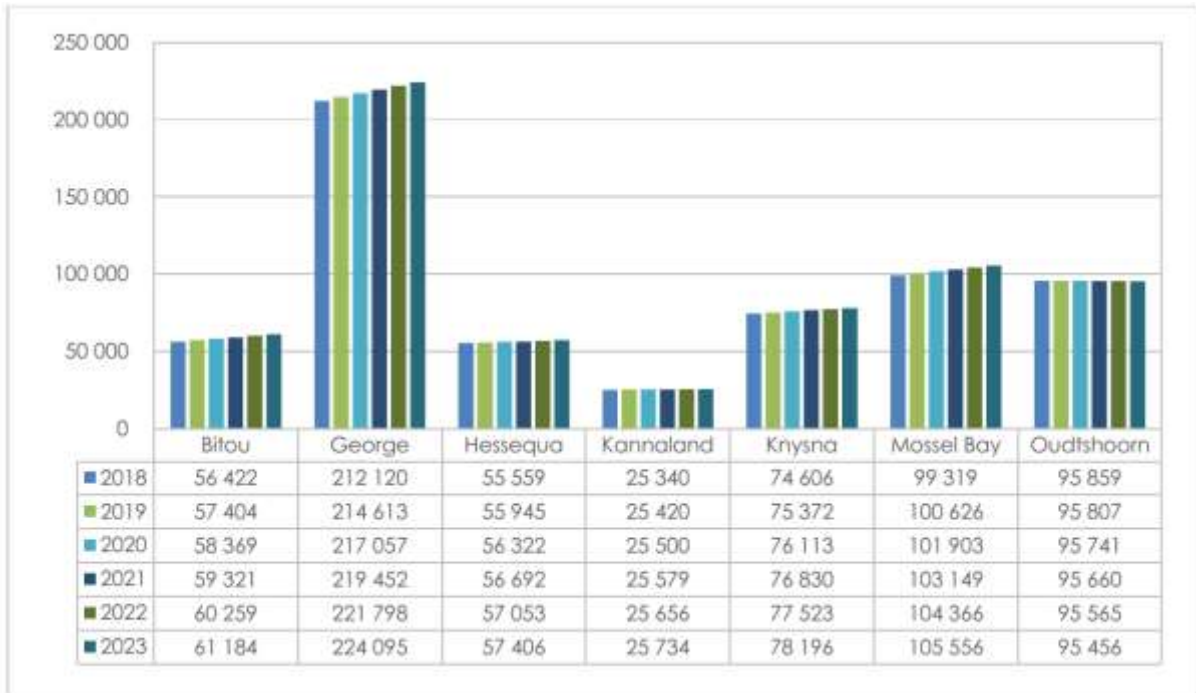
## Hessequa: At a Glance





## Population

Hessequa will have an estimated population of 55 559, with a projected count of 57 406 in five years. This equates to an average annual growing rate of 0.7 per cent. The estimated population growth rate of Hessequa is therefore 0.2 percent lower than the estimated population growth of the Garden Route District's annual average population growth rate of 0.9 percent.



## Access to Services

One of the major challenges of the Hessequa municipal region is the vast geographic layout. The above mentioned communities are located in a rural area more than twice the size of the City of Cape Town Metro. When access to services are assessed within the IDP, it includes the vast number of households that are in the rural areas. These households do pose a major challenge in terms of service delivery as they are not connected to any form of municipal basic service. The following tables represent the access to basic services for all households comparatively in Hessequa to that of other municipalities in the Garden Route.

### 1.3.1 GOVERNANCE OVERVIEW

The Hessequa Council was elected in the 2016 local elections and have there been one by-election during the term of Council that lead to a change in a ward due to the passing of one of the councillors.

The Municipal Manager and all Director positions are filled with competent staff, which is supported by a strong and well experienced middle management group of Managers. The employee turn-over rate is low and can Hessequa be seen as a stable work environment and local authority. Good governance practices has lead to six consecutive clean (unqualified with no findings) audit outcomes.

In terms of service delivery, does Hessequa have above average service delivery standards when compared on district, provincial and national level. Performance targets are set for service delivery standards and are reported in more detail within Chapter 3.



### 1.3.2 FINANCIAL OVERVIEW

There are basic financial ratios and reporting targets set for local government by legislation. The following tables reflect the basic financial performance relating to it. For more detail please refer to Chapter 3, Chapter 5 and for full details, refer to the attached Annual Financial Statements as submitted for external audit. The financial strategy of Council, as reflected in the IDP, is based on the approved financial plan. Financial sustainability is core to the municipal vision to ensure service delivery to communities in the long term future of Hessequa.

#### Liquidity Ratio

Description	Basis of calculation	2019/20	2020/21
		Audit outcome	Audit outcome
<b>Current Ratio</b>	Current assets/current liabilities	3.27	3.21
<b>Current Ratio adjusted for aged debtors</b>	Current assets less debtors > 90 days/current liabilities	2.94	2.94
<b>Liquidity Ratio</b>	Monetary Assets/Current Liabilities	3.23	3.18

Financial year	Total Assets	Total Liabilities	Ratio
	R'000	R'000	
<b>2019/20</b>	1 222 875 136	273 112 277	3.5:1
<b>2020/21</b>	1 384 009 743	382 411 698	3.0:1

#### IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2019/20	2020/21
		Audit outcome	Audit outcome
<b>Cost Coverage</b>	(Available cash + Investments)/monthly fixed operational expenditure	10.87	14.53
<b>Total Outstanding Service Debtors to Revenue</b>	Total outstanding service debtors/annual revenue received for services	12.65%	11.43%
<b>Debt coverage</b>	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.68	12.08

## Creditors Management

Description	Basis of calculation	2019/20	2020/21	
		Audit outcome	Audit outcome	
<b>Creditors Efficiency</b>	<b>System</b>	of Creditors Paid Within Terms (within MFMA' s 65(e))	55.89	72.62

## Borrowing Management

Description	Basis of calculation	2019/20	2020/21	
		Audit outcome	Audit outcome	
<b>Capital Charges to Operating Expenditure</b>		Interest & Principal Paid /Operating Expenditure	6.85%	6.83%

## Employee costs

Detail	Expected norm (% of total budget exp) %	Actual/Total Final budget (%)
Employee Cost	35- 40%	38.85%
Repairs & Maintenance	8.00%	14.27%
Finance Charges & Depreciation	10.01%	7.34%

### 1.3.3 MAINTENANCE / DEVELOPMENT OF THE THREE LARGEST ASSETS – OPERATIONAL EXPENDITURE

Repair of Orbit Pump		R193 850.00
Upgrading of Theronville Community Hall - Albertinia		R139 897.50
Garcia Water Treatment Works		R 83 000.00

### 1.3.4 CAPITAL SPENDING ON THE 5 MOST EXPENSIVE PROJECTS

Name of Project*	Current Year: 2020/21		Variance Current Year: 2020/21
	Amended Budget	Actual Expenditure	Variance
	R'000	R'000	R'000
Development of Sport Ground - Slangirivier	5 237	5 237	0

<b>Upgrading of Melkhoutfontein Sport field</b>	5 633	5 633	0
<b>New Water Networks Distribution ( StillBay)</b>	4 417	4 417	0
<b>Electricity load control system Hessequa</b>	3 600	3 130	470
<b>Low Level Reservoir Rehabilitation Riversdale</b>	2 292	2 292	0

<b>Name of Project</b>	<b>Development of Sport Ground - Slangrivier</b>
<b>Objective of Project</b>	The project was aimed to upgrade the current sport facility with a bigger pavillion and ablution facilities in the Slangrivier area. To improve and uplift the sporting element in the Slangrivier area.
<b>Delays</b>	There were some delays with the workmanship and quality of the Local SMME appointed on the project. This was address by the Main contractor appointed on the project.
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	3011 (Slangrivier)

<b>Name of Project</b>	<b>Development of Sport Ground -Melkhoutfontein</b>
<b>Objective of Project</b>	The project was aimed to upgrade the current sport facility with a bigger pavillion and ablution facilities in the Slangrivier area. To improve and uplift the sporting element in the Slangrivier area.
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	3525 (Melkhoutfontein)

<b>Name of Project</b>	<b>New Water Networks Distribution ( StillBay)</b>
<b>Objective of Project</b>	To upgrade and improve the current water infrastructure in the Still Bay area.
<b>Delays</b>	Due to COVID 19 some of the construction activites took longer than expected
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	3 700 (Still Bay)

<b>Name of Project</b>	<b>Electricity load control system Hessequa</b>
<b>Objective of Project</b>	Replacement of old Energy consuming lighths with LED lighths in the Hessequa area. To reduce the usage of energy by using LED lighths.
<b>Delays</b>	Due to COVID 19 there were delays on the delivery of materials. The project however managed to be completed on time.
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	52642 (Hessequa)

<b>Name of Project</b>	<b>Low Level Reservoir Rehabilitation Riversdale</b>
<b>Objective of Project</b>	To rehabilitate the current condition of the low level reservoir and to replace the existing concrete roof. The main objective is to prevent collapse of roof.
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	16176 (Riversdale)



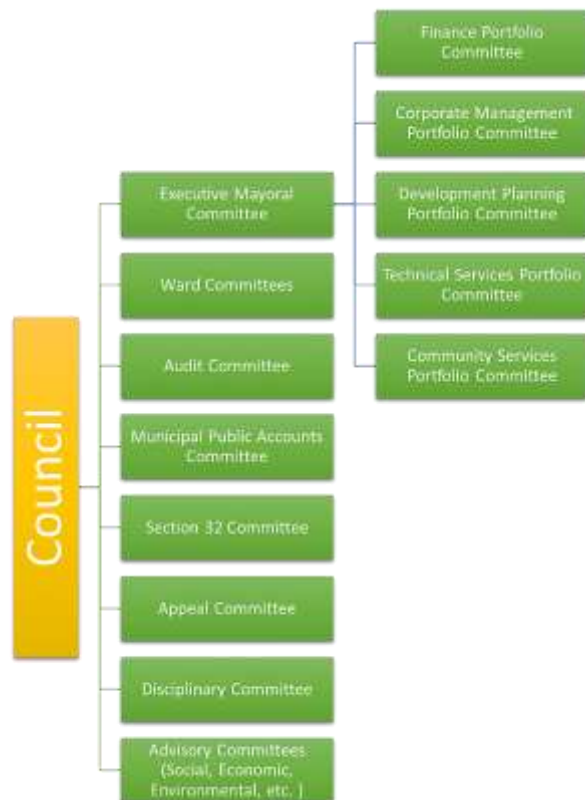
## 2 GOVERNANCE

To ensure accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

### 2.1 GOVERNANCE STRUCTURES

#### 2.1.1 GOVERNANCE STRUCTURES OF COUNCIL (POLITICAL)

The diagram on the right is a graphical representation of the formal governance structures of Council. Depending on the delegations made by Council to the relevant structure, all decision-making authority resides with Council. The most prominent and having the most delegated authority, would be the Executive Mayoral Committee (EMC), which is chaired by the Mayor. The EMC consists of the chairpersons of the various Portfolio Committees that report to the EMC. In terms of Section 17 of the Municipal Systems Act, a Council can appoint various advisory Committees. The following Committees are constituted by decision of Council and other relevant legislation to assist Council in their governance and oversight functions:



#### **Ward Committees:**

Ward Committees are established for each electoral ward within the municipal borders and is chaired by the relevant Ward Councillor. Ward Committees are established with representatives from either a geographical area, or a specific sector / interest group that is relevant to the ward.

Ward Committees are established with representatives from either a geographical area, or a specific sector / interest group that is relevant to the ward.

#### **Advisory Committees:**

Council constituted various advisory committees to assist in specific matters for consultation purposes. Examples thereof are the Environmental Advisory Committee, Archaeological Advisory Forum, Social & Sport Development Forum, Economic Forum, etc.

#### **Municipal Public Accounts Committee:**

The Municipal Public Accounts Committee, or MPAC, is established by Council to review various governance processes on behalf of Council. This includes processes like the development and review of the Annual Report, In-year financial and performance reporting, etc.

#### **Audit Committee:**

The Audit Committee of Council is a legislated platform that provides oversight on behalf of Council on the Internal Audit function of the municipality. Internal Auditing is administratively accountable to the Municipal Manager but reports on the Annual Audit Plan and any findings on internal control deficiencies to the Audit Committee, who then makes recommendations to Council for consideration.

**Section 32 Committee:**

Section 32 of the Municipal Finance Management Act (MFMA) requires that a committee of Council must investigate any cases of unauthorised, irregular or fruitless and wasteful expenditure and provide recommendations to Council in terms of possible actions to be taken.

**2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURES:**

The diagram on the right illustrates various internal, or administrative, governance structures that formally consider and manage specific business processes.



**Senior Management Committee:**

The Senior Management Committee is chaired by the Municipal Manager with all Directors being the active members of the Committee. The Committee provides support to the Municipal Manager in the management of day-to-day operations of the municipality.

**ICT Steering Committee:**

The Information and Communications Technology Steering Committee is a formal platform where the administration of the municipality consider ICT interventions relating to systems, service providers, policy and any matter relating to ICT that affects the organisation.

**Risk Management Committee:**

The Risk Management Committee functions as a governance platform that supports the Municipal Manager in managing the risk profile of the organisation. The Risk Management Committee also reports to the Audit Committee and Council.

**Disaster Management Committee:**

The Disaster Management Committee oversees the risk management function within the organisation in support of the Municipal Manager.

**Supply Chain Management Committees:**

The Supply Chain Management process is overseen by various committees that formally considers and provides oversight to the administration for procurement of goods and services. The aim of these committees is to ensure the un-biased implementation of the approved Supply Chain Management Policy.

## 2.2 INTERGOVERNMENTAL RELATIONS

It is legislated that all three spheres of government should work together to ensure that the mandate that is provided to each sphere of government, is implemented in a coordinated manner. The relationship between the three spheres of government is of utmost importance and does the following table list all the various intergovernmental platforms that is in existence and being used to coordinate the collective efforts of government within the local government borders.

Delegated Representative	IGR Platform	Frequency of Engagement
Municipal Manager	Premier's Coordinating Forum	Bi-Annually
Municipal Manager	MinMay	Quarterly
Municipal Manager	MinMayTech	Quarterly
Municipal Manager	ILGM	Annually
Municipal Manager	Western Cape Municipal Managers Forum	Quarterly
Municipal Manager	Garden Route District Municipal Managers Forum	Quarterly
Managers Finance Department	MAF	Quarterly
Director: Financial Services	Chief Financial Officer Forum	Quarterly
Director: Financial Services and Financial Managers	IMFO	Yearly
Manager: SCM, Asset and Insurance	Provincial SCM Forum	Quarterly
Manager: SCM, Asset and Insurance	COVID 19 - Key Challenges and Risk / JDA Required Meeting	Monthly
Manager: Income	MPRA	Quarterly
Manager: Civil Planning and Project Management	WC MIG PMM/LM Coordination Meeting	Monthly
Manager: Civil Planning and Project Management	EPWP District Forum	Quarterly
Manager: Civil Planning and Project Management	IMESA Meetings	Quarterly
Manager: Electrical and Mechanical Services	Green Energy Forum	Monthly
Manager: Electrical and Mechanical Services	AMEU Forum (Association of Municipal Electricity utilities)	Quarterly
Manager: Electrical and Mechanical Services	SSEG (Small Scale Embedded Generation) Forum	Monthly

Delegated Representative	IGR Platform	Frequency of Engagement
Manager: Civil Infrastructure	IMESA Meetings	Quarterly
Manager: Civil Infrastructure	Garden Route Infrastructure Forum	Monthly
Manager: Civil Infrastructure	Garden Route Water Forum	Monthly
Specialist: Solid Waste, Public Facilities and Amenities	Garden Route Waste Forum	Monthly
Specialist: Solid Waste, Public Facilities and Amenities	Blue Flag Engagement	Annually
Director: Corporate Management	Collaborator User Group Meeting	Monthly
Director: Corporate Management	Legislative & Constitutional Task Team Meetings	Quarterly
Manager: ICT	Provincial ICT Forum	Quarterly
Manager: Library Services	Provincial MSS	Bi-annually
Manager: Legal and Administration Services	Legislative & Constitutional Task Team Meetings	Quarterly
Manager: Legal and Administration Services	Records and Archive Management Meeting	Quarterly
Manager: Legal and Administration Services	Collaborator User Group Meeting	Monthly
Manager: Human Resource Management	SALGA Human Resource Practitioner's Forum	Quarterly
Manager: Human Resource Management	SALGA Collective Bargaining and Institutional Resilience Working Group	Quarterly
Manager: Human Resource Management	SALGA Western Cape Negotiation Committee	On Demand
Skills Development Facilitator	SALGA Skills Development Forum	Quarterly
Manager: Community Development	District Thusong Managers Forum	Quarterly
Manager: Community Development	Thusong Mobile Programme	Quarterly
Senior Clerk Motor vehicle registration	Western Cape E-Natis user group meeting	Quarterly
Fire Safety Officer	Garden route meeting	Quarterly
Fire Safety Officer	western Cape meeting	Quarterly



Delegated Representative	IGR Platform	Frequency of Engagement
Public Transport Representative	Garden route Cluster meeting	Weekly
Chief Traffic Services	Traffic Chiefs Forum Western Cape	By Month (every 2nd month)
Chief/Deputy Traffic law enforcement	Western Cape Letcom Meeting	Quarterly
Chief/Deputy Traffic law enforcement	Garden route DRTMCC	Quarterly
Chief/Deputy Traffic law enforcement	AARTO	Six Monthly
Manager: Human Settlements	Title Deed Restoration Forum	Quarterly
Director: Community Services	Informal Settlement Support Programme	Quarterly
Director: Development Planning	WC Provincial Planning Heads Forum	Quarterly
Manager: Environmental Management	WC DEADP	Quarterly
Manager: Spatial and Economic Dev	Garden Route District Municipality Economic Cluster	Weekly
Manager: Building Control	BCO Conference	Annually

The importance of intergovernmental collaboration cannot be emphasised enough. There are specific processes that the residents of Hessequa benefit from as a result and would it be an injustice to the residents of Hessequa if the municipality did not make use of the opportunities created by other spheres of government, or involving them in service delivery challenges on a local level. The following list highlights some intergovernmental successes for the 2019/2020 financial year.

- Municipal Infrastructure Grant Projects
- Human Settlements Projects
- Social Relief Projects during COVID-19
- Environmental Management Initiatives
- Good Governance Grant Projects
- Financial Management Grant Projects
- Information & Communication Technology Initiatives
- Integrated Road & Traffic Safety Initiatives
- Library and E-Services
- Mobile Thusong Program
- Expanded Public Works Program Projects
- Working for the Coast Initiatives
- Community Development Worker Initiatives
- Expansion of Fire Safety Services
- Master Planning Support

## 2.3 PUBLIC ACCOUNTABILITY & PARTICIPATION

Chapter 4 of the Municipal Systems Act (MSA) explains in detail the responsibility of local government to include communities in municipal decision-making process. The core processes that is referenced in this section of the act, is the development and review process of the Integrated Development Plan, the development and review of the annual budget, the development of the Performance Management System and strategic decisions being made relating to municipal services. The following sections reflect on how Hessequa Municipality go beyond basic compliance when including the communities of Hessequa in the above-mentioned processes.

### Development and Annual Review of the Integrated Development Plan (IDP), the Annual Budget Review and Annual Report Oversight Process

During the development and review communities are included in the process in the form of public meetings and opportunities to submit written representations. The IDP also includes the summary of community needs and development priorities as part of the IDP. Documentation is available in all towns and on the municipal website.

A second round of public meetings are held after the draft budget have been tabled to Council to visit communities and present the draft budget to them. A second opportunity to submit written comment on both the IDP and budget is presented to communities.

In accordance with MSA Section 17(2)(d), representative platforms are also accommodated in the event of requests being received. Examples of these are consultative meetings with Chambers of Commerce, Rate Payers Associations, special interest groups like the Hessequa Archaeological Association, etc.

Ward Committees are also included as formal consultation platform. Specifically, in the evaluation of municipal performance when the Annual Report is presented to the community for comment, but specifically also sent to the Ward Committees to submit comment on the reported performance of the municipality. These comments are submitted to the Municipal Public Accounts Committee for consideration and who in turn, submit their oversight report to Council. Depending the recommendations of the Oversight Report, performance bonuses are only payed after this public participation process have been completed and Council adopted the Annual Report.

### 2.3.1 WARD COMMITTEE MEETINGS

Number of Ward Committees held per month:

Ward	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021
Ward 1	0	1	1	1	1	0	0	0	0	1	1
Ward 2	1	1	1	1	1	0	0	1	1	1	1
Ward 3	1	1	0	1	1	0	0	1	1	0	1
Ward 4	1	1	1	1	0	0	0	1	1	0	1
Ward 5	1	1	0	0	1	0	0	1	1	1	0
Ward 6	1	1	0	0	1	1	0	0	1	1	1
Ward 7	1	1	1	1	0	1	0	0	1	1	1
Ward 8	0	1	1	1	1	1	0	1	1	0	1

Ward 9	1	1	0	0	1	0	0	1	1	0	1
<b>TOTAL</b>	<b>7</b>	<b>9</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>6</b>	<b>8</b>	<b>5</b>	<b>8</b>

Ward committee meeting for Ward 5 did not take place as they did not have a quorum.

## 2.4 CORPORATE GOVERNANCE

### 2.4.1 RISK MANAGEMENT

The Municipality is required by the Municipal Finance Management Act (No 56 of 2003) to have a risk management system in place. The legislation specifically reads under Section 62 as follows:

(1) The Accounting Officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure - .... (c) that the municipality has and maintains effective, efficient and transparent systems - (i) of financial and risk management and internal control; and .....

During the 2019/2020 financial year Hessequa Municipality have benefitted from a district wide initiative that was funded by the Provincial Treasury, to procure and implement a software management system for all municipalities in the Garden Route District. The installation and training on the system was delayed during the second half of the financial year, however installation and setup has begun and have been finalised by end of June 2020.

The system that has been installed and setup is called "BarnOwl" which is an industry recognised solution used by private and public sector for risk management. As part of the implementation, current internal risk management practices have been reviewed to improve detail and accuracy of control environment. This system will provide a much needed tool to manage risk and internal audit information within an integrated platform to improve the level of combined assurance.

### 2.4.2 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management of 2003 (MFMA), Section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

Garden Route District Municipality invited tenders for the Anti-Fraud Hotline. The tender was awarded to ADVANCE CALL. Hessequa Municipality is currently in a shared services agreement with Garden Route District Municipality with regards to the Anti – Fraud Hotline service. The service provider Advance Call capture and distribute disclosures. Hessequa Municipality make use of the same number as Garden Route District Municipality Anti-Fraud Hotline (0800 004 006) to report disclosures.

## 2.5 SUPPLY-CHAIN MANAGEMENT

The Supply Chain Management (SCM) function within the administration of the municipality is regulated by relevant legislation and through the approved SCM Policy of Council. The following table details the number of Bid Committee meetings held for the 2020/21 financial year:

GOODS AND SERVICES		
Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
17	30	35
INFRASTRUCTUE		
Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
16	20	24

To oversee and manage the supply chain management processes in relation to competitive bidding and awarding bids to goods and service providers, a committee system is employed, and the following committees exist within the administrative sphere of the municipality. It is important to note that no Councillor can be involved of any procurement process within the supply chain management process.

### **Demand Management Committee Members:**

R. Bent (Manager - SCM, Assets and Insurance); B. Hayward (Manager – Spatial and Economic Development; H.J. Pienaar (Snr SCM Practitioner- Contract; Risk and Performance) ;J.Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management); A. Vries (Legal Services); and Project Managers from Directorates

### **Bid Specification Committee & Infrastructure Projects Members**

H.S. Visser (Director: Planning & Environmental Services), R. Manho (Director: Technical Services), W.F. Bergh (Manager: Budget), J.Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management); N. La Grange (SCM Practitioner- Tender Management) and Project Managers from Directorates

### **Bid Evaluation Committee Members& Infrastructure Projects Members**

A. M.Griesel (Director: Planning & Environmental Services), J.Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management);, J. Booyen (Accountant Expenditure), W. Joseph (Accountant Income), N. La Grange (SCM Practitioner Tender Administration and Project Managers from Directorates

### **Bid Adjudication Committee Members& Infrastructure Projects Members**

H.J. Viljoen (Director: Financial Services), R. Manho (Director: Technical Services), R. Bent (Manager - SCM, Assets and Insurance), H.J. Pienaar (Snr SCM Practitioner- Contract; Risk and Performance), H Visser (Director: Planning), C Onrust (Director: Community Services), Sub – Delegated members (A. Carelse (Manager: Expenditure), S. Kennedy (Manager: Civil Planning and Project Management), R. Heunis (Manager Community Development: Community Services), P. Louw(Manager: Town Planning)) and Project Managers from Directorates



## 2.5.1 AWARDS BY THE BID ADJUDICATION COMMITTEE

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

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded (Vat Excl.) (R)
HES-TECH 21/2021	Upgrading of Riversdale Waste Water Treatment Works Phase 3 - Civil Works	Technical Services	Khubeka Construction	R 7 284 811.60
HES-TECH 23/2021	Upgrading of sewer and water infrastructure in Still Bay	Technical Services	Entsha Henra	R 5 592 670.27
HES-TECH 30/2021	Upgrading of sewer water infrastructure in Heidelberg and Witsand	Technical Services	Benver Civils and Plant Hire	R 3 231 431.70
HES-TECH 20/2021	Upgrading of sewer infrastructure and water main in Albertinia	Technical Services	Shar Civils	R 2 800 563.76
HES-TECH 32/2021	Supply and delivery of electrical stock: LED streetlight and area light luminaires	Technical Services	VE Reticulation (Pty) Ltd - Project 1	R 2 358 280.87
			VE Reticulation (Pty) Ltd - Project 2	R 410 028.70
HES-TECH 09/2021	The supply and delivery of four (4) new LDV's	Technical Services	JDA Sourcing and Consulting	R 1 367 897.20
HES-TECH 11/2021	The supply and delivery of one (1) new multipurpose loader	Technical Services	Bell Equipment Sales SA Ltd.	R 1 333 506.00
HES-PLAN 02/2021	Replacement of government jetty in Witsand	Development Planning	Meyer Beton	R 1 311 661.00
HES-TECH 31/2021	Upgrading of water mains in Riversdale	Technical Services	Benver Civils and Plant Hire	R 1 224 999.60

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded (Vat Excl.) (R)
HES-TECH 35/2021	Collection of recyclable waste in Hessequa municipal area for a period of one (1) year	Technical Services	Henque Waste (Pty) Ltd.	R 1 036 092.00

## 2.5.2 AWARDS BY THE MUNICIPAL MANAGER

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R ( EXCL. VAT)
HES-FIN 03/2021	TAKING UP OF AN EXTERNAL LOAN	FINANCIAL SERVICES	THE STANDARD BANK PF SOUTH AFRICA LIMITED	R 60 000 000.00 AT 8.75%
HES-TECH 17/2021	ELECTRICAL CAPITAL PROJECTS 2020/21	TECHNICAL SERVICES	ADENCO CONSTRUCTION (PTY) LTD.	R 9 324 000.00
			VE RETICULATION (PTY) LTD.	R 10 750 000.00
HES-TECH 16/2021	UPGRADING OF SLANGRIVIER AND MELKHOUTFONTEIN SPORT FACILITIES	TECHNICAL SERVICES	PHAMBILI CIVILS	R 13 127 807.92
HES-TECH 07/2021	UPGRADING OF ROADS AND STORMWATER IN HESSEQUA MUNICIPAL AREA	TECHNICAL SERVICES	BENVER CIVILS AND PLANT HIRE	R 1 777 312.67
			ENTSHA HENRA	R 2 259 872.99
			PHAMBILI CIVILS	R 1875 954.55
			URHWEBO E-TRANSAND	R 1 962 109.79

## 2.5.3 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

The following table provides a summary of deviations approved during the financial year:

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
<R2 000	210	R 222 689.69	1.349378
Sole Supplier	0	R 0.00	0
Emergency	21	R 23 229.11	0.14075

<b>Exceptional Circumstances</b>	189	R 199 469.58	1.208628
<b>Impractical</b>	0	R 0.00	0
<b>R2 000 – R30 000</b>	<b>253</b>	<b>R 2 258 696.67</b>	<b>13.68592</b>
<b>Sole Supplier</b>	12 7	R 238 317.90	1.444019
<b>Emergency</b>	25	R 311 651.66	1.888363
<b>Exceptional Circumstances</b>	216	R 1 708 727.11	10.35354
<b>Impractical</b>	0	R 0.00	0
<b>R30 000 – R200 000</b>	<b>82</b>	<b>R6 205 038. 72</b>	<b>37.59764</b>
<b>Sole Supplier</b>	4	R212 511.37	1.287651
<b>Emergency</b>	7	R584 696.50	3.5428
<b>Exceptional Circumstances</b>	71	R5 407 830.85	32.76719
<b>Impractical</b>	0	R 0.00	0
<b>&gt;R200 000</b>	<b>13</b>	<b>R7 817 363.51</b>	<b>47.36706</b>
<b>Sole Supplier</b>	0	R0.00	0
<b>Emergency</b>	0	R 0.00	0
<b>Exceptional Circumstances</b>	13	R 7 817 363.51	47.36706
<b>Impractical</b>	0	R 0.00	0
<b>Total</b>	<b>558</b>	<b>R 16 503 797.59</b>	<b>100</b>

## 2.6 BY-LAWS

The executive and legislative authority of a municipality is exercised by the municipal council and one of the methods by which this is done is by passing by-laws. A municipality may only make by-laws on matters that it has the right to administer. These matters are set out in Schedule 4B and 5B of the Constitution. The following by-laws are currently in force:

Aerodromes	Fire Safety
Air Pollution	Fire Works
Cemeteries and Crematoria	Heritage Resources and Cultural Institutions
Commonage	Impoundment of Animals
Customer Care & Revenue Management	Irrigation Water
Disposal of Solid Waste	Liquor Trading Hours and Days
Electricity Supply	Management and Use of Rivers
Events	Municipal Land Use Planning
Fencing and Fences	

Outdoor Advertising  
 Public Amenities  
 Public Busses and Taxi's  
 Prevention of Public Nuisance and Public Nuisance arising from the Keeping of Animals  
 Rates  
 Rules for the Conduct of Meetings

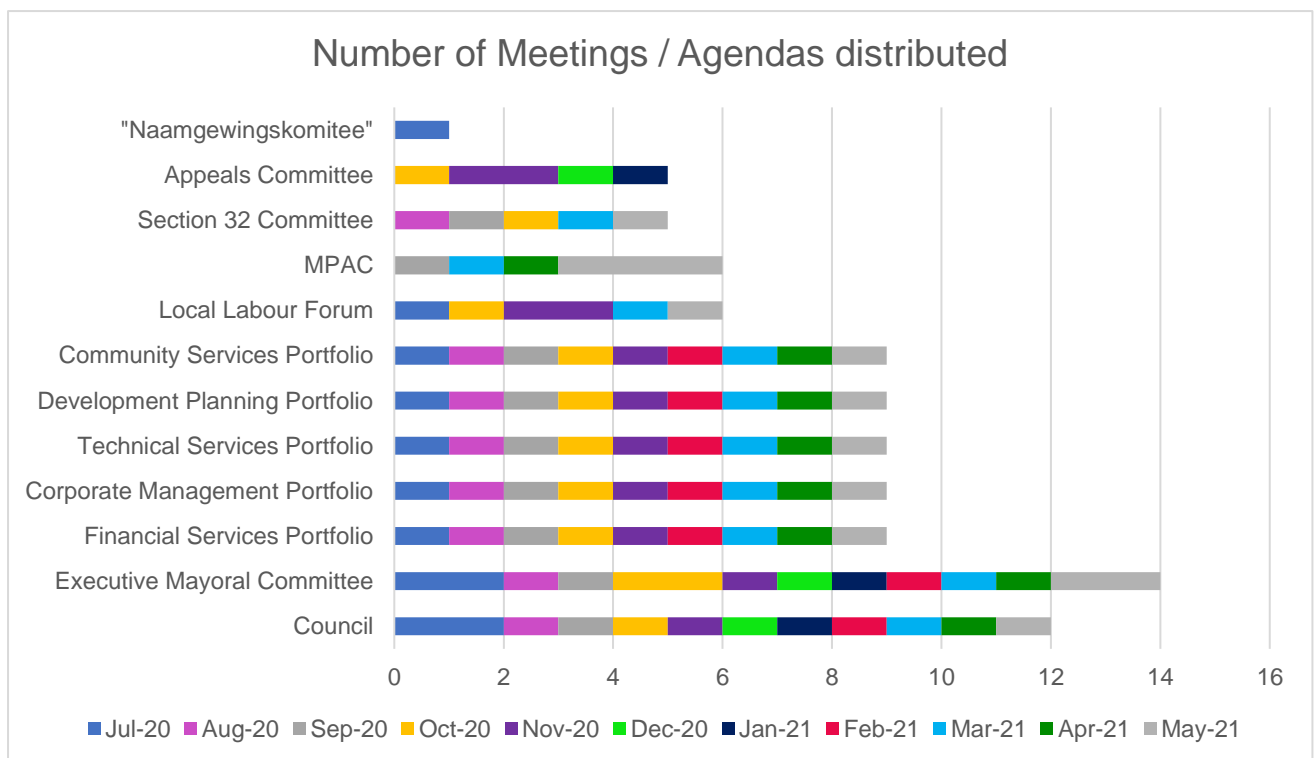
Roads and Streets  
 Street Trading  
 Storm Water Management  
 Sporting Facilities  
 Tariffs  
 Water Supply, Sanitation and Industrial Effluent

The "Rules for the Conduct of Meetings" by-law was amended during the 2019/2020 financial year.

### 2.6.1 ADMINISTRATION:

#### DISTRIBUTE AGENDAS WITHIN 4 CALENDAR DAYS BEFORE SCHEDULED MEETING

Number of agendas distributed:



#### DISTRIBUTE RESOLUTIONS WITHIN 5 WORKING DAYS AFTER MEETING WAS HELD

Number of resolutions distributed via the Collaborator system:

Month	Number
July 2020	113
August 2020	77

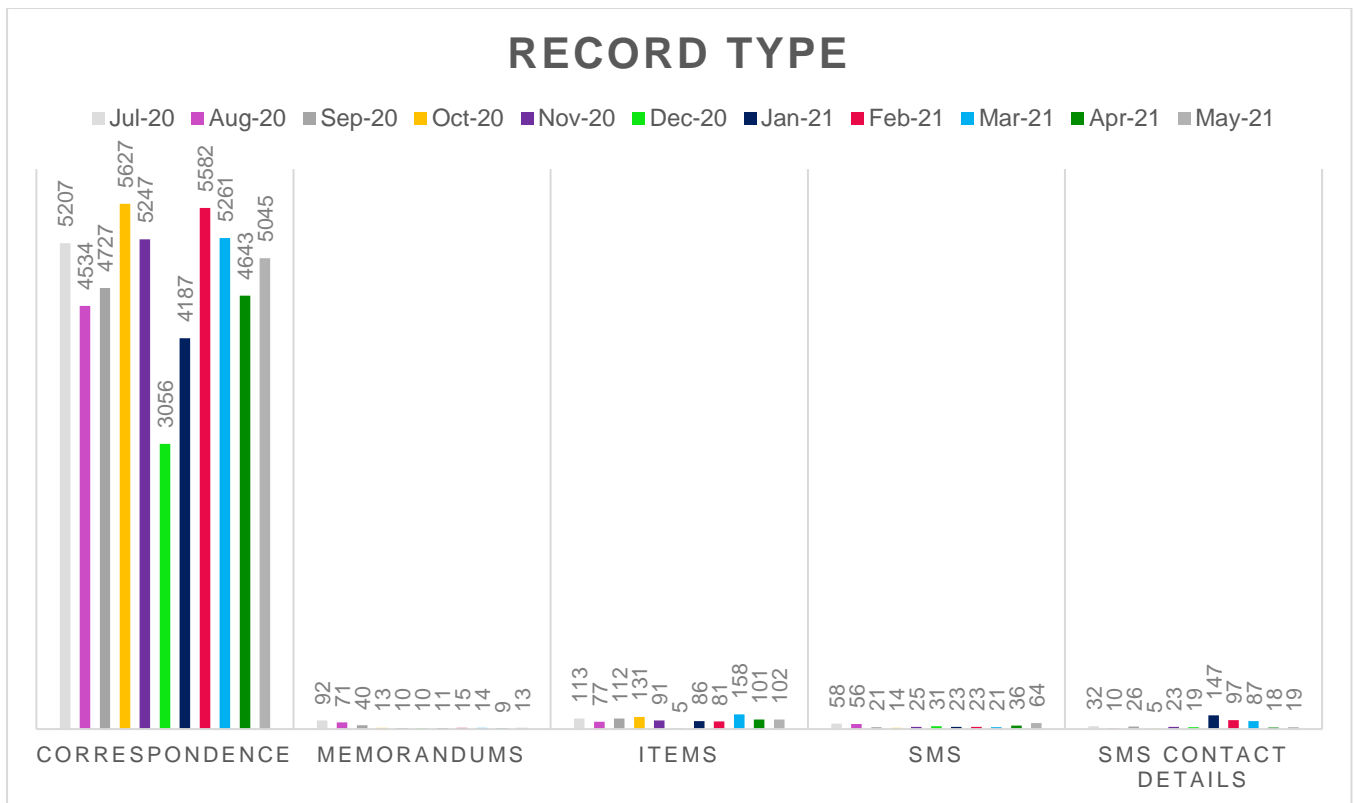


September 2020	112
October 2020	131
November 2020	91
December 2020	5
January 2021	86
February 2021	81
March 2021	158
April 2021	101
May 2021	102
<b>TOTAL</b>	<b>1,057</b>

### MONTHLY PROGRESS REPORTS REGARDING COUNCIL RESOLUTIONS

Progress reports regarding outstanding tasks older than 90 days, as well as outstanding Council resolutions older than 30 days, are tabled monthly to the Portfolio Committee meetings and Executive Mayoral Committee meeting respectively.

### RECORDS COUNT



### 6. TELEPHONE SYSTEM: WISPERNET / ELMICOM COMPLAINTS REPORTED

Description of problem / complaint	Date reported	Date resolved
<b>JUNE 2021</b>		
Extension 8072 – Unable to receive calls	01/06/2021	01/06/2021
Extension 7837 – Volume challenges	02/06/2021	02/06/2021

Extension 7986 – Unable to transfer calls	03/06/2021	03/06/2021
Extension 7823 – Unable to receive calls	08/06/2021	08/06/2021
Extension 7942– Unable to receive calls	09/06/2021	09/06/2021
Extension 7963 – Volume challenges	21/06/2021	21/06/2021
Extension 8009 – Volume challenges	21/06/2021	21/06/2021
Extension 8010 – Volume challenges	21/06/2021	21/06/2021
Extension 7945 – Unable to receive calls	23/06/2021	23/06/2021
Extension 8026 - Unable to receive calls	23/06/2021	23/06/2021

## 7. PROMOTION OF ACCESS TO INFORMATION ACT (PAIA) REQUESTS RECEIVED

Month	Requests Received	Approved in full	Partially approved	In process	Declined
June 2021	1	0	0	1	0

## 8. POLICIES APPROVED

The following policies have been approved:

Month	Number
July 2020	1. Veranderings aan die Huiswinkel beleid
August 2020	1. Amendments: Recruitment and Selection Policy 2. Amendments and inclusions to Hessequa Municipal Supply Chain Management policy
September 2020	1. Eenmalige afwyking van die Oordbeleid
October 2020	0
November 2020	0
December 2020	0
January 2021	0
February 2021	1. Amendments: Recruitment and Selection Policy 2. Revision of the Grant-In-Aid and Transfer Payment Policy
March 2021	1. Reg van Weg " Wayleave" beleid

Month	Number
April 2021	1. Wysigings aan die Verlofbeleid 2. Amendments to the Recruitment and Selection policy – Contract extensions after reaching retirement age
May 2021	ICT Governance Policy Review May 2021
June 2021	Privacy Policy

## 9. STANDARD OPERATING PROCEDURES (SOP)

Current Standard Operating Procedures:

NO.	NAME OF SOP	DATE APPROVED	PLAN OF ACTION (REVIEW / REMOVE)	DEADLINE FOR REVISION
1.	Hantering van Beleide	Augustus 2014	Revise	Finalised
2.	Uitreik Vergaderings	01/06/2015	Revise in collaboration with Strategic Services	Finalised
3.	Vertroulikheid van korrespondensie – Harde Kopie	01/06/2015	Revise	Finalised
4.	Reël van werkswinkels met die Raad	17/06/2015	Revise	Finalised
5.	Hantering van Koordlose Telefoon	23/02/2017	Revise	Finalised
6.	Uitstuur van rekeninge vir amptelike en privaat telefoon gebruik	20/04/2018	Revise	Finalised
7.	Guidelines for Standard Operational Procedure (SOP)	28/05/2018	Revise	Finalised
8.	Toeligting van items by Wykskomitee vergaderings	28/09/2018	Revise	Finalised
9.	Aansteekborde by Munisipale kantore	09/12/2019	Revise	Finalised
10.	Registrasie op SMS Databasis	13/02/2020	Revise	Finalised

NO.	NAME OF SOP	DATE APPROVED	PLAN OF ACTION (REVIEW / REMOVE)	DEADLINE FOR REVISION
	SMS Versending gedurende kantoorure SMS versending buite kantoorure			
11.	Aanmeld van telefoon & telefoon stelsel probleme	05/08/2020	No revision needed	Not applicable
12.	Vergaderings van die Raad en sy komitees tydens beplande beurtkrag	19/01/2021	No revision needed	Not applicable
13.	Aanmeld van probleme met 7 Telkom Lyne	No date	Revise in collaboration with ICT	Finalised
14.	Eksterne kommunikasie vanaf publiek met Hessequa Munisipaliteit	No date	Revise	Finalised
15.	Hantering van Pos	No date	Revise	Finalised
16.	Hantering van kwessies by Wykskomitee vergaderings	No date	Revise	Finalised
17.	Kliëntediens	No date	Revise	Finalised
18.	Regmaak van Lokale vir vergaderings van die Raad en Wykskomitees	No date	Revise in collaboration with Property Administration	Finalised
19.	Skryf van Items	No date	Revise	Finalised
20.	Vernietiging van rekords buite die liasseerstelsel	No date	Revise	Finalised
21.	Vertroulike korrespondensie – Collaborator	No date	Revise	Finalised
22.	Argief	No date	Revise	Finalised
23.	Hantering van Telefoonrekeninge per epos	No date	Revise	Finalised
24.	Aanmelding van Klagtes	No date	Revise	Finalised

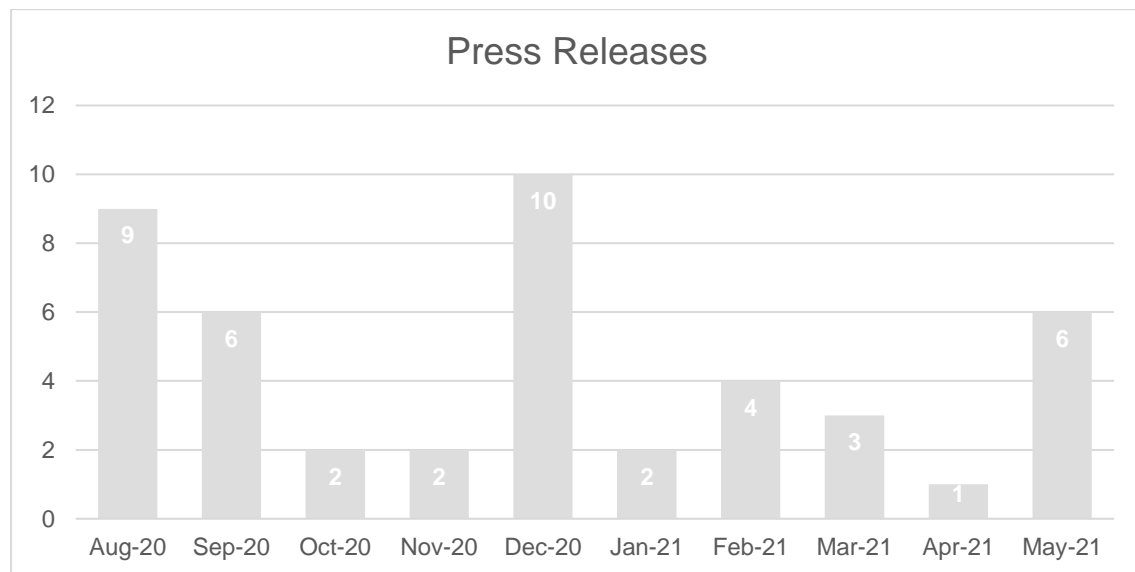
## 2.7 PUBLIC RELATIONS

### 2.7.1 PUBLISH ALL WEB REQUESTS AS RECEIVED

89 Notices and requests were posted on the Hessequa website

### 2.7.2 PRESS RELEASES

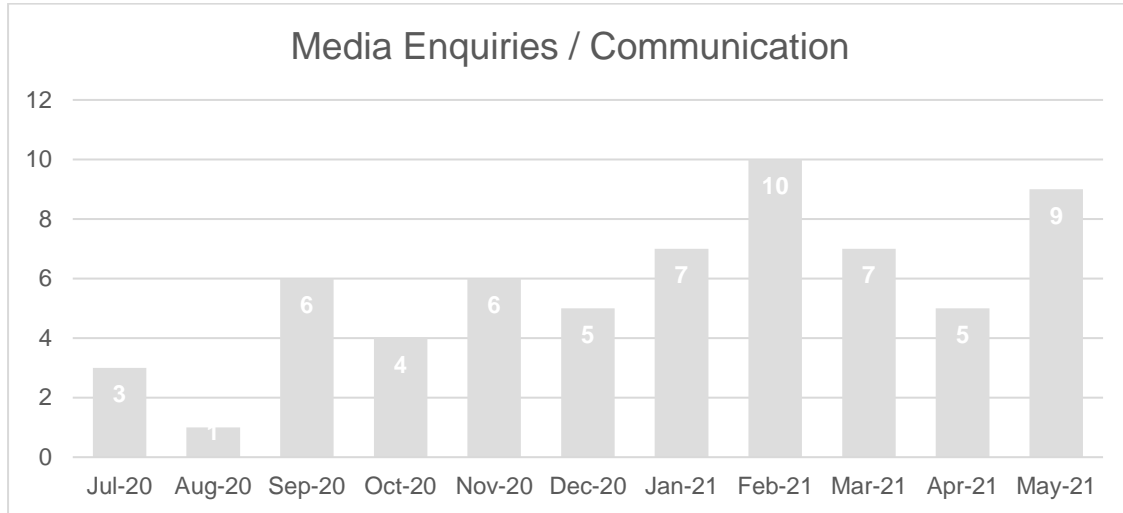
1. Weerskade in Hessequa
2. Water kwaliteit van Jongensfontein dam
3. Skep van Nooderwe in die Hessequa munisipale gebied
4. Geskiedkundige samewerkingsooreenkoms tussen Eerste Nasionale Bank en Hessequa Munisipaliteit
5. Second phase of COVID-19 vaccination kicks off on 17 May 2021
6. Bekendstelling van Kliëntedienshandves



### 2.7.3 MEDIA ENQUIRIES / COMMUNICATION

1. Opvolg navraag: Reuk oorlas van varkboerdery te Riversdal – **Suid Kaap Forum**
2. Weerskade in Hessequa – **Die Burger**
3. Skade in Gouritsmond – **Suid Kaap Forum**
4. Kwytsekelding van asbes verwyderingskoste of vergunnings – **Suid Kaap Forum**
5. Rioolwerke, ens. in Stilbaai – **Suid Kaap Forum**
6. Bewerings teenoor munisipaliteit deur Mnr Fred Carelse – **Suid Kaap Forum**

7. Dienslewering by die plaaslike munisipale verkeersafdeling (foutiewelik aan ons gerig, was bedoel vir *Graaff-Reinet Munisipaliteit*) – **Suid Kaap Forum**
8. Padblokkade – **Suid Kaap Forum**
9. Krag dips – **Suid Kaap Forum**



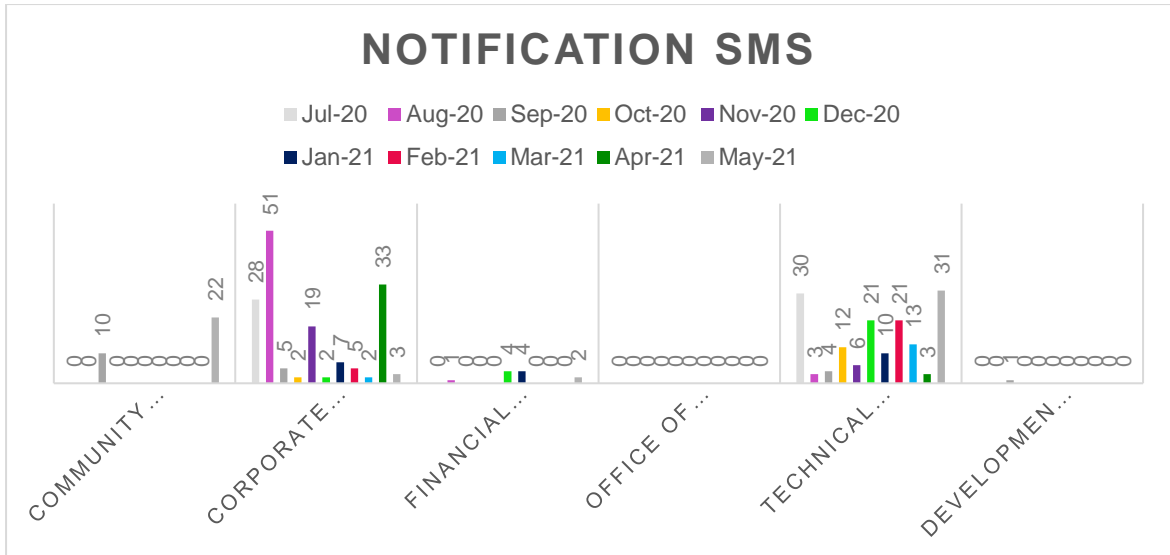
#### **2.7.4 SMS SYSTEM**

Currently, there are 3,217 members registered on the SMS database.

##### **Number of SMS's sent:**

<u>NOTIFICATION SMS:</u>	<b>May 2021</b>
Community Services	22
Corporate Management	3
Financial Services	2
Office of the Municipal Manager	0
Technical Services	31
Development Planning	0
<b>TOTAL</b>	<b>58</b>



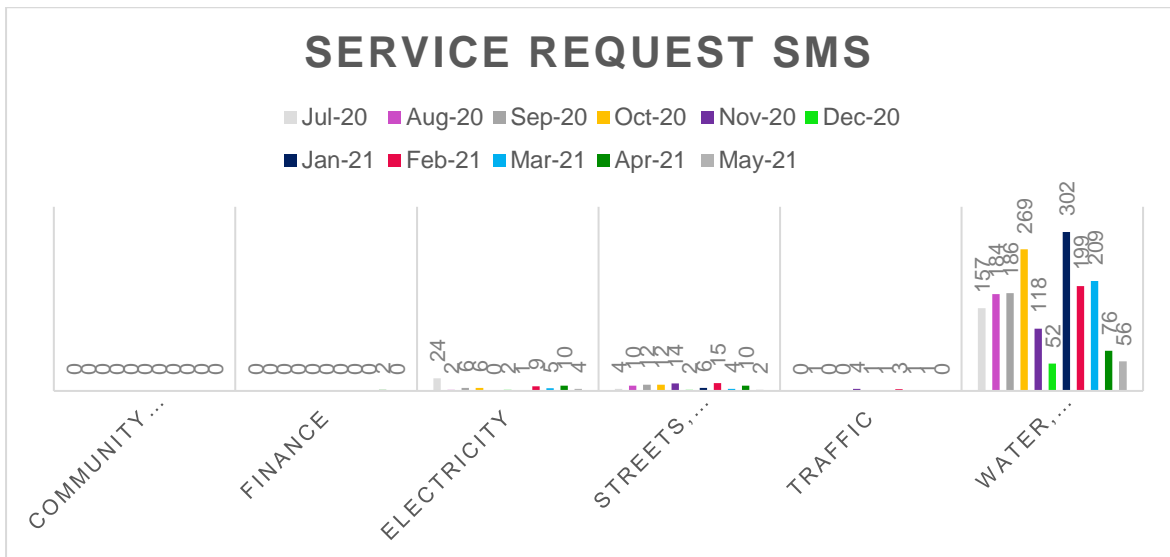


**Number of SMS's sent:**

**SERVICE REQUEST SMS:**

**May 2021**

Community Services	0
Finance	0
Electricity	4
Streets, Stormwater, Parks and Resorts	2
Traffic	0
Water, Sewerage and Sanitation	56
<b>TOTAL</b>	<b>62</b>



## 2.7.5 FACEBOOK STATISTICS

- ◆ **5,487 people like Hessequa Municipality's Facebook page:**  
An increase of 156 likes
- ◆ **5,744 people follow the Hessequa Municipality's Facebook page:**  
An increase of 161 followers

### Eden FM

Hessequa Municipality has bi-weekly timeslots on Eden FM between 16h30 and 17h00. These slots are used to either address pressing issues arising within the municipality of which the public needs to be informed of, or to bring attention to municipal procedures or other relevant information.

### Facebook

Hessequa Municipality's official Facebook page is used to keep the residents and visitors abreast of important notices and is used as a platform to help share information and pressing news. It is also a valuable medium to disseminate information with regards to the COVID-19 pandemic in terms of statistics and the importance of adhering to the lockdown regulations and preventative measures.

During the 2019/2020 financial year, we focussed on increasing our official Facebook numbers in order to reach a wider audience:

#### Total Page Followers:

Hessequa Municipality had 2,326 people following our official Facebook page on 01 July 2019. That number increased to a total of 4,007 people on 30 June 2020. An increase of 1,681 followers.



## Post Reach

The number of people who saw any of your posts at least once. This metric is estimated.



### Total Page likes:

The total page likes increased from 2,266 likes on 01 July 2019 to a total of 3,864 likes on 30 June 2020. An increase of 1,598 likes.

## 2.8 MUNICIPAL OVERSIGHT COMMITTEES

Oversight committees are platforms developed by Council, in accordance with relevant legislation, to perform specific oversight functions on behalf of Council. These committees are tasked to fulfil its functions and provide report to Council as executive authority to ensure implementation of recommendations made by oversight committees. Each committee is constituted in accordance with an approved Terms of Reference, that prescribes the roles and responsibilities of the committee.

Committee	Members	Meeting Frequency
Audit Committee	Prof JA Döckel (Chairperson) Ms A Hartnick Ms I Lorenz Mr J Kok Prof JAA Lazenby	Quarterly
Municipal Public Accounts Committee	Clr I Mangaliso (Chairperson) Clr T van den Berg Clr M Fielies Clr A Joubert Clr T van Rensburg	Quarterly and Ad-hoc
MFMA Sect 32 Committee	Clr T van den Berg (Chairperson) Clr CP Taute Clr T van Rensburg	Quarterly and Ad-hoc

## 2.8.1 MFMA SECTION 32 INVESTIGATIONS

The Section 32 Committee reports regularly to council on any findings with recommendations. The following investigations were considered by the Section 32 Committee during the 2019/2020 financial year:

Date of Section 32 Committee Meeting held	Unauthorized, Irregular, Fruitless and Wasteful Expenditure	Description of Expenditure	Amount of Expenditure	Write-off / Condone / Liability	Consequence Management	Date of Council Resolution
14/08/2020	Irregular Expenditure	application of Regulations when considering bids received from Non-VAT registered suppliers - consideration of irregular expenditure	R40,000,00	Written-Off	Adequate Consequence Management processes has been put in place to prevent similar occurrences in the future.	26/08/2020
27/10/2020	Unauthorized Expenditure	PLAKWERK AAN RUIE, MAAK EN ONTWERP VAN "CANVAS" PRENTE EN KANTOORBORDE VIR ALBERTINI A BRANDWEERSTASIE	R11,312,00	Written-Off	Adequate Consequence Management processes has been put in place to prevent similar occurrences in the future.	25/11/2020
04/03/2021	Unauthorized Expenditure	opgradering van rioolwerkte stilbaai	R44,000,00	Written-Off	Adequate Consequence Management processes has been put in place to prevent similar occurrences in the future.	28/05/2021

## 3 SERVICE DELIVERY PERFORMANCE

### 3.1 PERFORMANCE HIGHLIGHTS AND CHALLENGES

#### 3.1.1 COMMUNITY DEVELOPMENT HIGHLIGHTS AND PERFORMANCE CHALLENGES

**Hessequa Thusong Mobile Programme:** The Hessequa Thusong Mobile programme is an attempt by Hessequa Municipality to bring government to the people, especially to the rural areas. Four successful Mobile programmes, with strict Covid-19 measures in place, were conducted during the 2020/21 Financial year. (Number of beneficiaries reached: 1591

**Social Development Programmes:** Programs are aimed at the youth, the aged, disabled persons and the empowerment of the vulnerable groups. Ten (10) successful programmes were conducted during this period.

The number of beneficiaries reached: 1165



**Sport Development programmes:** Sport is a powerful social tool, bringing together people from different ethnic, cultural, religious, linguistic and socio-economic backgrounds; Sport plays an important role in improving physical and mental health, and fostering active citizenship and social inclusion. Nine (9) successful programmes were conducted during this period.



(Opening of the Melkhoutfontein E-Centre)

**E-Centre Programme:** The programme provides access to information and communication technologies (ICT) to less privileged and rural communities. There are currently four operational Centre's within Hessequa, Namely Slangrivier, Heidelberg, Melkhoutfontein and Riversdale. Statistics for this period: 1709.

**Hessequa Youth Café Program:** The program aims to provide youth with a platform where they can access skills and training for personal development, economic and social development opportunities.



It is a new and exciting program that provides support, services and opportunities for the youth who do not have a job, education or training opportunities, and are 14 - 25 years old.

The vision is also to create a safe environment for the youth in which they can develop and where they can reach their full potential.

#### Challenges Experienced:

The synchronization of programs because each sector department provides services according to their mandate.

For athletes to get to the highest level in their sports they need the best sporting facilities, the best training and coaches, the equipment and funding to pursue their dreams. Funding will always be a challenge.

Initiation of sustainable programs: No buy-in from private sector.

Political influence.



### 3.1.2 HUMAN SETTLEMENTS HIGHLIGHTS

#### Title Deeds Handovers

99 Title Deeds were handed over to owners in Albertinia, Heidelberg, Melkhoutfontein, Riversdale and Slangrivier whilst 101 owners were invited to 6 sessions to receive their documents.



#### Housing Consumer Education

13 Housing Consumer Education Sessions were held in Albertinia, Heidelberg, Melkhoutfontein, Riversdale and Slangrivier where 295 beneficiaries attended these sessions. During these sessions information were disseminated regarding home the roles and responsibilities of being a homeowner, wills, etc.



#### Updating of Housing Demand Database

The housing demand data base was updated at 6 occasions in Melkhoutfontein, Heidelberg & Riversdale. Melkhoutfontein was done primarily to identify beneficiaries for the new Melkhoutfontein housing project. 299 Persons either register themselves for the first time on the waiting list or updated their existing status on the housing demand database.



## Melkhoutfontein Housing Project

The long awaited Melkhoutfontein housing project, comprising of 585 housing opportunities was approved by the Western Cape Department of Human Settlements. Environmental approval was received, and that unlocked the project to proceed. The construction site was handed over to The Implementing Agent, ASLA in March 2021, and the construction of the civil engineering services started. The project will be implemented over three financial years at a cost of over R120 million.

### 3.1.3 PROTECTION SERVICES

Since the start of the Covid 19 pandemic, Protection Services department played a pivotal role in enforcing the lockdown Regulations through various initiatives, viz. loud hailing, issuing of lockdown related fines, integrated vehicle checkpoints together with SAPS, assisting with humanitarian aid through the distribution of food parcels, assistance to destitute/homeless people by providing them with shelter and other forms of humanitarian assistance like tents, blankets, mattresses and food parcels.



### 3.1.4 LEGAL AND ADMINISTRATION PERFORMANCE HIGHLIGHTS:

Archive staff busy preparing for the upcoming Provincial Archive and Records Service Inspection scheduled for 7 September 2021.



## POPIA READINESS AND IMPLEMENTATION

POPIA gives effect to the Constitutional right to privacy and ensures that a public or private body does not process (collect, use, share, store or destroy) any natural or juristic person's personal information unless such processing is permitted by law.

The Protection of Personal Information Act, Act 4 of 2013 ("POPIA") establishes a framework of rights and duties which are designed to safeguard personal data. This framework balances the legitimate needs of companies to collect and use personal data for business and other purposes against the right of individuals to respect the privacy of their personal details.

The act came into full operation on the 1st of July 2021. As Information Officer, the Municipal Manager is obliged to implement the provisions contained in the act. Council approved a Privacy Policy on 29 June 2021.

<b>Action</b>	<b>Responsible Department(s)</b>	<b>Due Date</b>
Ensure all employees are aware of POPIA (allusers, newsletter, induction, intranet)	Legal and Administration Services	Finalised
Registration of Information Officer with Information Regulator of SA	Legal and Administration Services	Finalised
Revision of all current business processes that process personal information	All Directorates	Finalised
Privacy Impact Assessments for all new operational / processes and systems that process personal information	All Directorates	Finalised and ongoing
Revision of the Promotion of Access to Information Act (PAIA) manual	Legal and Administration Services	Finalised
Perform POPIA compliance Risk Assesment	Strategic Services / ITC	Finalised and ongoing
Review current controls and update where required	Strategic Services / ITC	Finalised and ongoing
Revision of Bid Specifications, Supply Chain Management and Contract Management processes	Legal and Administration Services / Finance (SCM)	Finalised
Align the management of physical security incidents(operational) with	ICT	Finalised

Action	Responsible Department(s)	Due Date
management of cyber security incidents(technical)		
Training of Supply Chain Management and Contract Management employees	Legal and Administration Services	Finalised
Notices to all data subjects on the processing of their personal information	All department	Finalised
Approval of Compliance Framework	Legal and Administration Services	Finalised
Ensure that appropriate security measures are in place to protect the personal information	ICT	Finalised
Awareness regarding the reporting of security breaches	ICT	Finalised
Training of employees who deal with data subject requests		Finalised

### 3.1.5 PROPERTY MANAGEMENT HIGHLIGHTS AND CHALLENGES:

#### Lukhanyo Creche, Riversdale

Various maintenance work was performed at Lukhanyo Creche.





### Deep Clean of Municipal Buildings

Municipal buildings were deep cleaned on a regular basis to ensure the safety of employees and the public.



### New roof, Africana Centre, Riversdale

New roof sheets fitted on the roof of the Africana Centre.



### Back up battery system for ablution facility at Ellensrust, Stilbaai

A back up system were installed at Ellensrust ablution facility to ensure continuous electricity supply in the event of load shedding.



### Hail Damage in Gouritsmond

Damaged Municipal Buildings were repaired with insurance funds



## Library Service Highlights:

Library of the Blind – April 2021: Riversdale Library was expanded to include a Library of the Blind section. This service includes daisy players, audio books, document reader and a computer with internet access.

Book launch – February 2021: Heidelberg Library launched Alta Cloete's new book "Eintlik Alles" to the enjoyment of the readers

ATKV Storieleesfees –  
September 2020: Libraries participated in the reading competition and a total of 281 children entered. Four libraries received a book voucher from LAPA valued at R750 each. This is the third-year libraries participated in this competition.  
Christmas project – December 2020: Slangrivier hosted a Christmas party for the children of Slangrivier. Father Christmas gave out presents and cake to the children



Poetry competition – August 2020: A online poetry competition was held for the learners of Hessequa. The winner received R200 for his poem.

Repairs – April 2021: New windows, doors and carpet were installed in Melkhoutfontein library. The roof was repaired and the interior painted.

Repairs – May 2021: Slangrivier Library's roof was repair, the interior painted, and new blinds installed.

## Primary Library Service Challenge

Library Service were closed from July and part of Augusts 2020 due to the COVID-19 pandemic. Resulting in outreach activities and projects being cancelled.





### 3.1.6 TECHNICAL SERVICES HIGHLIGHTS AND CHALLENGES

#### Capital Project Highlights

- Upgrading of Roads and Stormwater in the Hessequa Municipal area.
- Upgrading of Water and Sanitation Infrastructure in the Hessequa Municipal area networks in the Hessequa Municipal area
- Electrification of Informal households in the Hessequa Municipal area.
- Upgrading of the Slangrivier and Melkhoutfontein sport facilities.
- Replacement of energy consuming lights with LED Lighting.

#### Solid Waste, Public Spaces and Amenities Highlights

- Second time to achieve full blue flag status for all their beaches.
- Unveiling of the Tom Pretorius Playpark.

Upgrading of roads and stormwater in the Hessequa municipal area.

Durban Street (Riversdale):



Goliath David Street (Heidelberg):



### 3.1.7 DEVELOPMENT PLANNING HIGHLIGHTS AND CHALLENGES

The Stilbaai Local Spatial Development Framework (LSDF) will be a LSDF compiled for the Hessequa Municipality and should be regarded as an integral part of the overall Hessequa Spatial Development Framework. The purpose of this LSDF is to integrate spatial planning proposals for the study area for a time period of 5 to 8 years after which it will have to be updated.



-The Hessequa Green Edition (Green Newsletter) was introduced in 2020. The

primary objective of the green newsletter is to create environmental awareness on all public fronts and covers all environmental aspects whether Climate Change or Recycling.

- Hessequa CLIMATE CHANGE Adaptation Plan: Identify the municipal projects and strategies that has been developed to reduce our climate change vulnerability, and which positively impacts the adaptability of the Hessequa economy, its people, its ecosystems and its critical infrastructure.

### **Youth Training Workshops**

The Hessequa Municipality LED hosted 2 Training Workshops for Youth. The workshops were facilitated by National Youth Development Agency during the Youth Month, 17 & 18 June in Albertinia and Heidelberg. The youth from rural towns of Melkhoutfontein as well as Slangrivier attended the workshop. The aim of the workshops was to equip youth with Life Skills and Job Seeking skills (Job Preparedness).



### **Entrepreneurship Support Collaboration with First National Bank.**

A collaboration agreement was signed between Hessequa Municipality and First National Bank to support entrepreneurship in the Hessequa area. The agreement will see entrepreneurs being able to access electronic platforms that support commercial activities for their businesses including business registrations and other business support for free.



## 3.2 ORGANISATIONAL PERFORMANCE PER IDP OBJECTIVE

### 3.2.1 COST EFFECTIVE SERVICE DELIVERY

Ref	Key Indicator Title	2019 / 2020	20/21 Target	20/21 Actual	Performance Comment
D1	90% Expenditure of the Approved Capital Budget for the Municipality by end of June 2021	85.84	90	83.62	The Waste-Water Management, Community & Social Services and Sport & Recreation Cost Centres (R14.3M) experienced challenges in expenditure due to delayed procurement processes. Applicable projects have been rolled-over to the next financial year for implementation.
D157	% Provision of refuse removal and solid waste disposal for residential account holders	97	90	95.60	Target Achieved
D158	% Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering	92	90	99.34	Target Achieved
D159	% Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering	87	90	91.54	Target Achieved
D160	% Provision of sanitation/sewerage services to residential account holders	88	90	91.41	Target Achieved
D161	The % of registered indigent account holders (poor households) with access to free basic services	92	90	98.76	Target Achieved
D168	90% Expenditure of the approved Capital Budget of the Technical Department for Financial year	94	90	95.86	Target Achieved
D169	90% Expenditure of the approved Operational Budget of the Technical Department for Financial year	95	90	95	Target Achieved
D187	Limit water losses to less than 30% for financial year	11	30	7.8	Target Achieved
D2	90% Expenditure of the Approved Operational Budget for the Municipality by end of June 2021	90.92	90	86.36	Challenges within the Contracted Services, Bad Debts and Depreciation & Impairment cost centres lead to under expenditure. On bad debts was R20M not spent due to anticipated bad debts due to COVID19 not realising. Depreciation was affected by an in-year re-assessment of landfill sites lifespan and changes to expected life-span. Corrective changes have been made in new financial year.
D203	95% Expenditure of Municipal Infrastructure Grant (MIG) for financial year	95	95	100	Target Achieved

Ref	Key Indicator Title	2019 / 2020	20/21 Target	20/21 Actual	Performance Comment
D213	95% Expenditure of National Electrification Grant spent for financial year	95	95	96.25	Target Achieved
D214	Limit electricity losses to 10% for financial year	10	10	10.09	Target Achieved
D222	Feedback report to Portfolio Committee, as well as applications submitted regarding Blue Flag beaches.	2	2	3	Target Achieved
D81	90% Expenditure of Approved budget for maintenance of Municipal camps sites by end of Financial year	95.63	90	96.17	Target Achieved

### 3.2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Ref	Key Indicator Title	2019 / 2020	20/21 Target	20/21 Actual	Performance Comment
D10	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	Target Achieved
D126	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	Target Achieved
D163	Submission of Final IDP submitted to Council by May 2021	1	1	1	Target Achieved
D166	Development of an Integrated IDP Process Plan submitted to PC by August annually	1	1	1	Target Achieved
D174	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	Target Achieved
D50	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	Target Achieved
D52	The percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the Municipalities Annual Employment Equity report	58.3	66	58.3	There are currently (end of financial year) 3 vacant Manager positions that affected the score negatively. The recruitment policy is strictly adhered to and will only suitable candidates be considered.
D59	Progress Report on Succession Planning Initiatives	2	2	2	Target Achieved
D6	90% expenditure of funds allocated for Eradication of Title Deed Transfer Backlogs	3	90	0.93	Houses that are not occupied by the original rightful occupiers are the principle reason for transfers being delayed. The Covid 19 pandemic had an influence in progress in this regard. The program continues as part of operational activities and is progress reported to Council on a regular basis

Ref	Key Indicator Title	2019 / 2020	20/21 Target	20/21 Actual	Performance Comment
D60	Maintain an average vacancy rate of less than 10% of budgeted staff establishment	7.23	10	6.55	Target Achieved
D68	Conduct a Client Services Survey	0	1	1	Target Achieved
D69	Revision of Municipal code annually	1	1	1	Target Achieved
D73	Revision of Delegation Register by September annually	1	1	1	Target Achieved
D8	Progress Report on initiatives to improve collection rate of Traffic Fines	3	4	4	Target Achieved
D86	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	Target Achieved

### 3.2.3 SOCIAL AND ECONOMIC DEVELOPMENT

Ref	Key Indicator Title	2019 / 2020	20/21 Target	20/21 Actual	Performance Comment
D104	Submit a quarterly report indicating progress in terms of Economic Development programmes to PC	4	4	4	Target Achieved
D106	Submit a progress report on the Slangrivier Transformation Process biannually to Portfolio Committee	3	2	2	Target Achieved
D109	Submit a quarterly report indicating progress in terms of tourism programmes to PC	4	4	4	Target Achieved
D113	Progress Report to Portfolio Committee with regards to development of Erf 22 , Riversdale and Riversdale CBD development at Church square	6	4	5	Target Achieved
D114	Evaluate land use applications within 120 days by the Planning Tribunal, after receipt of all relevant information and documents in terms of SPLUMA	23.77	120	39.9	Target Achieved
D116	Report to Portfolio Committee regarding Harbour Development in Stilbaai	3	2	2	Target Achieved
D117	Evaluate land use applications within 60 days by the delegated official, after receipt of all relevant information and documents in terms of SPLUMA	19.55	60	27.8	Target Achieved
D14	Implementation of Sport Development Initiatives in Hessequa for financial year	9	5	12	Target Achieved
D15	Implementation of Social development initiatives in Hessequa for financial year	18	5	12	Target Achieved
D19	Implement Thusong Outreach Programmes for financial year	4	2	5	Target Achieved
D212	Number of work opportunities created through EPWP	423	210	262	Target Achieved

Ref	Key Indicator Title	2019 / 2020	20/21 Target	20/21 Actual	Performance Comment
D24	Transfer of 100 Post 1994 housing scheme title deeds.	34	100	10	Houses that are not occupied by the original rightful occupiers are the principle reason for transfers being delayed. The Covid 19 pandemic had an influence in progress in this regard. The program continues as part of operational activities and is progress reported to Council on a regular basis
D28	Formulate and submit Housing funding Applications (PIDs; PFR's, PIRR's) for 5 housing projects on the approved Housing Pipeline to the department of Human Settlements	6	5	5	Target Achieved
D29	Review the housing Pipeline in Collaboration with the Department of Human Settlements by March Annually and submit reviewed pipeline to PC	1	1	1	Target Achieved
D30	Transfer of 50 Pre 1994 housing scheme title deeds.	50	50	84	Target Achieved
D32	Scheduled outreach programmes for all towns in Hessequa to update housing waiting lists	9	5	6	Target Achieved
D34	Progress Report on initiatives to improve collection rate of Traffic Fines	New KPI	4	4	Target Achieved
D37	Receive a performance of not less than 80% for the formal Provincial Audits on the Licensing Agency Services	96	80	N/A	The unannounced external audit by Provincial Traffic Department did not happen and therefor no score was achieved. The external audits are done on the initiatives of the Department and not the municipality.
D40	Review of the Disaster Management Plan	New KPI	1	1	Target Achieved
D46	Conduct integrated vehicle checkpoints for Financial year	76	24	53	Target Achieved
D47	Enhancing of Fire Fighting Service by the procurement of Equipment by 90% of the capital budget spent for financial year	87	90	55.91	Expenditure was negatively affected by the inability to successfully complete supply chain processes. Projects and funds have been rolled over to new financial year.
D80	Hold Library exhibitions in Hessequa annually	886	672	1140	Target Achieved
D90	Quarterly report on Development Trends to PC	5	4	5	Target Achieved
D94	Finalise occupancy certification within 14 days after receipt of all applicable information	3.17	14	3.7	Target Achieved
D95	Approve/reject building plans within 20 days for buildings less than 500m <sup>2</sup> a after all information required is correctly submitted	5.92	20	4.3	Target Achieved
D96	Approve/reject building plans within 40 days for buildings larger than 500m <sup>2</sup> after all information required is correctly submitted	5.92	40	N/A	No building plans applicable to indicator were received during the financial year

### 3.2.4 FINANCIAL MANAGEMENT

Ref	Key Indicator Title	2019 / 2020	20/21 Target	20/21 Actual	Performance Comment
D119	Unqualified Financial Audit as reported by Auditor General	1	1	1	Target Achieved
D122	Submit a liquidity report of the Municipality to the Finance Portfolio Committee by end Feb annually	1	1	1	Target Achieved
D124	Submit a report on Borrowing Funds and Reserves to the Financial Portfolio committee by Feb annually	1	1	1	Target Achieved
D134	95% Spending of Municipal Financial Management Grant by end of June annually	92.47	95	100	Target Achieved
D141	Submit a detailed report on the status of handed over accounts	2	2	2	Target Achieved
D143	Management of Income annual payment rate of thresholds higher than 95% for financial year	96	95	95.92	Target Achieved
D76	95% Spending of Municipal Replacement fund (Grant) and Community Library Services Grant by end of June of the financial year	92.47	95	97.47	Target Achieved



## 4 MUNICIPAL WORKFORCE AND ORGANISATIONAL DEVELOPMENT

The Hessequa Municipality currently employs 564 employees (including fixed-term contract employees). These employees individually and collectively as an organisation deliver services to the Hessequa region. The success of a Municipality depends upon the motivation and dedication of its workforce to work diligently, disciplined, and motivated. This constitutional pledge forms the core of human resource management in a local authority. The municipality seeks to employ, train, develop, empower and in general create a rewarding employment experience for employees selected to work in the organisation.

### 4.1 VACANCY RATE AND STAFF ESTABLISHMENT

The staff establishment is 680 posts. Not all these posts are funded. 603 posts are funded and of these 564 posts are filled. At the end of this period there were 39 vacant and funded posts. A continuous process of recruitment and selection is maintained, with a key performance indicator being a vacancy rate of not more than 10%. On average a vacancy rate of 6.6% was maintained. During this period 199 temporary employment opportunities were created, and appointments were made by making use of the “Shake-Shake” process.

The vacancy rate for funded posts as well as total (funded and unfunded) posts are outlined below.

Month	Perm	FT Con	Out	In	% Funded	% Total	TMP/Season
June 2021	527	37	4	5	6,4%	17%	64
May 2021	528	35	0	4	6,4%	16,9%	61
April 2021	524	35	3	1	6,9%	17,5%	88
March 2021	527	35	6	8	6,6%	17,1%	89
February 2021	525	36	3	2	6,8%	17,2%	74
January 2021	526	36	4	4	6,6%	17,1%	105
December 2020	526	36	6	1	6,6%	17,1%	81
November 2020	531	36	0	4	5,8%	16,4%	67
October 2020	528	35	2	6	6,4%	16,9%	60
September 2020	525	35	4	3	6,9%	17,3%	158
August 2020	525	34	4	8	6,8%	17,3%	139
July 2020	521	37	1	2	7,4%	17,4%	133

## 4.2 TURNOVER RATE

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. The turnover rate is determined by the following formula:

$$\left( \frac{\text{Number of employees who left during the year}}{(\text{Number of employees at the beginning of the year} + \text{Number of employees at the end of the year})/2} \right) \times 100$$

The turnover rate for 2020/21 is 6.7%.

Year	New	Terminations	Turnover Rate
2017/18	40	36	<b>6.6%</b>
2018/19	34	34	<b>6.2%</b>
2019/20	44	37	<b>6.7%</b>
2020/21	48	38	<b>6.7%</b>

## 4.3 SICK LEAVE

Sick leave days taken by employees have a negative impact on service delivery and has cost implications. The monitoring of sick leave identifies certain patterns or trends within directorates. The management of sick leave are executed in conjunction with the various directorates. The total number of workdays lost due to sick leave during the 2020/21 financial year shows an increase of 1 453 days compared to the previous financial year. This is mainly due to the concessions afforded at the start of the pandemic to curb the spread of the Alpha wave in 2019/2020.

The table below indicates the total number sick leave days taken within the different directorates:

Directorates	2018/19	2019/20	2020/21
Office of the Municipal Manager	12	15	26
Corporate Management	741	390	787
Technical Services	2 659	1 835	2507
Community Services	313	216	345
Financial Services	497	243.5	460
Development Planning	175	79	107
<b>Total</b>	<b>4 398</b>	<b>2 778.5</b>	<b>4232</b>

## 4.4 DIRECTORS' PERFORMANCE REWARDS

In accordance with Regulation 32, a performance bonus, provided it is affordable, may be paid to a Senior Manager (Section 56) appointment, after -

- a) the annual report for the financial year under review has been tabled and adopted by the municipal Council;
- b) an evaluation of performance in accordance with the provisions of regulation 23; and
- c) approval of such evaluation by the municipal Council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance with given resources and circumstances. All Section 57 Managers qualified for a performance bonus for the previous financial year during the 2020/21 financial year.

## 4.5 Conditions Of Service

The three-year Salary and Wage collective bargaining agreement reached in the South African Local Government Bargaining Council (SALGBC) at national level terminated on 30 June 2021. Negotiations for a new agreement is currently underway.

There is pressure on all sectors of the economy to recover from the effects of COVID and the poor economic growth rate. National Treasury has emphasised that the public sector must curb growth in salary and wages.

The procurement and management of staff on temporary contracts has become increasingly difficult with amendments to the Labour Relations Act and now combined with the COVID-19 pandemic. Stricter compliance to contract periods in line with the Labour Relations Act (LRA) have been implemented.

The Conditions of Service for the Western Cape Division of the Bargaining Council is negotiated from time to time and SALGA and the Trade Unions are still negotiating possible amendments. The current agreement has been extended to September 2021. These conditions are complied with.

The recently published Regulations on the Public Audit Amendment Act, particularly with regards to parts that deal with "Material Irregularity" must be noted. There will be adverse finding where municipalities act outside the prescribed policy framework and bargaining council collective agreements. It is imperative that the boundaries of the collective agreements be respected and complied with.

## 4.6 Human Resource Policy Administration

Human Resource Policy administration is an ongoing task that requires research, drafting, consultation and submission to the respective oversight steering committees' and decision-making structures of Council as well as consultation with the two representative trade unions active the Local Labour Forum. In this period the following policies were reviewed and amended:

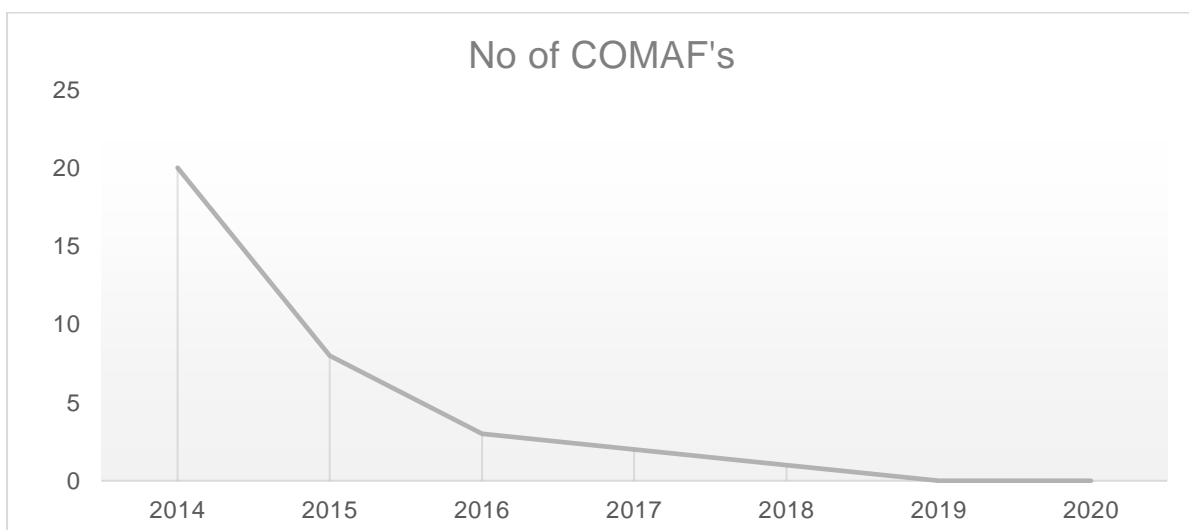
- a) Leave Policy
- b) Recruitment and Selection

The Cabinet has yet to approve the draft Municipal Staff Regulations as proposed by the Minister for Co-operative Governance and Traditional Affairs (CoGTA). The promulgation of the Regulations will require a review and alignment of policies where appropriate. A dedicated project effort to implement and explain the details of any changes to employment conditions to staff will be required.

#### 4.7 Auditor-General’s Human Resource Management Findings

An objective measure of internal human resource practices is the two main external assessments of human resource services, the Auditor General’s report and the SALGA national Human Resource Maturity Assessment.

The Communication of Audit Findings (COMAF’s) for human resource management over the last seven years were as follows:



#### 4.8 Employment Equity

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

Description	African	Coloured	Indian	White	Total
<b>Economically Active Population(Western Cape)</b>	36%	48.7%	0.5%	14.8%	100%
<b>Number for positions filled</b>	44	457	0	63	564
<b>% for Positions filled</b>	7.8%	81%	0%	11.2%	100%

The percentage employees from previously disadvantaged groups in Top Management (Directors and Municipal Manager) remain the same. The current profile comprises 2 white males, 2 white females and 2 coloured males in the top management team of 6.

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
<b>Top management</b>	0	2	0	2	0	0	0	2	6
<b>%</b>	0	33.3	0	33.3	0	0	0	33.3	100
<b>Snr Management</b>	0	7	0	8	0	2	0	1	18
<b>%</b>	0	38.9	0	44.4	0	11.1	0	5.6	100

## 4.9 Managing The Municipal Workforce

Managing the municipal workforce refers to the post-recruitment and selection period when the human resource must be managed, deployed and utilized effectively. This requires discipline, training and development and fostering healthy and professional workplace relationships amongst staff. Productivity is key.

### 4.9.1 OCCUPATIONAL HEALTH AND SAFETY (OHS)

Great strides continue to be made to ensure employees' safety in the workplace. Challenges remain but systematically these are being addressed. The Director: Technical Services now serves as the Chairperson of the Health & Safety Committee that meets on a quarterly basis. There was an increase of 9 incidents, compared to last year, in the number of workplace injuries.

The biggest challenge during this reporting period year remains the COVID-19 pandemic. Normal work practices and way of life have been affected. It is extremely difficult for one There are capacity constraints in the Occupational Health and Safety unit.

For the first time, the Department of Labour inspected Municipal Offices to check on compliance in terms of the Occupational Health and Safety Act. The inspection included COVID-19 measures and protocols. Overall the Department of Labour was satisfied with the COVID-19 protocols in place. A few general gaps were identified in terms of isolated electrical and fire prevention compliance matters. All exceptions identified have been corrected to the satisfaction of the Inspectors.

There is still a challenge with the issuing of Certificates of Compliance (COC's) for all municipal buildings. All Municipal buildings should have a valid COC.

One serious injury occurred in Witsand where a truck overturned, and one official was seriously injured and maimed. He returned to work after 5,5 months. The following table indicates the total number of injuries on duty reported within the different departments:

Directorates	2019/20	2020/21
Office of the Municipal Manager	0	0
Corporate Management	2	5
Technical Services	52	57
Community Services	2	2
Financial Services	0	1
Development Planning	0	0
<b>Total</b>	<b>56</b>	<b>65</b>

#### 4.9.2 CAPACITATING THE WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. The municipality must also comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999). The financial year of the LGSETA runs from 1 May to 30 April as it is a national entity. These periods do not align with the Municipal financial year end as the National and Local Government financial years differ. The training interventions and expenditure reported hereunder is for the LGSETA Workplace Skills Plan period May 2020 to April 2021.

The table below indicates that a total amount of R760 000 was allocated towards the implementation of the workplace skills plan and that 104 % of the total amount was spent from 1 May 2020 to 30 April 2021. The Municipality received additional funding from LGSETA which resulted in over 100% expenditure. The Skills Development Facilitator facilitated all the required COVID protocols for training sessions and managed to safely roll out all this training amidst the COVID pandemic.

Total budget	personnel	Total Allocated	Total Spent	% of allocation spent
R193 020 068		R760 000	R 865 512	104%

The table below shows the training interventions per occupational categories for the WSP Period 1 May 2020 to 30 April 2021.

Category	Gender	Target	Actual
Managers	Female	0	2
	Male	1	8
Professionals	Female	6	6

	Male	1	1
<b>Technicians and Associate Professionals</b>	Female	1	1
	Male	45	43
<b>Clerical Support Workers</b>	Female	11	9
	Male	2	2
<b>Service Workers</b>	Female	1	0
	Male	14	9
<b>Skilled Workers</b>	Female	0	0
	Male	25	30
<b>Plant and Machine Operators</b>	Female	0	1
	Male	63	59
<b>Elementary Occupations</b>	Female	3	4
	Male	152	163
<b>Sub total</b>	Female	22	23
	Male	303	315
<b>Total</b>		<b>325</b>	<b>338</b>

#### 4.9.3 CREATING A LEARNING ORGANISATION

A Personal Development Plans for of every employee (PDP) is the bedrock of a solid and sustainable development plan for the municipality and its employees. This process is kept up to date by the Skills Development Facilitator and is reviewed every five (5) years. Once the new Council is elected and the Strategic objectives finalised all PDPs will be reviewed and aligned to the strategic objectives of the Council.

Of particular note during this reporting period were the external bursaries offered to eight students and one Construction Masonry skills program that was offered to unemployed community members - particularly unemployed youth.

#### 4.9.4 MFMA COMPETENCIES

All the requirements for the Minimum Competency levels have been achieved by the respective employees where it is a requirement, apart from two officials whose minimum educational qualifications are lower than prescribed.

<b>POSITION</b>	<b>National %</b>	<b>Provincial %</b>	<b>Hessequa %</b>
<b>Accounting Officer</b>	72%	90%	100%
<b>Chief Financial Officer - Municipality</b>	60%	69%	0%
<b>Senior Manager (MSA S56)</b>	62%	70%	75%
<b>Head of Supply Chain Management unit</b>	65%	85%	100%

<b>Supply Chain Management Manager</b>	78%	83%	100%
<b>Middle Manager: Finance</b>	72%	75%	100%

#### 4.10 Managing The Municipal Workforce Expenditure

Section 66 of the Municipal Systems Act (MSA) states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with National Treasury Budget and Reporting Regulations SA22 and SA23 and Cost Cutting measures in Circular 82 of 2016.

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

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
<b>2019/20</b>	178269	461123	38.66%
<b>2020/21</b>	189656	488236	38.85%

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

Financial year	2019/20		2020/21	
	Description	Actual	Approved Budget	Actual
	R'000	R'000	R'000	R'000
<b><u>Councillors</u></b>				
<b>Basic Salary</b>	5 696	6 685		5 501
<b>UIF, Medical and Pension Fund</b>	723	690		632
<b>Vehicle</b>	1 181	1 145		1 025
<b>Cellphone Allowance</b>	731	853		681
<b>Housing</b>				
<b>Performance</b>				
<b>Other Benefits And Allowances</b>				
<b>Benefits</b>				
<b>Sub Total</b>	<b>8 330</b>	<b>9 373</b>		<b>7 839</b>
<b>% increase/(decrease)</b>				
<b><u>Senior Managers of the Municipality</u></b>				
<b>Salary</b>	6 120	5 443		6 035
<b>UIF, Medical Aid— and Pension Contributions</b>	1 045	1 033		1 266
<b>Motor Vehicle Allowance</b>	535	391		597
<b>Cellphone Allowance</b>	50	43		45



<b>Housing allowance</b>			
<b>Performance Bonus</b>	1 076	1 152	1 101
<b>Other Benefits and Allowances</b>	64	58	124
<b>Benefits</b>			
<b><i>Sub Total</i></b>	<b>8 891</b>	<b>8 120</b>	<b>9 168</b>
<b><i>% increase/(decrease)</i></b>			
<b><u>Other Municipal Staff</u></b>			
<b>Basic Salaries and Wages</b>	119 132	131 437	120 340
<b>UIF, Medical Aid– and Pension Contributions</b>	29 077	28 586	26 013
<b>Motor Vehicle Allowance</b>	4 681	5 113	3 767
<b>Cellphone Allowance</b>	347	352	306
<b>Housing Allowances</b>	1 536	1 601	1 294
<b>Overtime</b>	5 399	5 758	6 376
<b>Other Benefits And Allowances</b>	7 047	6 814	6 779
<b>Post-retirement</b>	9 973	8 206	13 651
<b>Sub Total</b>	<b>177 192</b>	<b>187 867</b>	<b>178 528</b>
<b><i>% increase/ (decrease)</i></b>			<b>12%</b>
<b>Total Municipality</b>	<b>194 412 802</b>	<b>205 360 541</b>	<b>195 534 451</b>
<b><i>% increase/ (decrease)</i></b>			

## 5 FINANCIAL PERFORMANCE

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

### 5.1 COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

	Original Budget	Budget Adjustments	Final Adjusted Budget	Virement	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual Outcome as % of Final Budget	Reference
<b>Revenue</b>						<b>385 625 585</b>	<b>12 893 711</b>		<b>Note 56</b>
Property Rates	100 932 914	(150 000)	100 782 914	-	100 782 914	101 568 021	785 107		
Service Charges - Electricity Revenue	167 233 099	(700 000)	166 533 099	-	166 533 099	169 918 292	3 385 193		
Service Charges - Water Revenue	43 825 988	(750 000)	43 075 988	-	43 075 988	45 365 958	2 289 970		
Service Charges - Sanitation Revenue	24 750 615	(450 000)	24 300 615	-	24 300 615	25 629 365	1 328 750		
Service Charges - Refuse Revenue	25 514 171	(450 000)	25 064 171	-	25 064 171	25 980 041	915 870		
Service Charges - Other Revenue				-	-	0	-		
Rental of Facilities and Equipment	2 975 087	-	2 975 087	-	2 975 087	3 116 171	141 084		
Interest Earned - External Investments	10 000 000	-	10 000 000	-	10 000 000	14 047 737	4 047 737		
Interest Earned - Outstanding Debtors	549 841	-	549 841	-	549 841	2 139 606	<b>(18 571 079)</b>		
Fines	59 653 400	-	59 653 400	-	59 653 400	56 748 854	(2 904 546)		
Licences and Permits	1 819 323	-	1 819 323	-	1 819 323	1 876 814	57 491		
Agency Services	2 451 416	-	2 451 416	-	2 451 416	2 641 187	189 771		
Transfers Recognised - Operational	73 393 400	6 717 985	80 111 385	-	80 111 385	63 357 685	(16 753 700)		
Other Revenue	18 690 499	(2 649 651)	16 040 848	-	16 040 848	16 165 311	124 463		
IGRAP2 Adjustment	-	-	-	-	-	715 442	715 442		

Gains on Disposal of PPE	5 980 000		5 980 000	-	5 980 000	925 658			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>537 769 753</b>	<b>1 568 334</b>	<b>539 338 087</b>	-	<b>539 338 087</b>	<b>530 196 142</b>	<b>(24 248 447)</b>		
<b>Expenditure</b>									
Employee Related Costs	195 948 881	(187 509)	195 761 372	226 007	195 987 379	187 695 702	(8 065 670)		Exp 5
Remuneration of Councillors	9 373 162	-	9 373 162	-	9 373 162	7 838 749	(1 534 413)		
Debt Impairment	71 599 060	3 036 000	74 635 060	(386 411)	74 248 649	53 652 414	(20 982 646)		
Depreciation and Asset Impairment	38 995 368	-	38 995 368	-	38 995 368	27 163 224	(11 832 144)		Exp 1
Finance Charges	21 397 911	-	21 397 911	-	21 397 911	15 131 466	(6 266 445)		Exp 2
Bulk Purchases	120 350 640	-	120 350 640	-	120 350 640	122 337 154	1 986 514		Exp6
Other Materials	31 058 930	(354 260)	30 704 670	187 436	30 892 106	26 637 754	(4 066 916)		
Contracted Services	48 054 157	281 977	48 336 134	327 961	48 664 095	28 407 061	(19 929 073)		
Transfers and Grants	1 423 882	690 000	2 113 882	33 000	2 146 882	1 972 856	(141 026)		Exp 3
Other Expenditure	34 485 585	378 392	34 863 977	(387 993)	34 475 984	27 960 986	(6 902 991)		Exp 4
<b>Total Expenditure</b>	<b>572 687 576</b>	<b>3 844 600</b>	<b>576 532 176</b>	-	<b>576 532 176</b>	<b>498 797 365</b>	<b>(77 734 811)</b>		
<b>Surplus/(Deficit)</b>	<b>(34 917 823)</b>	<b>(2 276 266)</b>	<b>(37 194 089)</b>	-	<b>(37 194 089)</b>	<b>31 398 777</b>	<b>53 486 364</b>		
Transfers Recognised - Capital	19 182 133	7 739 550	26 921 683	600 000	27 521 683	20 531 108.46	-6 390 575		
Contributions Recognised - Capital	2 000 000	217 310	2 217 310	0	2 217 310	207 285.20	-2 010 025		
Contributed Assets	1 000 000	762 800	1 762 800	-600 000	1 162 800	107 630.00	-1 655 170		
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>(12 735 690)</b>	<b>6 443 394</b>	<b>(6 292 296)</b>	-	<b>(6 292 296)</b>	<b>52 244 801</b>	<b>43 430 594</b>		
<b>Surplus/(Deficit) for the year</b>	<b>(12 735 690)</b>	<b>6 443 394</b>	<b>(6 292 296)</b>	-	<b>(6 292 296)</b>	<b>52 244 801</b>	<b>43 430 594</b>		

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2021**

<b>Statement of Financial Position</b>	<b>Original Budget</b>	<b>Budget Adjustments</b>	<b>Final Adjustment Budget</b>	<b>Virement</b>	<b>Final Budget</b>	<b>Actual amounts on comparable basis</b>	<b>Difference between final budget and actual</b>	<b>Reference</b>	
Figures in Rand									
<b>ASSETS</b>									<b>Note 59</b>
<b>Current Assets</b>									
Cash	1 273 533	2 798 368	4 071 901	-	4 071 901	348 669 253	344 597 352		
Call Investment Deposits	202 003 649	7 284 370	209 288 019	-	209 288 019	-	(209 288 019)	Fp1	
Consumer Debtors	33 783 284	-	33 783 284	-	33 783 284	39 697 493	5 914 209		
Other Debtors	12 310 940	-	12 310 940	-	12 310 940	14 118 608	1 807 668	Fp2	
Current Portion of long-term receivables	2 849	-	2 849	-	2 849	3 607	758	Fp3	
Inventory	3 284 515	-	3 284 515	-	3 284 515	3 410 860	126 345		
<b>Total Current Assets</b>	<b>252 658 770</b>	<b>10 082 738</b>	<b>262 741 508</b>	<b>-</b>	<b>262 741 508</b>	<b>405 899 822</b>	<b>143 158 314</b>		
<b>Non-Current Assets</b>	<b>1028 902 093</b>	<b>8 533 235</b>	<b>1037 435 328</b>	<b>-</b>	<b>1037 435 328</b>	<b>975 734 257</b>	<b>(61 701 071)</b>		
Long-term Receivables	6 940	-	6 940	-	6 940	-	( 6 940)	Fp4	
Investment Property	73 606 414	-	73 606 414	-	73 606 414	74 146 176	539 762		
Property, Plant and Equipment	946 631 525	8 533 235	955 164 760	-	955 164 760	893 027 835	(62 136 925)		
Intangible Assets	335 339	-	335 339	-	335 339	239 365	( 95 974)		
Other Non-Current Assets	8 321 875	-	8 321 875	-	8 321 875	8 320 882	(993)		
<b>Total Assets</b>	<b>1281 560 863</b>	<b>18 615 973</b>	<b>1300 176 836</b>	<b>-</b>	<b>1300 176 836</b>	<b>1381 634 079</b>	<b>81 457 243</b>		
<b>LIABILITIES</b>									

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2021**

<b>Statement of Financial Position</b>		<b>Original Budget</b>	<b>Budget Adjustments</b>	<b>Final Adjustment Budget</b>	<b>Virement</b>	<b>Final Budget</b>	<b>Actual amounts on comparable basis</b>	<b>Difference between final budget and actual</b>	<b>Reference</b>
<b>Current Liabilities</b>									
Borrowing		17 420 947	-	17 420 947	-	17 420 947	23 376 667	5 955 720	
Consumer Deposits		9 816 199	-	9 816 199	-	9 816 199	10 627 813	811 614	Fp5
Trade and Other Payables		35 580 520	-	35 580 520	-	35 580 520	70 140 513	34 559 993	
Provisions		18 131 269	-	18 131 269	-	18 131 269	20 691 678	2 560 409	Fp6
<b>Total Current Liabilities</b>		<b>80 948 935</b>	<b>-</b>	<b>80 948 935</b>	<b>-</b>	<b>80 948 935</b>	<b>124 836 672</b>	<b>43 887 737</b>	
<b>Non-Current Liabilities</b>		<b>686 149 348</b>	<b>(164 178 294)</b>	<b>521 971 054</b>	<b>-</b>	<b>521 971 054</b>	<b>255 199 362</b>	<b>(230 771 748)</b>	
Borrowing		168 566 503	4 388 209	172 954 712	-	172 954 712	152 184 418	(20 770 294)	Fp7
Provisions		174 508 171	-	174 508 171	-	174 508 171	103 014 944	(71 493 227)	Fp8
<b>Total Non-Current Liabilities</b>		<b>343 074 674</b>	<b>(168 566 503)</b>	<b>174 508 171</b>	<b>-</b>	<b>174 508 171</b>	<b>35 999 944</b>	<b>(138 508 227)</b>	<b>Fp9</b>
<b>Total Liabilities</b>		<b>686 149 348</b>	<b>(164 178 294)</b>	<b>521 971 054</b>	<b>-</b>	<b>521 971 054</b>	<b>382 411 698</b>	<b>(230 771 748)</b>	
<b>Total Assets and Liabilities</b>		<b>595 411 515</b>	<b>182 794 267</b>	<b>778 205 782</b>	<b>-</b>	<b>778 205 782</b>	<b>1001 598 045</b>	<b>312 228 992</b>	
<b>NET ASSETS</b>		<b>857 537 254</b>	<b>14 227 764</b>	<b>871 765 018</b>	<b>-</b>	<b>871 765 018</b>	<b>1001 598 045</b>	<b>129 833 027</b>	
Statutory Funds	<b>1</b>	542 797	-	542 797	-	542 797	543 103	306	
Accumulated Surplus		856 994 457	14 227 764	871 222 221	-	871 222 221	1001 054 943	129 832 722	Fp10
<b>Total Net Assets</b>		<b>857 537 254</b>	<b>14 227 764</b>	<b>871 765 018</b>	<b>-</b>	<b>871 765 018</b>	<b>1001 598 045</b>	<b>129 833 027</b>	

The table below indicates the summary of the financial performance for the 2020/21 financial year:

<b>Financial Summary</b>						
<b>R'000</b>						
<b>Description</b>	<b>2019/20</b>	<b>2020/21</b>			<b>2020/21 Variance</b>	
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>
<b>Financial Performance</b>						
Property rates	95 340	94 657	100 783	101 568	(6 911)	(785)
Service charges	244 085	245 124	258 974	266 894	(21 769)	(7 920)
Investment revenue	21 226	8 688	10 000	14 048	(5 359)	(4 048)
Transfers recognised - operational	58 010	59 137	80 111	62 820	(3 683)	17 292
Other own revenue	71 840	73 315	89 470	83 429	(10 114)	6 041
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>490 501</b>	<b>480 921</b>	<b>539 338</b>	<b>528 758</b>	<b>(47 837)</b>	<b>10 580</b>
Employee costs	165 089	194 279	195 987	189 452	4 827	6 535
Remuneration of councillors	7 927	9 373	9 373	7 839	1 534	1 534
Depreciation & asset impairment	33 647	38 995	38 995	27 163	11 832	11 832
Finance charges	18 585	21 398	21 398	15 131	6 266	6 266
Materials and bulk purchases	136 584	151 410	151 243	148 975	2 435	2 268
Transfers and grants	2 372	1 424	2 147	1 973	(549)	174
Loss on disposal of PPE						
Other expenditure	64 774	155 809	157 389	107 364	48 444	50 025
<b>Total Expenditure</b>	<b>428 977</b>	<b>572 688</b>	<b>576 532</b>	<b>497 897</b>	<b>74 790</b>	<b>78 635</b>
<b>Surplus/(Deficit)</b>	<b>61 524</b>	<b>(34 918)</b>	<b>(37 194)</b>	<b>30 861</b>	<b>(122 627)</b>	<b>(68 055)</b>
Transfers recognised - capital	17 780	19 182	27 522	21 277	(2 094)	6 245
Contributions recognised - capital & contributed assets	825	3 000	3 380	108	2 892	3 272
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>80 130</b>	<b>(12 736)</b>	<b>(6 292)</b>	<b>52 245</b>	<b>(121 829)</b>	<b>(58 537)</b>
Share of surplus/ (deficit) of associate						

<b>Surplus/(Deficit) for the year</b>	<b>67</b>	<b>(12 736)</b>	<b>(6 292)</b>	<b>52 245</b>	<b>(121 829)</b>	<b>(58 537)</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	16 993	22 182	30 902	20 025	2 157	10 877
Public contributions & donations				108	(108)	(108)
Borrowing	36 992	63 494	61 415	55 643	7 851	5 772
Internally generated funds	13 070	19 445	21 338	19 261	184	2 077
<b>Total sources of capital funds</b>	<b>67 055</b>	<b>105 121</b>	<b>113 655</b>	<b>95 037</b>	<b>10 085</b>	<b>18 618</b>
<b>Financial position</b>						
Total current assets	314 170	257 288	267 371	408 275	(150 988)	(140 905)
Total non-current assets	908 705	1 028 902	1 037 435	975 734	53 168	61 701
Total current liabilities	96 169	85 578	85 578	127 212	(41 634)	(41 634)
Total non current liabilities	176 943	343 075	347 463	255 199	87 875	92 264
Community wealth/Equity	949 763	857 537	871 765	1 001 598	(144 061)	(129 833)
<b>Cash flows</b>						
Net cash from (used) operating	78 623	32 287	25 558	90 881	(58 593)	(65 323)
Net cash from (used) investing	(61 033)	(98 348)	(107 675)	(67 030)	(31 318)	(40 645)
Net cash from (used) financing	(19 467)	45 348	39 845	70 134	(24 787)	(30 290)
<b>Cash/cash equivalents at the year end</b>	<b>255 632</b>	<b>203 277</b>	<b>213 360</b>	<b>348 669</b>	<b>(114 698)</b>	<b>(70)</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	255 632	203 277	213 360	348 669	(145 392)	(135 309)
Application of cash and investments	10 513	5 202	3 236	(4 164)	9 366	7 399
<b>Balance - surplus (shortfall)</b>	<b>245 119</b>	<b>198 075</b>	<b>210 124</b>	<b>352 833</b>	<b>(154 758)</b>	<b>(142 709)</b>
<b>Asset management</b>						
Asset register summary (WDV)	909 628	1 028 895	1 037 428	975 734	53 161	61 694
Depreciation & asset impairment	33 647	38 995	38 995	27 163	11 832	11 832
Renewal of Existing Assets	6 822	62 679	73 957	9 011	53 668	64 946
Repairs and Maintenance	76 763	86 927	87 106	80 319	6 608	6 787

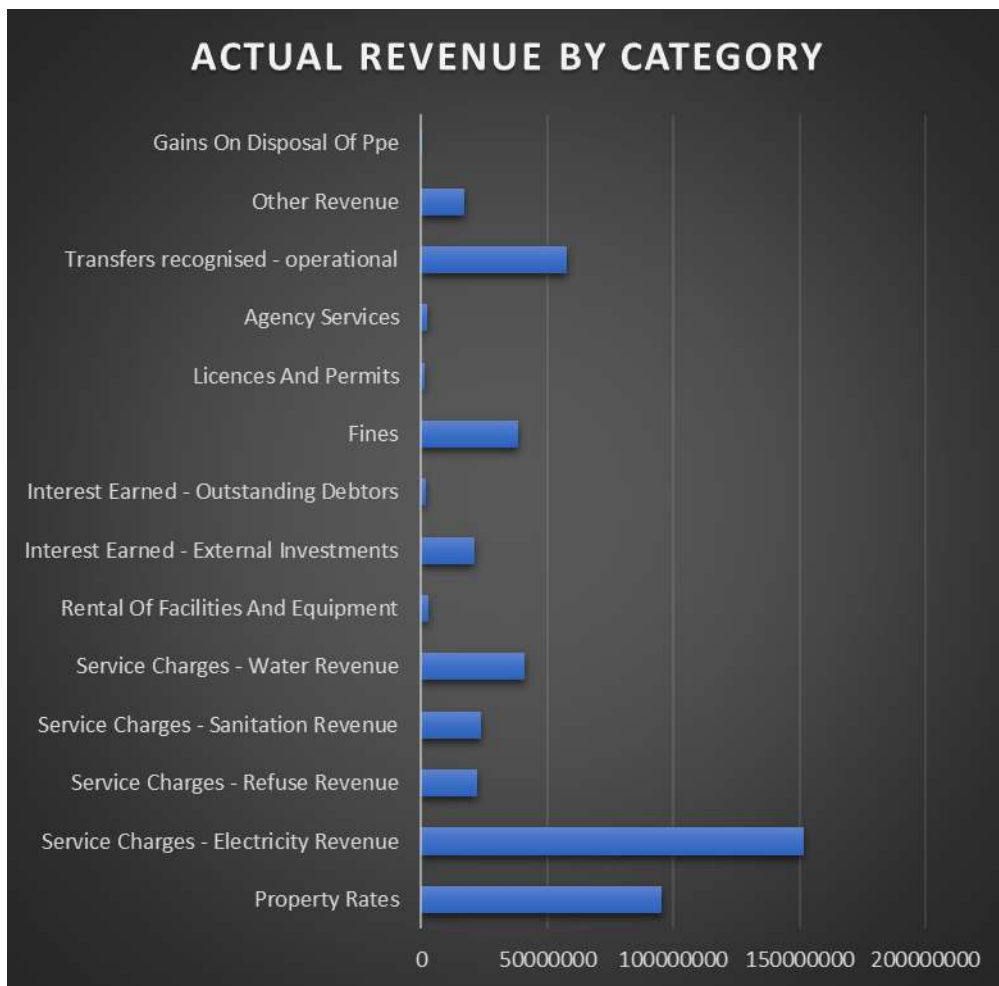
<b>Free services</b>						
Cost of Free Basic Services provided	5 888 800	25 609 213	5 374 814	5 561 443	25 609	5 375
Revenue cost of free services provided	28 368 671	18 943 209	41 180 303	42 515 584	18 943	41 180
<i>Variances are equal to actual minus original- and adjusted budget</i>						

The table below shows a summary of performance against budgets:

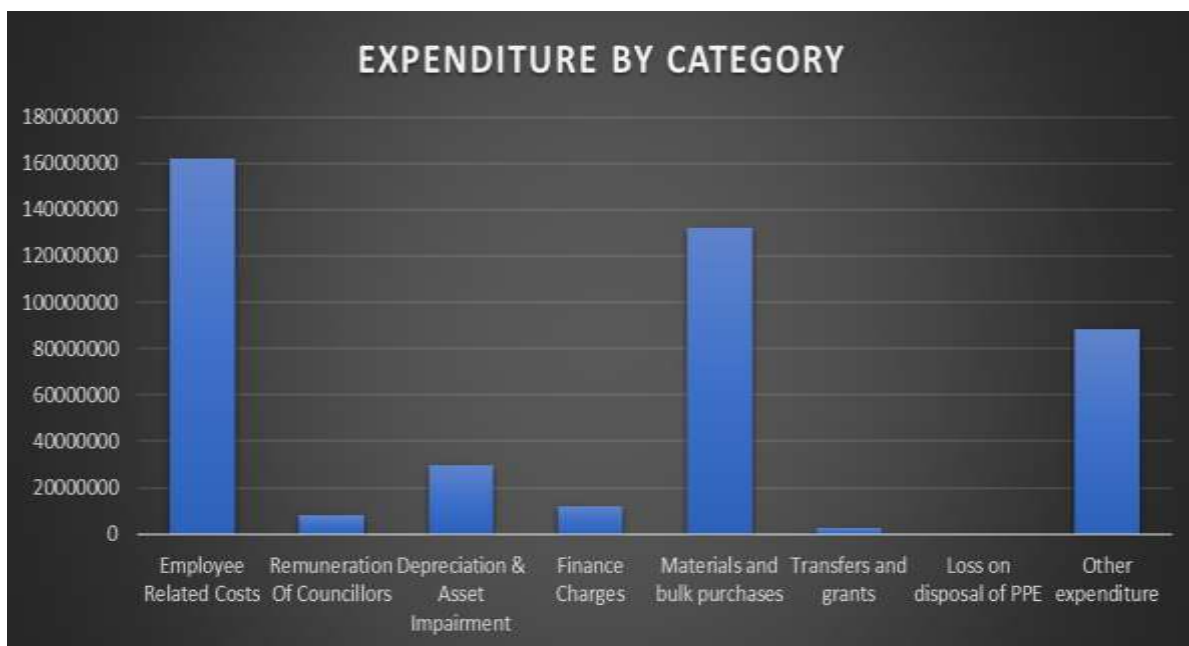
Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	Actual/Budget %	Budget	Actual	Diff.	Actual/Budget %
	R'000	R'000	R'000		R'000	R'000	R'000	
2019/20	489 925	493 462	-3 537	<b>100.72%</b>	478 742	430 659	48 083	<b>89.96%</b>
2020/21	539 338	530 196	9 142	<b>98.30%</b>	576 532	498 797	77 735	<b>86.52%</b>



The following graph indicates the revenue by source actuals for 2020/21



The following graph indicates the expenditure by type actuals for 2020/21.



## 5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by Vote:

Vote Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote1 - Executive and Council	44 932	48 385	54 621	51 034	(2 649)	3 587
Vote2 - Internal Audit	()				()	()
Vote3 - Finance and Admin	117 497	121 043	122 793	128 438	(7 394)	(5 644)
Vote4 - Planning and Development	3 894	7 970	8 027	4 142	3 828	3 885
Vote5 - Public Safety	769	64 181	50	9	64 172	41
Vote6 – Health *						
Vote7 - Community and Social Services	4 038	12 441	12 605	9 591	2 850	3 014
Vote8 - Sports and Recreation	2 777	17 581	17 269	15 018	2 564	2 251
Vote9 - Housing	259	12 707	22 181	3 156	9 552	19 026
Vote 10 - Waste Management	61 932	25 578	25 128	26 883	(1 305)	(1 755)
Vote11 - Road Transport	31 079	834	64 965	61 645	(60 811)	3 320
Vote12 - Waste Water Management	(22 949)	30 345	25 423	27 066	3 278	(1 643)
Vote13 - Water Management	1 007	44 588	43 917	46 282	(1 694)	(2 366)
Vote14 - Energy Sources	303 941	173 609	172 571	175 666	(2 058)	(3 095)
Vote15 - Environmental Protection	369	690	690	513	177	177
Vote16 - Other	(3)				()	()
<b>Total Revenue by Vote</b>	<b>549 541</b>	<b>559 952</b>	<b>570 240</b>	<b>549 442</b>	<b>10 510</b>	<b>20 798</b>
<i>Variances are equal to actual minus original- and adjusted budget (*Health responsibility of District Municipality)</i>						

## 5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2020/2021 financial year:

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	95 340	100 933	100 783	101 568	(635)	(785)
Property rates - penalties & collection charges						
Service Charges - electricity revenue	155 598	167 233	166 533	169 918	(2 685)	(3 385)
Service Charges - water revenue	42 295	43 826	43 076	45 366	(1 540)	(2 290)

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Service Charges - sanitation revenue	23 928	24 751	24 301	25 629	(879)	(1 329)
Service Charges - refuse revenue	22 265	25 514	25 064	25 980	(466)	(916)
Service Charges - other						
Rental of facilities and equipment	2 875	2 975	2 975	3 116	(141)	(141)
Interest earned - external investments	21 226	10 000	10 000	14 048	(4 048)	(4 048)
Interest earned - outstanding debtors	2 025	550	550	2 140	(1 590)	(1 590)
Dividends received						
Fines	50 658	59 653	59 653	56 749	2 905	2 905
Licences and permits	1 387	1 819	1 819	1 877	(57)	(57)
Agency services	2 265	2 451	2 451	2 641	(190)	(190)
Transfers recognised - operational	58 010	73 393	80 111	63 358	10 036	16 754
Other revenue	18 314	18 690	16 041	16 165	2 525	(124)
Gains on disposal of PPE	39 730	5 980	5 980	2 372	3 608	3 608
Profit/(Loss) on Fair Value Adjustments						
Loss on Disposal	10 056			(1 921)	1 921	1 921
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>545 971</b>	<b>537 770</b>	<b>539 338</b>	<b>529 006</b>	<b>8 764</b>	<b>10 332</b>

*Variances are equal to actual minus original- and adjusted budget  
(EXCLUDING CAPITAL GRANTS)*

### 5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2020/21 financial year:

Description	2019/20	2020/21		2020/21 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Operating Cost</b>						
Water Management	(26 101)	7 412	6 428	13 028	(5 616)	(6 600)
Waste Water Management	(74 334)	2 662	(3 430)	1 374	1 288	(4 805)
Energy Sources	(6 474)	14 893	12 338	24 694	(9 801)	(12 356)
Waste Management	(4 006)	(13 204)	(14 363)	4 038	(17 242)	(18 401)
Housing	(1 689)	(1 938)	7 077	1 354	(3 292)	5 723
<b>Component A: sub-total</b>	<b>(112 604)</b>	<b>9 825</b>	<b>8 050</b>	<b>44 488</b>	<b>(34 663)</b>	<b>(36 438)</b>
Waste Water (Storm water Drainage)						
Road Transport	(64 425)	(55 957)	(55 238)	(44 277)	(11 680)	(10 961)
Transport						
<b>Component B: sub-total</b>	<b>(64 425)</b>	<b>(55 957)</b>	<b>(55 238)</b>	<b>(44 277)</b>	<b>(11 680)</b>	<b>(10 961)</b>
Planning And Development	(5 946)	(3 234)	(3 260)	(5 127)	1 893	1 867
Other	(1 011)	(1 245)	(1 162)	(941)	(304)	(221)
<b>Component C: sub-total</b>	<b>(6 957)</b>	<b>(4 479)</b>	<b>(4 422)</b>	<b>(6 068)</b>	<b>1 589</b>	<b>1 646</b>
Community And Social Services	(9 026)	(8 779)	(8 752)	(9 911)	1 132	1 159
Environmental Protection	(1 752)	(4 553)	(4 450)	(4 371)	(181)	(78)
Health						
Public Safety	(6 341)	(7 693)	(7 746)	(7 515)	(178)	(231)
Sport And Recreation	(10 429)	(8 379)	(8 386)	(6 976)	(1 403)	(1 410)
Finance And Administration	61 213	51 135	52 816	69 481	(18 347)	(16 666)
Executive And Council	23 902	18 025	23 716	19 114	(1 089)	4 602
Internal Audit	(1 637)	(1 880)	(1 880)	(1 721)	(160)	(160)
<b>Component D: sub-total</b>	<b>55 931</b>	<b>37 875</b>	<b>45 318</b>	<b>58 101</b>	<b>(20 226)</b>	<b>(12 784)</b>
<b>Net</b>	<b>(128 055)</b>	<b>(12 736)</b>	<b>(6 292)</b>	<b>52 245</b>	<b>(64 980)</b>	<b>(58 537)</b>
<p><i>In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are equal to actual minus original- and adjusted budget</i></p>						

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

### 5.2.1 WATER SERVICES

Description	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Water Management</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>43 401</b>	<b>44 588</b>	<b>43 917</b>	<b>46 692</b>	<b>(2 776)</b>
Expenditure:					
Employees	11 194	11 873	11 828	12 434	<b>(605)</b>
Inventory	9 151	11 342	11 766	9 457	<b>2 310</b>
Depreciation and amortisation	2 777	3 558	3 558	3 786	<b>(229)</b>
Bulk Purchases	78	370	370	83	<b>287</b>
Interest Paid	1 702	2 870	2 047	1 606	<b>441</b>
Bad debts	1 112	3 506	4 242	2 673	<b>1 569</b>
Contracted Services	2 174	1 902	1 899	1 585	<b>314</b>
Loss on Disposal of PPE	39 931				<b>()</b>
Water losses				410	<b>(410)</b>
Gains/(Loss) on Sale of Fixed Assets					
General Expenses	1 384	1 757	1 780	1 631	<b>149</b>
<b>Total Operational Expenditure</b>	<b>69 502</b>	<b>37 177</b>	<b>37 489</b>	<b>33 665</b>	<b>3 824</b>
<b>Net</b>	<b>(26 101)</b>	<b>7 412</b>	<b>6 428</b>	<b>13 028</b>	<b>(6 600)</b>
<i>Variances equal to actual minus adjustment budget (INCLUDING CAPITAL GRANTS)</i>					

## 5.2.2 WASTE WATER / SANITATION SERVICES

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Water Management	R'000				
<b>Total Operational Revenue</b>	<b>31 250</b>	<b>30 345</b>	<b>25 423</b>	<b>27 077</b>	<b>(1 653)</b>
Expenditure:					
Employees	11 889	11 473	11 623	11 545	78
Inventory	1 735	2 451	2 295	2 000	294
Depreciation and amortisation	3 032	5 204	5 204	5 177	27
Bulk Purchases					
Interest Paid	1 971	3 563	3 548	2 480	1 068
Bad debts	851	1 984	2 584	1 184	1 401
Contracted Services	2 651	1 759	2 403	2 308	96
Loss on Disposal of PPE	82 590			10	(10)
Gains/(Loss) on Sale of Fixed Assets					
General Expenses	864	1 247	1 196	997	199
<b>Total Operational Expenditure</b>	<b>105 584</b>	<b>27 682</b>	<b>28 854</b>	<b>25 702</b>	<b>3 151</b>
<b>Net</b>	<b>(74 334)</b>	<b>2 662</b>	<b>(3 430)</b>	<b>1 374</b>	<b>(4 805)</b>
<i>Variances equal to actual minus adjustment budget</i>					

### 5.2.3 ELECTRICAL SERVICES

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Energy Sources	R'000				
<b>Total Operational Revenue</b>	<b>160 066</b>	<b>173 609</b>	<b>172 571</b>	<b>175 870</b>	<b>(3 299)</b>
Expenditure:					
Employees	11 177	15 012	15 012	11 812	3 200
Inventory	2 324	2 644	2 654	2 625	29
Depreciation and amortisation	2 780	3 560	3 560	3 053	506
Bulk Purchases	107 157	119 981	119 981	122 254	(2 274)
Interest Paid	4 884	3 275	4 095	4 095	
Bad debts	232	8 362	9 062	2 062	7 000
Contracted Services	1 085	1 607	1 404	1 075	328
Loss on Disposal of PPE	33 022			203	(203)
Inventories: (write-down)/Reversal of write-down to Net Realisable value					
General Expenses	3 879	4 276	4 466	3 996	471
<b>Total Operational Expenditure</b>	<b>117</b>	<b>158 716</b>	<b>160 233</b>	<b>151 176</b>	<b>9 057</b>
<b>Net</b>	<b>56 044</b>	<b>14 893</b>	<b>12 338</b>	<b>24 694</b>	<b>(12 356)</b>
<i>Variances equal to actual minus adjustment budget</i>					

### 5.2.4 SOLID WASTE MANAGEMENT

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Management	R'000				
<b>Total Operational Revenue</b>	<b>22 633</b>	<b>25 578</b>	<b>25 128</b>	<b>27 090</b>	<b>(1 962)</b>
Expenditure:					
Employees	12 018	13 030	13 200	11 751	1 448
Inventory	1 619	2 010	1 883	1 798	85
Depreciation and amortisation	8 399	10 055	10 055	1 201	8 854
Bulk Purchases					
Interest Paid	275	7 432	7 432	3 498	3 934
Bad debts	690	2 041	2 655	1 309	1 346
Contracted Services	2 684	2 609	2 616	2 180	436
Loss on Disposal of PPE	122			207	(207)
General Expenses	833	1 606	1 650	1 108	543
<b>Total Operational Expenditure</b>	<b>26 638</b>	<b>38 782</b>	<b>39 491</b>	<b>23 052</b>	<b>16 439</b>
<b>Net</b>	<b>(4 006)</b>	<b>(13 204)</b>	<b>(14 363)</b>	<b>4 038</b>	<b>(18 401)</b>
<i>Variances equal to actual minus adjustment budget</i>					



## 5.2.5 HOUSING

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Housing	R'000				
<b>Total Operational Revenue</b>	<b>259</b>	<b>12 707</b>	<b>22 181</b>	<b>3 156</b>	<b>19 026</b>
Expenditure:					
Employees	1 516	1 770	1 770	1 610	160
Inventory					
Depreciation and amortisation	6	7	7	7	()
Bulk Purchases					
Interest Paid					
Bad debts	15			99	(99)
Contracted Services	357	12 786	13 245	33	13 212
Loss on Disposal of PPE					
General Expenses	54	82	82	52	30
<b>Total Operational Expenditure</b>	<b>1 948</b>	<b>14 645</b>	<b>15 104</b>	<b>1 801</b>	<b>13 303</b>
<b>Net</b>	<b>(1 689)</b>	<b>(1 938)</b>	<b>7 077</b>	<b>1 354</b>	<b>5 723</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.6 ROADS

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Road Transport	R'000				
<b>Total Operational Revenue</b>	<b>53 270</b>	<b>64 965</b>	<b>64 965</b>	<b>62 667</b>	<b>2 298</b>
Expenditure:					
Employees	31 293	37 218	37 236	33 112	4 123
Inventory	5 427	6 756	6 033	5 864	168
Depreciation and amortisation	8 084	9 686	9 686	9 032	654
Bulk Purchases					
Interest Paid	2 722	3 411	3 401	2 794	607
Bad debts	38 953	53 688	53 688	45 546	8 143
Contracted Services	6 544	7 122	7 355	7 311	45
Loss on Disposal of PPE	22 384			1 022	(1 022)
General Expenses	2 289	3 042	2 805	2 263	542
<b>Total Operational Expenditure</b>	<b>117 695</b>	<b>120 922</b>	<b>120 203</b>	<b>106 944</b>	<b>13 258</b>
<b>Net</b>	<b>(64 425)</b>	<b>(55 957)</b>	<b>(55 238)</b>	<b>(44 277)</b>	<b>(10 961)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.7 PLANNING

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Planning And Development</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>3 896</b>	<b>7 970</b>	<b>8 027</b>	<b>4 145</b>	<b>3 882</b>
Expenditure:					
Employees	8 724	9 142	9 142	8 145	997
Inventory	71	118	109	70	38
Depreciation and amortisation	31	32	32	34	(3)
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	465	788	801	405	395
Loss on Disposal of PPE	2			4	(4)
General Expenses	548	1 124	1 204	613	591
<b>Total Operational Expenditure</b>	<b>9 842</b>	<b>11 204</b>	<b>11 287</b>	<b>9 272</b>	<b>2 015</b>
<b>Net</b>	<b>(5 946)</b>	<b>(3 234)</b>	<b>(3 260)</b>	<b>(5 127)</b>	<b>1 867</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.8 COMMUNITY & SOCIAL SERVICES

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Community And Social Services</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>9 981</b>	<b>12 441</b>	<b>12 605</b>	<b>9 610</b>	<b>2 995</b>
Expenditure:					
Employees	12 917	15 538	15 425	14 879	546
Inventory	1 493	1 119	1 436	1 181	255
Depreciation and amortisation	786	1 157	1 157	1 108	48
Bulk Purchases					
Interest Paid	178	192	192	162	30
Bad debts					
Contracted Services	1 033	1 851	1 891	1 560	331
Loss on Disposal of PPE	1 701			19	(19)
General Expenses	900	1 363	1 255	611	644
<b>Total Operational Expenditure</b>	<b>19 007</b>	<b>21 221</b>	<b>21 357</b>	<b>19 521</b>	<b>1 836</b>
<b>Net</b>	<b>(9 026)</b>	<b>(8 779)</b>	<b>(8 752)</b>	<b>(9 911)</b>	<b>1 159</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.9 ENVIRONMENTAL PROTECTION

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Environmental Protection</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>369</b>	<b>690</b>	<b>690</b>	<b>526</b>	<b>164</b>
Expenditure:					
Employees	1 014	3 760	3 702	3 606	96
Inventory	203	324	423	346	77
Depreciation and amortisation	7	10	10	9	1
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	354	521	338	297	41
Loss on Disposal of PPE				13	(13)
General Expenses	541	628	667	627	40
<b>Total Operational Expenditure</b>	<b>2 120</b>	<b>5 242</b>	<b>5 139</b>	<b>4 897</b>	<b>242</b>
<b>Net</b>	<b>(1 752)</b>	<b>(4 553)</b>	<b>(4 450)</b>	<b>(4 371)</b>	<b>(78)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.10 SECURITY AND SAFETY

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Public Safety</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>1 002</b>	<b>50</b>	<b>50</b>	<b>115</b>	<b>(65)</b>
Expenditure:					
Employees	2 956	2 874	2 878	3 321	(443)
Inventory	525	403	498	415	84
Depreciation and amortisation	256	226	226	322	(96)
Bulk Purchases					
Interest Paid	137	334	334	197	137
Bad debts					
Contracted Services	2 980	3 287	3 277	2 868	409
Loss on Disposal of PPE	203			106	(106)
General Expenses	284	620	584	402	182
<b>Total Operational Expenditure</b>	<b>7 342</b>	<b>7 743</b>	<b>7 796</b>	<b>7 630</b>	<b>166</b>
<b>Net</b>	<b>(6 341)</b>	<b>(7 693)</b>	<b>(7 746)</b>	<b>(7 515)</b>	<b>(231)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.11 SPORT AND RECREATION

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Sport And Recreation</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>13 290</b>	<b>17 581</b>	<b>17 269</b>	<b>15 232</b>	<b>2 037</b>
Expenditure:					
Employees	13 083	16 738	16 651	14 996	1 656
Inventory	1 648	2 539	2 439	1 764	675
Depreciation and amortisation	1 798	2 670	2 670	1 904	766
Bulk Purchases					
Interest Paid	67	106	123	108	15
Bad debts					
Contracted Services	2 366	2 768	2 682	2 435	246
Loss on Disposal of PPE	4 063			215	(215)
General Expenses	693	1 140	1 089	787	303
<b>Total Operational Expenditure</b>	<b>23 719</b>	<b>25 961</b>	<b>25 655</b>	<b>22 208</b>	<b>3 447</b>
<b>Net</b>	<b>(10 429)</b>	<b>(8 379)</b>	<b>(8 386)</b>	<b>(6 976)</b>	<b>(1 410)</b>
<i>Variations equal to actual minus adjustment budget</i>					

## 5.2.12 FINANCE & ADMIN

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Finance And Administration</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>126 844</b>	<b>121 043</b>	<b>122 793</b>	<b>129 746</b>	<b>(6 953)</b>
Expenditure:					
Employees	38 748	43 612	43 612	41 249	2 363
Inventory	1 035	1 235	1 236	1 079	157
Depreciation and amortisation	1 714	2 671	2 671	1 475	1 195
Bulk Purchases					
Interest Paid	156	215	226	191	35
Bad debts	676	2 018	2 018	781	1 237
Contracted Services	4 154	6 682	6 459	4 215	2 244
Loss on Disposal of PPE	9 950			1 019	(1 019)
Profit/(Loss) on Fair Value Adjustments					
Reversal of Impairment Loss/(Impairment Loss) on receivables					

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
General Expenses	9 197	13 476	13 756	10 256	3 500
<b>Total Operational Expenditure</b>	<b>65 631</b>	<b>69 909</b>	<b>69 978</b>	<b>60 265</b>	<b>9 713</b>
<b>Net</b>	<b>61 213</b>	<b>51 135</b>	<b>52 816</b>	<b>69 481</b>	<b>(16 666)</b>
<i>Variances equal to actual minus adjustment budget</i>					

### 5.2.13 EXECUTIVE & COUNCIL

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Executive And Council</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>44 947</b>	<b>48 385</b>	<b>54 621</b>	<b>51 036</b>	<b>3 585</b>
Expenditure:					
Employees	14 447	21 270	21 270	25 082	(3 812)
Inventory	51	63	63	28	35
Depreciation and amortisation	34	144	144	34	109
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	1 219	4 118	4 118	2 037	2 081
Loss on Disposal of PPE	15			2	(2)
General Expenses	5 279	4 766	5 311	4 739	572
<b>Total Operational Expenditure</b>	<b>21 045</b>	<b>30 360</b>	<b>30 905</b>	<b>31 922</b>	<b>(1 017)</b>
<b>Net</b>	<b>23 902</b>	<b>18 025</b>	<b>23 716</b>	<b>19 114</b>	<b>4 602</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.14 INTERNAL AUDIT

Description	2019/20		2020/21		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Internal Audit</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>					()
<b>Expenditure:</b>					
<b>Employees</b>	1 542	1 638	1 638	1 609	29
<b>Inventory</b>	2	2	2	1	1
<b>Depreciation and amortisation</b>	2	2	2	2	
<b>Bulk Purchases</b>					
<b>Interest Paid</b>					
<b>Bad debts</b>					
<b>Contracted Services</b>	51	133	133	74	59
<b>Loss on Disposal of PPE</b>					
<b>General Expenses</b>	40	105	105	35	70
<b>Total Operational Expenditure</b>	<b>1 637</b>	<b>1 880</b>	<b>1 880</b>	<b>1 721</b>	<b>159</b>
<b>Net</b>	<b>(1 637)</b>	<b>(1 880)</b>	<b>(1 880)</b>	<b>(1 721)</b>	<b>(160)</b>
<i>Variences equal to actual minus adjustment budget</i>					

## 5.2.15 OTHER

Description	2019/20		2020/21		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Other</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>				<b>1</b>	<b>(1)</b>
<b>Expenditure:</b>					
<b>Employees</b>	500	373	373	384	(10)
<b>Inventory</b>	10	55	55	10	45
<b>Depreciation and amortisation</b>	15	16	16	16	
<b>Bulk Purchases</b>					
<b>Interest Paid</b>					
<b>Bad debts</b>					
<b>Contracted Services</b>	23	120	43	24	19
<b>Loss on Disposal of PPE</b>	3				()
<b>General Expenses</b>	460	680	674	508	166
<b>Total Operational Expenditure</b>	<b>1 011</b>	<b>1 245</b>	<b>1 162</b>	<b>942</b>	<b>220</b>
<b>Net</b>	<b>(1 011)</b>	<b>(1 245)</b>	<b>(1 162)</b>	<b>(941)</b>	<b>(221)</b>
<i>Variences equal to actual minus adjustment budget</i>					

## 5.3 GRANTS

### 5.3.1 GRANT PERFORMANCE

Grant Performance						
R'000						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b><u>Operating Transfers and Grants</u></b>						
<b>National Government:</b>	<b>47 591</b>	<b>98 284</b>	<b>57 048</b>	<b>53 407</b>	<b>44 876</b>	<b>3 640</b>
Equitable share	44 063	94 588	53 530	50 190	44 398	3 340
Municipal Systems Improvement		300	300		300	300
Finance Management	1 550	1 558	1 550	1 550	8	
Energy Efficiency & Demand Management						
Expended Public Works programme (EPWP)	1 108	1 158	1 158	1 158		
Disaster Recovery Grant						
Mig 5%	632	679	510	510	170	
Integrated National Electricity Program						
Municipal Disaster Relief Grant	238					
<b>Provincial Government:</b>	<b>10 350</b>	<b>21 834</b>	<b>22 398</b>	<b>9 590</b>	<b>12 243</b>	<b>12 807</b>
Housing	124	12 640	13 114	28	12 612	13 086
Housing Consumer education						
Housing Correction Previous claims						



<b>National Emergency Housing Programme / Elec Master plan</b>						
<b>Tuin op die brak</b>						
<b>Greenest municipality</b>						
<b>Financial Support Grant / Management</b>	371					
<b>Performance Management Grant</b>						
<b>Thusong Centre</b>						
<b>Capacity Building</b>	886	401	564	454	(53)	110
<b>Libraries</b>	8 260	8 673	8 600	8 950	(277)	(350)
<b>CDW, Road Maintenance</b>	160	120	120	158	(38)	(38)
<b>LG Support Grant: Humanitarian Relief</b>	550					
<b>Other grant providers</b>	<b>69</b>	<b>1 049</b>	<b>1 136</b>	<b>360</b>	<b>689</b>	<b>776</b>
<b>Seta/Disaster Relief/Trade Union/HCE/ASLA/tourism</b>	45	1 049	1 079	331	718	749
<b>Heritage Council WC</b>						
<b>Arbor City</b>	24		57	29	(29)	28
<b>National Lottery fund</b>						
<b>Total Operating Transfers and Grants</b>	<b>58 010</b>	<b>121 166</b>	<b>80 582</b>	<b>63 358</b>	<b>57 808</b>	<b>17 224</b>
<i>Variances equal to actual minus original and adjustment budget</i>						

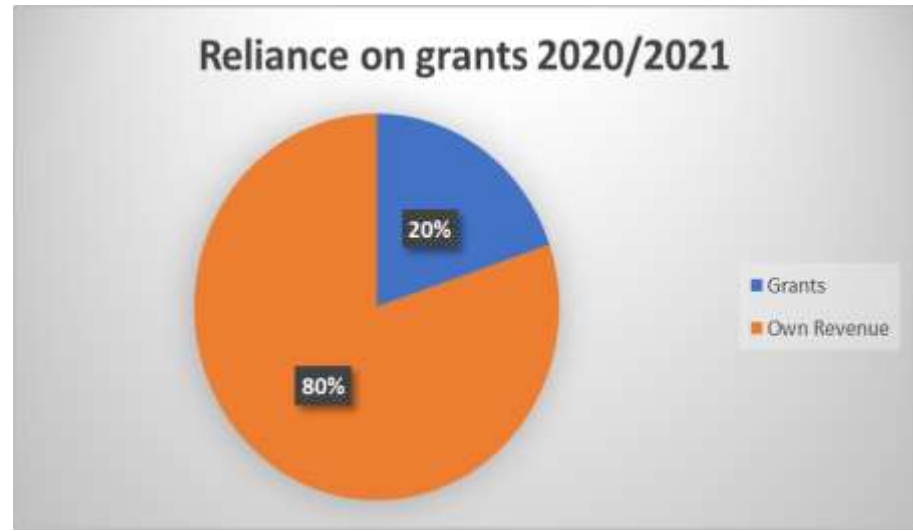
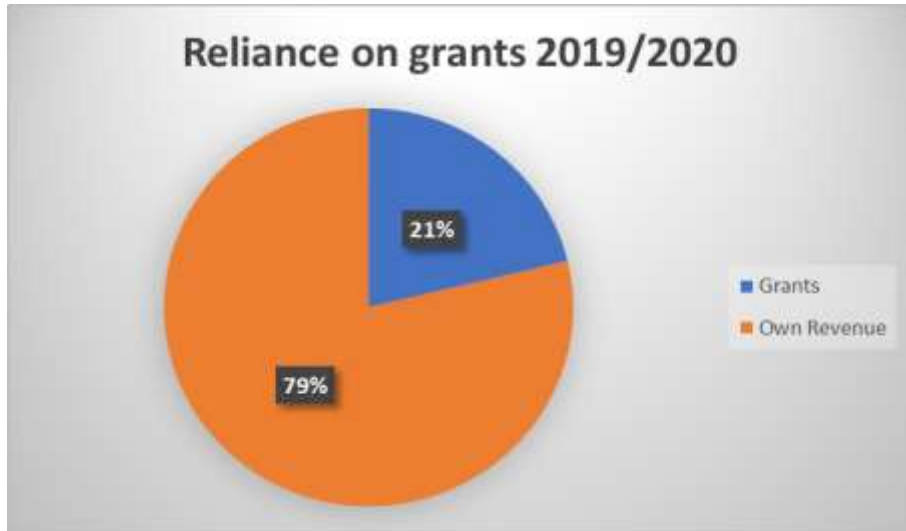
### 5.3.2 CONDITIONAL GRANTS (EXCLUDING MIG)

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjusted Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjusted Budget	
FMG, MSIG, NEP, EPWP, DME, PGWC:LIBRARY GRANTS , PGWC: FINANCIAL SUPPORT GRANT	18 089 821	18 508 446	17 865 811	224 010	642 635	
<b>Total</b>	18 089 821	18 508 446	17 865 811	224 010	642 635	
<i>This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG). Variances equal to actual minus original/adjustment budget</i>						

### 5.3.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants		Total	Percentage
	and subsidies received	Operating Revenue		
	R'000	R'000		%
2019/20	75 790	510 120		14.86%
2020/21	111 013	530 196		20.94%

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



## 5.4 ASSET MANAGEMENT

The Municipality maintained its infrastructure and immovable assets.

### 5.4.1 MAINTENANCE / DEVELOPMENT OF THE THREE LARGEST ASSETS

Asset 1		
Name	<b>Upgradings of Roads and Stormwater in Hessequa Municipal Area</b>	
Description	Slurry seal, paving, laying of kerbs and stormwater related infrastructure where required.	
Asset Type	Infrastructure	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	<b>2019/20 (R'000)</b>	<b>2020/21 (R'000)</b>
	11 000	9 000

Asset 2		
Name	<b>Upgrading of Electrical Networks in the Hessequa Municipal area</b>	
Description	Upgrading of the electrical networks and associated electrical structures to improve the electrical networks	
Asset Type	Infrastructure : Electrical Services	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Acting Manager Mechanical and Electrical Services (Silent Chikamhi)	
Staff Responsibilities	Project management	
Asset Value	<b>2019/20 (R'000)</b>	<b>2020/21 (R'000)</b>
	0	20 400

Asset 3		
Name	<b>Upgrading of Melkhoutfontein en Slangrivier Sport Facilities</b>	
Description	Construction of concrete pavillion, ablution facility, civil and electrical associated services	
Asset Type	Infrastructure	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Manager Civil Planning and Project Management (Shahida Kennedy) / MIG and Project Coordinator (Istianah Botes)	
Staff Responsibilities	Project management	
Asset Value	<b>2019/20 (R'000)</b>	<b>2020/21 (R'000)</b>
	1 999	12 033

## 5.4.2 REPAIRS AND MAINTENANCE

Description	2019/20	2020/21
	R'000	R'000
<b>Total Operating Expenditure</b>	468 994	498 797
<b>Repairs and Maintenance</b>	76 763	82 273
<b>% of total OPEX</b>	<b>16.37%</b>	<b>16.49%</b>

\*Note: These figures do not include salaries of repairs and maintenance staff

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational expenditure.



Repairs & Maintenances. Operational Expenditure

## 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.5.1 LIQUIDITY RATIO

Description	Basis of calculation	2019/20	2020/21
		Audit outcome	Audit outcome
<b>Current Ratio</b>	Current assets/current liabilities	3.27	3.21
<b>Current Ratio adjusted for aged debtors</b>	Current assets less debtors > 90 days/current liabilities	2.94	2.94
<b>Liquidity Ratio</b>	Monetary Assets/Current Liabilities	3.23	3.18

<b>Liquidity Financial Ratio (norm 1:5 to 2:1)</b>			
<b>Financial year</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Ratio</b>
	<b>R'000</b>	<b>R'000</b>	
<b>2019/20</b>	1 222 875 136	273 112 277	3.5:1
<b>2020/21</b>	1 384 009 743	382 411 698	3.0:1

**Liquidity Financial Ratio (norm 1:5 to 2:1 and above)**

## 5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

<b>Description</b>	<b>Basis of calculation</b>	<b>2019/20</b>	<b>2020/21</b>
		<b>Audit outcome</b>	<b>Audit outcome</b>
<b>Cost Coverage</b>	(Available cash + Investments)/monthly fixed operational expenditure	10.87	14.53
<b>Total Outstanding Service Debtors to Revenue</b>	Total outstanding service debtors/annual revenue received for services	12.65%	11.43%
<b>Debt coverage</b>	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.68	12.08

## 5.5.3 CREDITORS MANAGEMENT

<b>Description</b>	<b>Basis of calculation</b>	<b>2019/20</b>	<b>2020/21</b>
		<b>Audit outcome</b>	<b>Audit outcome</b>
<b>Creditors Efficiency</b>	System of Creditors Paid Within Terms (within MFMA' s 65(e))	55.89	72.62

## 5.5.4 BORROWING MANAGEMENT

<b>Description</b>	<b>Basis of calculation</b>	<b>2019/20</b>	<b>2020/21</b>
		<b>Audit outcome</b>	<b>Audit outcome</b>
<b>Capital Charges to Operating Expenditure</b>	Interest & Principal Paid /Operating Expenditure	6.85	6.83%

## 5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2019/20	2020/21
		Audit outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.42%	37.36%

## 5.6 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6.1 ANALYSIS OF CAPITAL AND OPERATING EXPENDITURE

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	105 121	113 655	95 037	10 085	18 618
Operating Expenditure	572 688	576 532	498 797	73 890	77 735
<b>Total expenditure (Capital)</b>	<b>105 121</b>	<b>113 655</b>	<b>95 037</b>	<b>10 085</b>	<b>18 618</b>
Water and sanitation	39 339	38 376	32 034	7 305	6 341
Electricity	28 634	29 582	28 327	307	1 255
Housing					
roads pavements bridges and storm water	13 984	15 697	15 556	(1 572)	141
Other	23 164	30 000	19 120	4 044	10 880
<b>Total Finance Source - Capital</b>	<b>105 121</b>	<b>113 655</b>	<b>95 037</b>	<b>10 192</b>	<b>18 725</b>
External Loans	63 494	61 415	55 643	7 851	5 772
Internal contributions	19 445	21 338	19 261	184	2 077
Grants and subsidies	22 182	30 902	20 025	2 157	10 877
Other			108		
Salaries, wages and allowances	203 652	205 135	195 534	8 118	9 600
External loans repaid	21 398	120 351	122 337	(100 939)	(1 987)
<b>Operating Revenue</b>	<b>559 952</b>	<b>539 338</b>	<b>530 196</b>	<b>29 756</b>	<b>9 142</b>
Property rates	100 933	100 783	101 568	(635)	(785)
Service charges	261 324	59 653	56 749	204 575	2 905
Other own revenue	197 695	378 902	371 879	(174 184)	7 023
<b>Operating Expenditure</b>	<b>572 688</b>	<b>576 532</b>	<b>498 797</b>	<b>73 890</b>	<b>77 735</b>
Employee related costs	194 279	205 135	195 534	(1 255)	9 600
Provision for working capital	71 599	74 635	53 652	17 947	20 983
Contracted services	48 054	2 114	1 973	46 081	141
Bulk purchases	120 351	30 705	26 638	93 713	4 067
Other expenditure	138 405	263 944	221 000	(82 595)	42 944
	<b>173 609</b>	<b>172 571</b>	<b>175 779</b>	<b>(2 170)</b>	<b>(3 208)</b>



R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Service charges: Electricity	167 233	166 533	169 918	(2 685)	(3 385)
Grants & subsidies: Electricity	6 274	5 874	5 525	749	349
Other revenue: Electricity	102	165	336	(234)	(171)
	<b>158 716</b>	<b>160 233</b>	<b>151 085</b>	<b>7 631</b>	<b>9 148</b>
Employee related costs: Electricity	15 012	15 012	11 812	3 200	3 200
Provision for working capital: Electricity	8 362	9 062	405	7 957	8 657
Contracted Services: Electricity	1 607	1 404	1 075	532	328
Bulk purchases: Electricity	119 981	119 981	122 254	(2 274)	(2 274)
Other expenditure: Electricity	13 755	14 775	15 539	(1 784)	(764)
	<b>44 588</b>	<b>43 917</b>	<b>46 692</b>	<b>(2 104)</b>	<b>(2 776)</b>
Service charges: Water	43 826	43 076	45 366	(1 540)	(2 290)
Grants & subsidies: Water	679	540	539	141	1
Other revenue: Water	83	300	788	(705)	(487)
	<b>37 177</b>	<b>37 489</b>	<b>32 280</b>	<b>4 897</b>	<b>5 209</b>
Employee related costs: Water	11 873	11 828	12 434	(560)	(605)
Provision for working capital: Water	3 506	4 242	1 698	1 808	2 544
Contracted Services: Water	1 902	1 899	1 585	317	314
Bulk purchases: Water	370	370	83	287	287
Other expenditure: Water	19 526	19 150	16 480	3 046	2 670

## 5.6.2 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2020/21 financial year:

Capital Expenditure - Funding Sources 2019/20 to 2020/21						
R'000						
Details	2019/20	2020/21			Variance Ori	Variance Adjustment
	Actual	Original Budget (OB)	Adjustment Budget	Actual		
External loans	36 992	63 494	61 415	55 643	7 851	5 772
Public contributions and donations				108	(108)	(108)
Grants and subsidies	16 993	22 182	30 902	20 025	2 157	10 877
Other / CRR	13 070	19 445	21 338	19 261	184	2 077
<b>Total</b>	<b>67 055</b>	<b>105 121</b>	<b>113 655</b>	<b>95 037</b>	<b>10 085</b>	<b>18 618</b>
Percentage of finance						
External loans	55.17%	60.40%	54.04%	58.55%	78%	31%
Public contributions and donations	0.00%		0	0	0%	0%
Grants and subsidies	25.34%	21.10%	27.19%	21.07%	21%	58%
Other	19.49%	18.50%	18.77%	20.27%	2%	11%
Percentage of expenditure						
Water and sanitation	26 405	39 339	38 376	32 034	7 305	6 341
Electricity	6 680	28 634	29 582	28 327	307	1 255
Housing	8					
Roads and stormwater	19 901	13 984	15 697	15 556	(1 572)	141
Other	14 062	23 164	30 000	19 120	4 044	10 880
<b>Total</b>	<b>67 055</b>	<b>105 121</b>	<b>113 655</b>	<b>95 037</b>	<b>10 085</b>	<b>18 618</b>

<b>Water and sanitation</b>	39.38%	37.42%	33.77%	33.71%	72.44%	34.06%
<b>Electricity</b>	9.96%	27.24%	26.03%	29.81%	3.04%	6.74%
<b>Housing</b>						
<b>Roads and stormwater</b>	29.68%	13.30%	13.81%	16.37%	-15.58%	0.76%
<b>Other</b>	20.97%	22.04%	26.40%	20.12%	40.10%	58.44%

*Funding of the capital budget consist of a mix of external loans, grants & subsidies and own funds. The effect of interest rates on external borrowings was taken into account with the compilation of the budget.*

### 5.6.3 CAPITAL SPENDING ON THE 5 MOST EXPENSIVE PROJECTS

Projects with the highest capital expenditure in 2020/21.

Name of Project*	Current Year: 2020/21		Variance Current Year: 2020/21
	Amended Budget	Actual Expenditure	Variance
	R'000	R'000	R'000
Development of Sport Ground - Slangirivier	5 237	5 237	0
Upgrading of Melkhoutfontein Sport field	5 633	5 633	0
New Water Networks Distribution ( StillBay)	4 417	4 417	0
Electricity load control system Hessequa	3 600	3 130	470
Low Level Reservoir Rehabilitation Riversdale	2 292	2 292	0

Name of Project	Development of Sport Ground - Slangirivier
<b>Objective of Project</b>	The project was aimed to upgrade the current sport facility with a bigger pavillion and ablution facilities in the Slangirivier area. To improve and uplift the sporting element in the Slangirivier area.
<b>Delays</b>	There were some delays with the workmanship and quality of the Local SMME appointed on the project. This was address by the Main contractor appointed on the project.
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	3011 (Slangirivier)

Name of Project	Development of Sport Ground -Melkhoutfontein
<b>Objective of Project</b>	The project was aimed to upgrade the current sport facility with a bigger pavilion and ablution facilities in the Slangirivier area. To improve and uplift the sporting element in the Slangirivier area.
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	3525 (Melkhoutfontein)

<b>Name of Project</b>	<b>New Water Networks Distribution ( StillBay)</b>
<b>Objective of Project</b>	To upgrade and improve the current water infrastructure in the Still Bay area.
<b>Delays</b>	Due to COVID 19 some of the construction activities took longer than expected
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	3 700 (Still Bay)

<b>Name of Project</b>	<b>Electricity load control system Hessequa</b>
<b>Objective of Project</b>	Replacement of old Energy consuming lights with LED lights in the Hessequa area. To reduce the usage of energy by using LED lights.
<b>Delays</b>	Due to COVID 19 there were delays on the delivery of materials. The project however managed to be completed on time.
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	52642 (Hessequa)

<b>Name of Project</b>	<b>Low Level Reservoir Rehabilitation Riversdale</b>
<b>Objective of Project</b>	To rehabilitate the current condition of the low level reservoir and to replace the existing concrete roof. The main objective is to prevent collapse of roof.
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	16176 (Riversdale)

#### 5.6.4 MUNICIPAL INFRASTRUCTURE GRANT (MIG)\* EXPENDITURE 2020/21 ON SERVICE BACKLOGS

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Municipal Infrastructure Grant (MIG)* Expenditure 2020/21 on Service backlogs			
R0			
Details	Approved Budget	Actual	Variance from Approved Budget
Infrastructure - Road transport			
<i>Storm water</i>			
Sport development	10 870	10 870	
<i>Street Lighting</i>			
Infrastructure - Water			
<i>Dams &amp; Reservoirs</i>			
Infrastructure - Sanitation	1 041	1 041	-
<i>Reticulation</i>			
Other:			
<b>Total</b>	<b>11 911</b>	<b>11 911</b>	<b>-</b>

All MIG funds received are utilised to improve and provided services to previously disadvantaged areas.

## 5.7 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Accurate cash flow projections will enable the Council to invest surplus funds at the best interest rate. Stricter measures have been implemented to ensure more accurate cash flow projections.

The collection of debtors influence the cash flow of the municipality and all the necessary steps are taken to increase debt recovery.

### 5.7.1 CASH FLOWTABLE:

		Note	2021/06/30	2020/06/30	
<b>Cash Flow from Operating Activities</b>			<b>R</b>	<b>R</b>	
			<b>Actual</b>	<b>Actual</b>	
<b>Receipts</b>			<b>485 542 831</b>	<b>428 095 932</b>	
Taxation			102 385 674	93 853 738	
Service Charges			255 846 646	224 940 962	
Fines			10 852 729	9 765 073	
Other Revenue			23 017 488	24 400 733	
Government - Operating			73 258 659	57 355 240	
Government - Capital			20 181 635	17 780 186	
Interest					
<b>Payments</b>			<b>(366 897 874)</b>	<b>(354 138 028)</b>	
Suppliers and Employees			(364 925 018)	(351 765 875)	
Finance Charges					
Transfers and Grants			(1 972 856)	(2 372 153)	
<b>Cash generated from operations</b>		<b>36</b>	<b>89 824 645</b>	<b>73 957 905</b>	
Interest received			16 187 343	23 250 783	
Interest paid		<b>32</b>	(15 131 466)	(18 585 299)	
<b>Net Cash from Operating Activities</b>			<b>90 880 522</b>	<b>78 623 388</b>	
<b>Cash flows from Investing Activities</b>					
Purchase of Property, Plant and Equipment		<b>8</b>	(67 033 220)	(61 345 619)	
Proceeds on Disposal of Fixed Assets			-	309 232	
Purchase of Investment Properties			-		
Purchase of Intangible Assets			-		
Purchase of Heritage Assets			-		
Purchase of Agricultural Assets			-		
Decrease/(Increase) in Non-Current Debtors			3 333	3 082	
Decrease/(Increase) in Other Non-Current Receivables					
Decrease/(Increase) in Non-Current Investments					
<b>Net Cash flows from Investing Activities</b>			<b>(67 029 886)</b>	<b>(61 033 305)</b>	

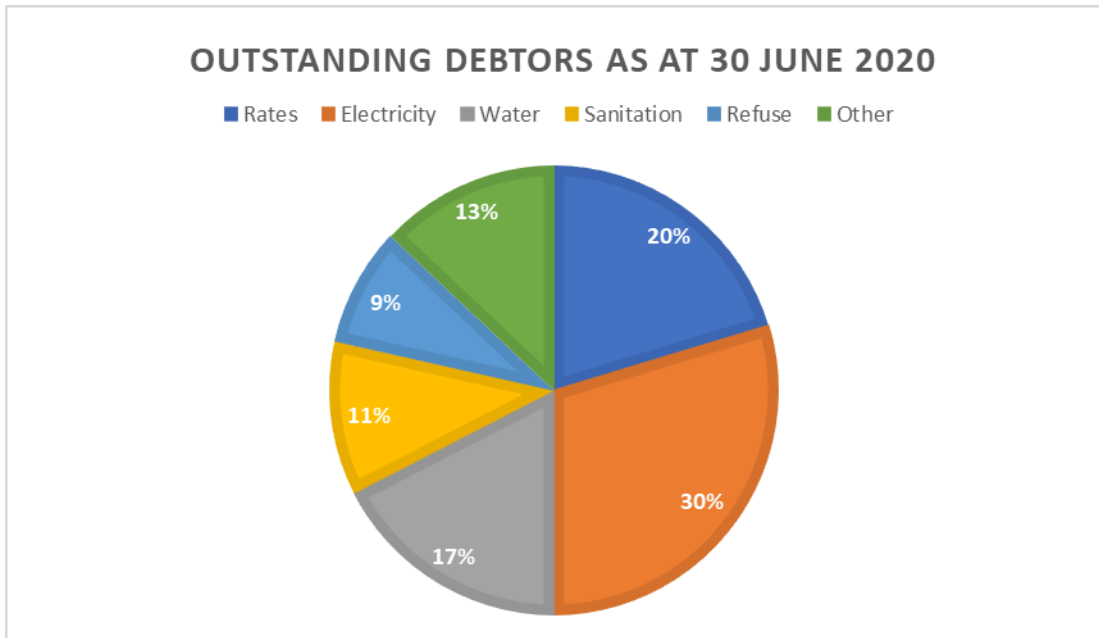
	Note	2021/06/30	2020/06/30
<b>Cash Flow from Operating Activities</b>		R	R
		<b>Actual</b>	<b>Actual</b>
<b>Cash flows from Financing Activities</b>			
Short term Loans			-
Borrowing - Long term/Refinancing		90 000 000	-
Increase/(Decrease) in Consumer Deposits		1 479 028	(76 201)
Increase in Trust Funds		68 396	112 763
Repayment of Borrowing		(21 413 119)	(19 503 359)
<b>Net Cash from Financing Activities</b>		<b>70 134 305</b>	<b>(19 466 797)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>93 984 940</b>	<b>(1 876 714)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>93 037 201</b>	<b>(1 876 715)</b>
<b>Cash and cash equivalents at the beginning</b>		<b>255 632 052</b>	<b>257 508 767</b>
	of the year		
<b>Cash and cash equivalents at the end of the year</b>	<b>35</b>	<b>348 669 253</b>	<b>255 632 052</b>

## 5.7.2 GROSS OUTSTANDING DEBTORS PER SERVICE

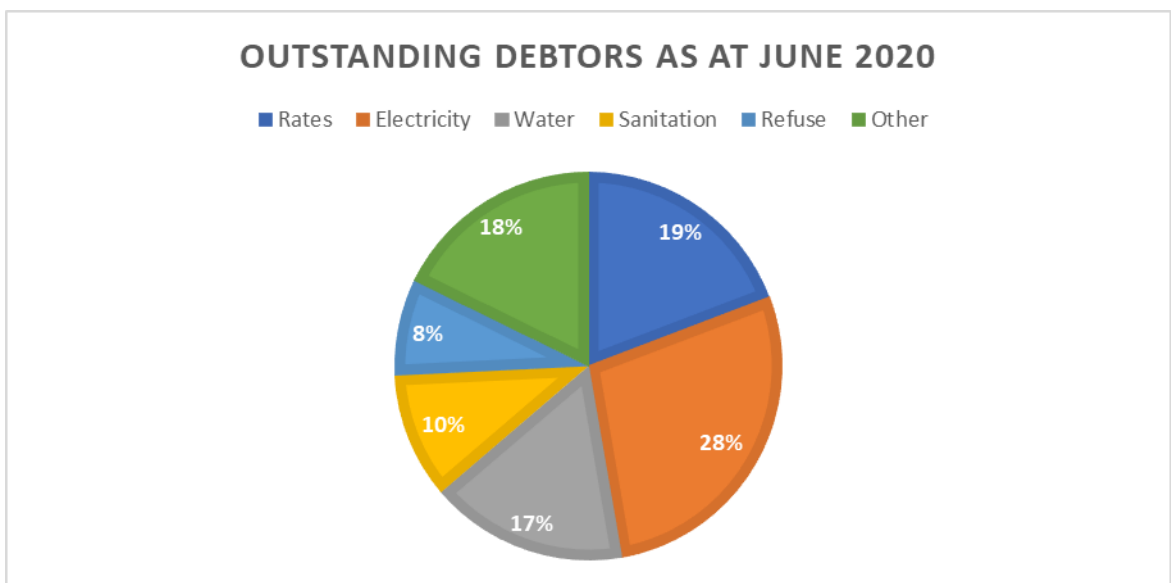
Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2019/20	14 997	34 741	14 451	-	9 599	73 789
2020/21	14 180	35 596	15 767	-	10 350	75 892
Difference	(818)	855	1 315	-	751	2 104
% growth year on year	-5.77%	2.40%	8.34%		7.26%	2.77%
<i>Note: figures exclude provision for bad debts and outstanding fines</i>						
Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2018/19	14 997	34 741	14 451	-	13 831	78 021
2019/20	14 180	35 596	15 767	-	15 458	81 001
Difference	(818)	855	1 315	-	1 627	2 980
% growth year on year	-5.77%	2.40%	8.34%		10.53%	3.68%

**Note: figures exclude provision for bad debts on rates and services and include the written down value on traffic fines**

The following graphs indicate the total outstanding debt per type of service for 2019/20 and 2020/21 excluding and including fines

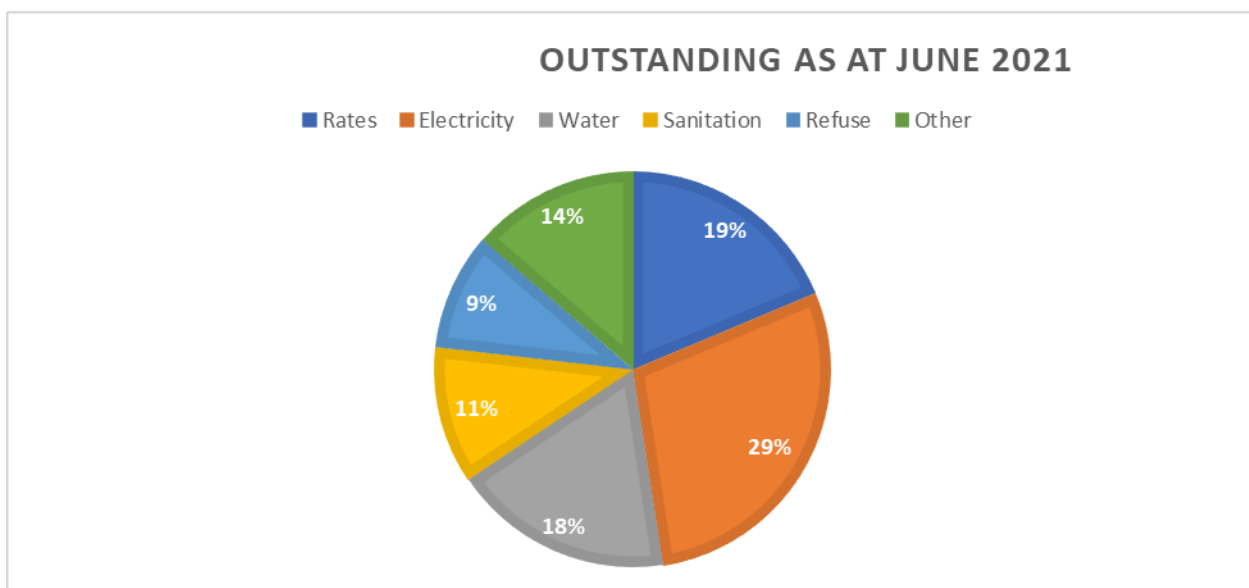


***Excluding fines***

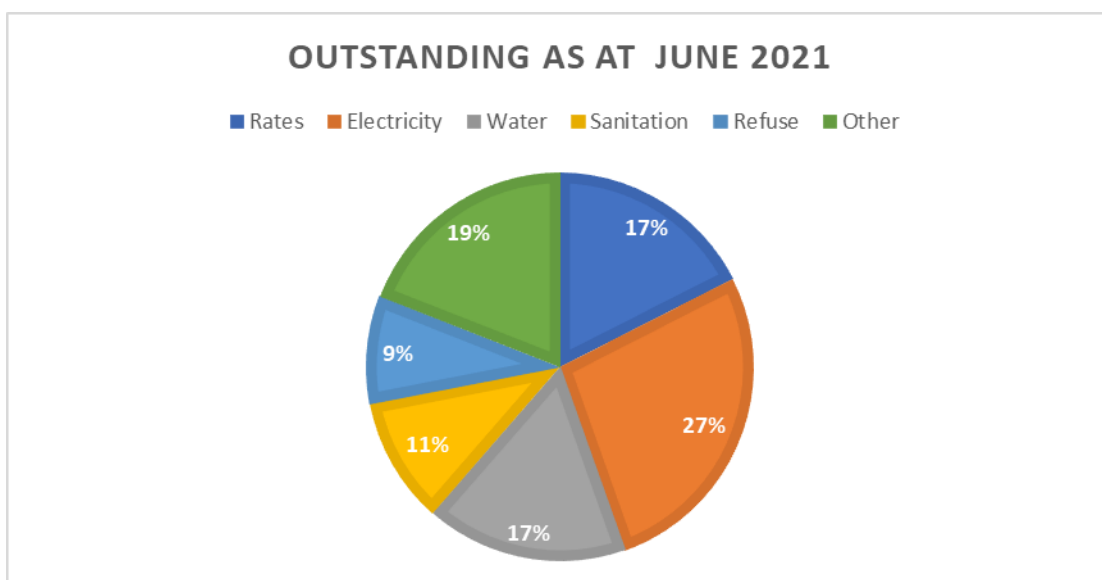


***Including fines***





***Excluding fines***



***Including Fines***

### 5.7.3 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2019/20	33 618	5 197	3 163	31 786	73 763
2020/21	32 433	5 852	2 996	34 611	75 892
Difference	(1 184)	655	(166)	2 825	2 129
% growth year on year	-3.65%	11.19%	-5.55%	8.16%	2.81%
<i>Note: figures exclude provision for bad debts and outstanding fines-</i>					
Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total

	R'000	R'000	R'000	R'000	R'000
2019/20	33 618	5 197	3 163	36 043	78 021
2020/21	32 433	5 852	2 996	39 719	81 001
Difference	(1 184)	655	(166)	3 676	2 980
% growth year on year	-3.65%	11.19%	-5.55%	9.26%	3.68%
<i>Including fines</i>					

## 5.7.4 BORROWING AND INVESTMENTS

### 5.13.1 Actual Borrowings

R'000		
Instrument	2019/20	2020/21
Long-Term Loans	104 645	173 231
<b>Total</b>	<b>104 645</b>	<b>173 231</b>

## 5.8 COMPONENT D: OTHER FINANCIAL MATTERS

### 5.8.1 SUPPLY CHAIN MANAGEMENT

- The Municipality reviews the Supply Chain management Policy annually and complies with the legislative requirements.
- No councillors are members of any committee handling supply chain processes.
- Contract management and performance of suppliers are currently being done by SCM in conjunction with Managers.

### 5.8.2 GRAP COMPLIANCE

The municipality is GRAP compliant.

## 6 AUDITOR GENERAL'S FINDINGS

### 6.1 COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

<b>Auditor-General Report on Performance Information 2019/2020</b>	
I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective. <ul style="list-style-type: none"> <li>• Strategic objective 2: Cost effective service delivery</li> </ul>	No findings
<b>Auditor-General Report on Non-Compliance Issues 2019/2020</b>	
I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.	No findings
<b>Auditor-General Report on Financial Performance 2019/20</b>	
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (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 Act no. 16 of 2019 (Dora)..	Audit opinion: Unqualified with no findings (Clean Audit)

### 6.2 COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

<b>Auditor-General Report on Performance Information 2020/2021</b>	
I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective. <ul style="list-style-type: none"> <li>• Strategic objective 2: Cost effective service delivery</li> </ul>	No findings
<b>Auditor-General Report on Non-Compliance Issues 2020/2021</b>	
I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.	No findings
<b>Auditor-General Report on Financial Performance 2020/2021</b>	
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 04 of 2020 (Dora).	Audit opinion: Unqualified with no findings (Clean Audit)

## 6.3 COMPONENT C: AUDITOR-GENERAL REPORT 2020/21

### Report of the auditor-general to the Western Cape Provincial Parliament on the Hessequa Municipality

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

#### Opinion

1. I have audited the financial statements of the Hessequa Municipality set out on pages 8 to 111, which comprise the 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 and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 04 of 2020 (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

#### Material losses/impairments

7. As disclosed in note 9 to the financial statements, the municipality has provided for the impairment of trade receivables from exchange transactions (consumer debtors) amounting to R27,8 million (2019-20: R24,9 million).
8. As disclosed in note 10 to the financial statements, the municipality has provided for impairment of trade receivables from non-exchange transactions amounting to R67,2 million (2019-20: R68 million).

9. As disclosed in the statement of financial performance to the financial statements, the municipality has written off receivables from exchange and non-exchange transactions amounting to R50,8 million during the year (2019-20: R40 million).

#### Restatement of corresponding figures

10. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

#### Other matters

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

#### Unaudited disclosure notes

12. 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.

#### Unaudited supplementary schedules

13. The supplementary information set out on pages 112 to 118 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

#### Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. 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

16. 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.

17. 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

18. 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 objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

19. 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.

20. 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 objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Objectives	Pages in the annual performance report
Strategic objective 2 – cost effective service delivery	42 - 43

21. 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.

22. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:

- Strategic objective 2 – cost effective service delivery

### Other matter

23. I draw attention to the matter below.

## Achievement of planned targets

24. Refer to the annual performance report on pages 42 - 43 for information on the achievement of planned targets for the year.

## Report on the audit of compliance with legislation

### Introduction and scope

25. 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.

26. 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

27. 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 this selected objective presented in the annual performance report that have been specifically reported in this auditor's report.

28. 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.

29. 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 objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to

retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

31. 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.

32. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town  
15 December 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 objective 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 Hessequa 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 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.

## 7 APPENDICES IN ACCORDANCE TO CIRCULAR 63

### ANNUAL REPORT FRAMEWORK

- Appendix A: Composition of Council
- Appendix B: Committee and Committee Purpose – Please refer to Appendix A
- Appendix C: Third Tier Administrative structure
- Appendix D: Functions of Municipality/Entity
- Appendix E: Ward Committee Functionality & Composition
- Appendix F: Ward Information
- Appendix G: Recommendations of the Municipal Audit Committee
- Appendix H: Long term Contracts and Public Private Partnership – Please refer to Section 2.5 within the Annual Report
- Appendix I: Municipal Entity/Service Provider Performance Schedule – Not Applicable
- Appendix J: Disclosure of Financial Interest
- Appendix K: Revenue Collection Performance Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
- Appendix L: Conditional Grants Received: Excluding MIG Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
- Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG – Please refer to Appendix F: Ward Information where all projects are included per Ward
- Appendix N: Capital Programme by Project current year - Please refer to Appendix F: Ward Information where all projects are included per Ward
- Appendix O: Capital Programme by project by Ward current year - Please refer to Appendix F: Ward Information where all projects are included per Ward
- Appendix P: Service Connection Backlogs at Schools and Clinics – Not Applicable
- Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision – Not Applicable
- Appendix R: Declaration of Loans and Grants Made by the Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
- Appendix S: Declaration of Returns not Made in due Time under MFMA s71 Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
- Appendix T: National and Provincial Outcome for local government – Please refer to Section 3.2 Organisational Performance per IDP Objective of Annual Report

# Appendix A

## Council Compilation

<b>Councillor</b>	<b>Political Party</b>
Cllr A Stroebel (Speaker)	<b>DA</b>
Cllr G Riddles (Executive Mayor)	<b>DA</b>
Cllr J Hartnick (Executive Deputy Mayor)	<b>VF+</b>
Cllr B Smith (Ward 1)	<b>DA</b>
Cllr IT Mangaliso (Ward 2)	<b>ANC</b>
Cllr T van den Berg (Ward 3)	<b>DA</b>
Cllr G Boezak (Ward 4)	<b>DA</b>
Cllr J Gelderbloem (Ward 5)	<b>ANC</b>
Cllr NA Joseph (Ward 6)	<b>ANC</b>
Cllr ME Dayimani (Ward 7)	<b>ANC</b>
Cllr CP Taute (Ward 8)	<b>ANC</b>
Cllr SM Odendaal (Ward 9)	<b>DA</b>
Cllr M Fielies (PR)	<b>ANC</b>
Cllr T van Rensburg (PR)	<b>DA</b>
Cllr A Joubert (PR)( resigned Jan 2021)	<b>DA</b>
Cllr H Hartnick (appointed Jan 2021)	<b>DA</b>
Cllr M Jacobs (PR)	<b>DA</b>
Cllr L Pietersen (PR)	<b>ANC</b>

## Councillors Allocated to Wards

Wrd	Ward Councillor / Voorsitters	PR Councillor	Default PR Councillor (VF+)
1	Cllr BD Smith	Cllr M Fielies	Cllr J Hartnick
2	Cllr IT Mangaliso	Cllr T van Rensburg	Cllr J Hartnick
3	Cllr MC van den Berg	Cllr L Pieterse	Cllr J Hartnick
4	Cllr GL Boezak	Cllr L Pieterse - Slangrivier, Vondeling, Witsand & Wykskomitee Cllr JE Gelderbloem - Diepkloof	Cllr J Hartnick
5	Cllr JE Gelderbloem	Cllr HC Hartnick	Cllr J Hartnick
6	Cllr NA Joseph	Cllr M Jakobs	Cllr J Hartnick
7	Cllr ME Dayimani	Cllr A Stroebel	Cllr J Hartnick
8	Cllr CP Taute	Cllr M Jakobs	Cllr J Hartnick
9	Cllr SM Odendaal	Cllr L Pieterse	Cllr J Hartnick

### 1. Whips from Parties represented in Council

ANC : Cllr ME Dayimani

DA : Cllr MC van den Berg

VF+ : Cllr Johannes Hartnick

### 2. Committees

<p><b>Corporate Management</b></p> <p><u>MEMBERS:</u></p> <p>Cllr B Smith – Chairperson</p> <p>Cllr Johannes Hartnick</p> <p>Cllr HC Hartnick</p> <p>Cllr SM Odendaal</p> <p>Cllr L Pieterse</p> <p>Cllr IT Mangaliso</p> <p>Cllr M Fielies</p> <p>Cllr G Boezak</p>	<p><b>Financial Management</b></p> <p><u>MEMBERS:</u></p> <p>Cllr B Smith – Chairperson</p> <p>Cllr T van den Berg</p> <p>Cllr T Van Rensburg</p> <p>Cllr M Jakobs</p> <p>Cllr Johannes Hartnick</p> <p>Cllr ME Dayimani</p> <p>Cllr CP Taute</p> <p>Cllr NA Joseph</p>
<b>Technical Services</b>	<b>Development Planning</b>

<p><b><u>MEMBERS:</u></b>  <b>Rdl MC van den Berg – Voorsitter</b>  <b>Rdl HC Hartnick</b>  <b>Rdl J Hartnick</b>  <b>Rdl SM Odendaal</b>  <b>Rdl T van Rensburg</b>  <b>Rdl ME Dayimani</b>  <b>Rdl GL Boezak</b>  <b>Cllr JE Gelderbloem</b></p>	<p><b><u>MEMBERS:</u></b>  Cllr J Hartnick – Chairperson  Cllr HC Hartnick  Cllr MC van den Berg  Cllr M Jakobs  Cllr J Gelderbloem  Cllr NA Joseph  Cllr L Pieterse</p>
<p><b>Community Services</b>  <b><u>MEMBERS:</u></b>  <b>Cllr M Jakobs – Chairperson</b>  <b>Cllr HC Hartnick</b>  <b>Cllr SM Odendaal</b>  <b>Cllr J Hartnick</b>  <b>Cllr T van Rensburg</b>  <b>Cllr IT Mangaliso</b>  <b>Cllr M Fielies</b>  <b>Cllr G Boezak</b></p>	<p><b><u>Disciplinary Committee</u></b>  Cllr MC van den Berg – Chairperson  Cllr J Hartnick  Cllr G Riddles  Cllr B Smith  Cllr L Pieterse</p>
<p><b><u>MPAC</u></b>  <b>Cllr IT Mangaliso – Chairperson</b>  <b>Cllr SM Odendaal</b>  <b>Cllr T van Rensburg</b>  <b>Cllr HC Hartnick</b>  <b>Cllr M Fielies</b></p>	<p><b><u>APPEAL COMMITTEE</u></b>  Cllr A Stroebel – Chairperson  Cllr G Boezak  Cllr HC Hartnick  Cllr J Gelderbloem</p>
<p><b><u>ARTICLE 32 COMMITTEE</u></b>  <b>Cllr SM Odendaal – Chairperson</b>  <b>Cllr T van Rensburg</b>  <b>Cllr CP Taute</b>  <b>Rdl HC Hartnick</b></p>	<p><b><u>NAMING COMMITTEE</u></b>  Cllr HC Hartnick – Chairperson  Cllr J Hartnick  Cllr T van Rensburg  Cllr NA Joseph</p>
<p><b><u>Labour Forum (5 Cllrs)</u></b>  <b>Cllr B Smith</b></p>	<p><b>Performance Audit Committee</b>  Cllr G Riddles</p>

<p><b>Cllr G Riddles</b>  <b>Cllr J Hartnick</b>  <b>Cllr ME Dayimani</b>  <b>Cllr SM Odendaal</b></p>	<p>Cllr B Smith</p>
<p><b>Licquour License Tribunal</b>  <b>Cllr A Stroebel</b>  <b>Cllr J Hartnick (secondi)</b></p>	<p><b>Monitoring Committees for Solid Waste</b>  Chairperson – Director Technical Services  Vice Chairperson – A Hansen  Representative: Provincial Government  Garden Route: Health – Co-opted member  Environmental Affairs – Shagon Carelse  Departement Technical Services – R Manho  Relevant Ward Councilor  PR Councilor  Chairperson Technical Services Committee</p>

### 3. SALGA Working Groups

<b>SALGA WESTERN CAPE: HESSEQUA MUNICIPALITY REPRESENTATIVES</b>	
<b>Capacity Building and Institutional Resilience</b>	Cllr Mr Ben Smith
<b>Secondi</b>	Cllr Ms Theresia van Rensburg
<b>Community Development and Social Cohesion</b>	Cllr Ms Margaret Jakobs
<b>Secondi</b>	Cllr Ms Theresia van Rensburg
<b>Economic Empowerment and Employment Creation</b>	Cllr Mr Johannes Hartnick
<b>Secondi</b>	Cllr Ms Margaret Jakobs
<b>Environmental Planning and Climate Resilience</b>	Cllr Mr HC Hartnick

<b>Secondi</b>	Cllr Mr Simon Odendaal
<b>Governance and Inter Governmental Relations</b>	Cllr Mr Andrew Stroebel
<b>Secondi</b>	Cllr Mr Grant Riddles
<b>Human Settlements and Municipal Planning</b>	Cllr Ms Margaret Jakobs
<b>Secondi</b>	Cllr Ms Theresia van Rensburg
<b>Municipal Finance and Fiscal Policy</b>	Cllr Mr Ben Smith
<b>Secondi</b>	Cllr Mr Andrew Stroebel
<b>Municipal Innovations and Information Technology</b>	Cllr Mr Andrew Stroebel
<b>Secondi</b>	Cllr Mr Ben Smith
<b>Public Transport and Roads</b>	Cllr Mr MC van den Berg
<b>Secondi</b>	Cllr Mr S Odendaal
<b>Water Sanitation and Waste Management</b>	Cllr Mr MC van den Berg
<b>Secondi</b>	Cllr Mr SM Odendaal
<b>SALGA Women's Provincial Commission</b>	Cllr Ms Theresia Van Rensburg
<b>Secondi</b>	Cllr Ms Maria Fielies
<b>Provincial Gender Forum</b>	Cllr Theresia Van Rensburg
<b>Secondi</b>	Cllr Maria Fielies

#### 4. External Platforms

##### 4.1 Chambers of Commerce

<b>Riversdale</b>	Cllr A Stroebel
	Cllr ME Dayimani (secondi)
<b>Stilbaai</b>	Cllr T van den Berg
	Cllr B Smith (secondi)

<b>Heidelberg</b>	Cllr J Gelderbloem
	Cllr SM Odendaal (secondi)
<b>Albertinia</b>	Cllr IT Mangaliso
	Cllr Johannes Hartnick (secondi)

#### 4.2 Other

<b>Organisation</b>	<b>Representative of Council</b>
Consolidated Pension Fund (CPF) Local Authority Retirement Fund (LARF) SALA Pension Fund Councillor Pension Fund SAMWU Fund	Cllr B Smith Cllr I Mangaliso (secondi)
Bonitas, Munimed, Hosmed, Samwu-Mediese fonds, Global Health	Cllr B Smith Cllr E Dayimani (secondi)
Tourism ( Including existing tourism bureaus)	Cllr HC Hartnick Cllr M Jakobs (secondi)
Heidelberg Community Health Centre	Cllr G Boezak Cllr J Gelderbloem (secondi)
SAPS, SCTA en GOKOK Policing Forums	<b>Riversdale:</b> Cllr NA Joseph Cllr M Jakobs (secondi)  <b>Stilbaai:</b> Cllr T van den Berg Cllr B Smith (secondi)  <b>Albertinia</b> Cllr IT Mangaliso Cllr T van Rensburg (secondi)  <b>Heidelberg/Witsand</b> Cllr J Gelderbloem Cllr G Boezak (secondi)
Hessequa Vissers, Mariene- en Kusbewaringsforum	Cllr Johannes Hartnick



	Cllr T van den Berg (secondi)
Eden District Health Forum	Cllr T van Rensburg Cllr IT Mangaliso (secondi)
Libraries & Museums	Cllr IT Mangaliso Cllr HC Hartnick (secondi)
Beheerraad Huis Stilbaai	Cllr T van den Berg Cllr B Smith (secondi)
Stilbaai Touch rugby	Cllr A Stroebel Cllr G Riddles (secondi)
Trans Aghulas	Cllr T van den Berg Cllr G Riddles (secondi)
Albertinia Versorgingsdienste	Cllr IT Mangaliso Cllr T van Rensburg (secondi)
Gouritsrivier Bewaringstrust	Cllr B Smith Cllr T van den Berg (secondi)
Langeberg Waterverbruikersvereniging	Cllr HC Hartnick Cllr A Stroebel (secondi)
Goukou Rivierforum	Cllr T van den Berg Cllr B Smith (secondi)
Distriksassesseringskomitee	Cllr SM Odendaal Cllr A Joubert (secondi)
Gouritz Breërivier CMA Komitees	Cllr B Smith Cllr T van den Berg (secondi)
Beheerraad van DROOM	Cllr HC Hartnick Cllr M Jacobs (secondi)
Huis Zenobia du Toit (BADISA)	Cllr SM Odendaal Cllr G Boezak (secondi)
Melkhoutfontein Boere-implementeringskomitee	Cllr G Riddles Cllr B Smith (secondi)
Beheerraad van Jagersbosch en Soeterus	Cllr T van den Berg Cllr B Smith (secondi)

Tuin op die Brak	Cllr B Smith Cllr T Van Den Berg (secondi)
Korente Vetterivier Besproeiingsraad	Cllr HC Hartnick Cllr A Stroebel (secondi)
Jongensfontein Inwonersvereniging	Cllr T van den Berg Cllr A Stroebel (secondi)
Inwonersverenigings	Wyksraadslede
Riversdale Gesondheidsforum	Cllr M Jakobs Cllr HC Hartnick (secondi)
Landbousektor	Cllr SM Odendaal Cllr HC Hartnick (secondi)
Garden Route Distriksmunisipaliteit	Cllr GL Boezak Cllr IT Mangaliso

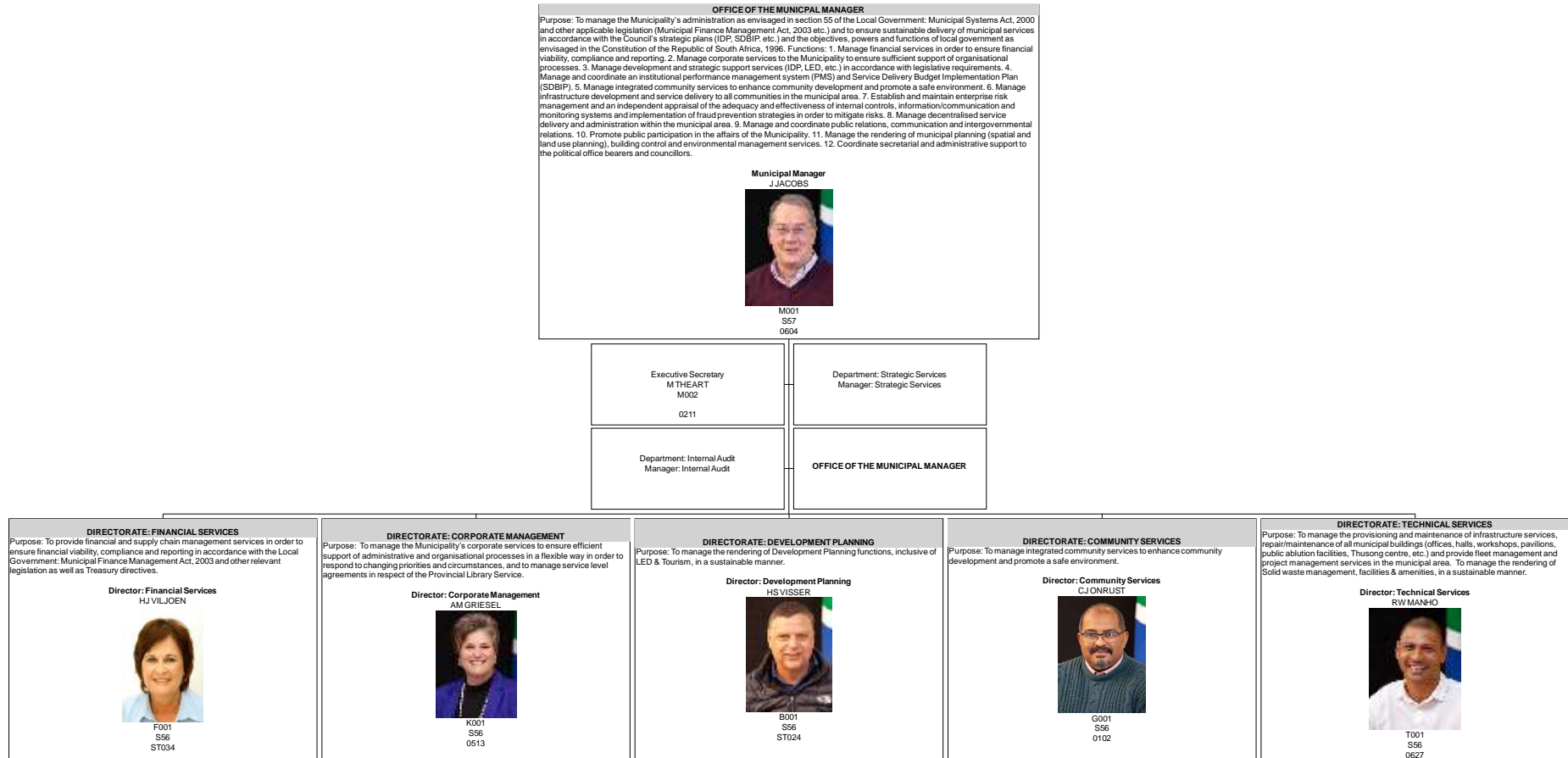
#### 4.3 Clinics / (Primary Health Care Facilities Committees)

Town	Representatives
Riversdale	Cllr. ME Dayimani
Albertinia	Cllr. IT Mangaliso
Slangrivier	Cllr. GL Boezak
Heidelberg	Cllr. J Gelderbloem
Melkhoutfontein	Cllr. T van den Berg

# Appendix C

The macro organogram of the administrative structure of the municipality

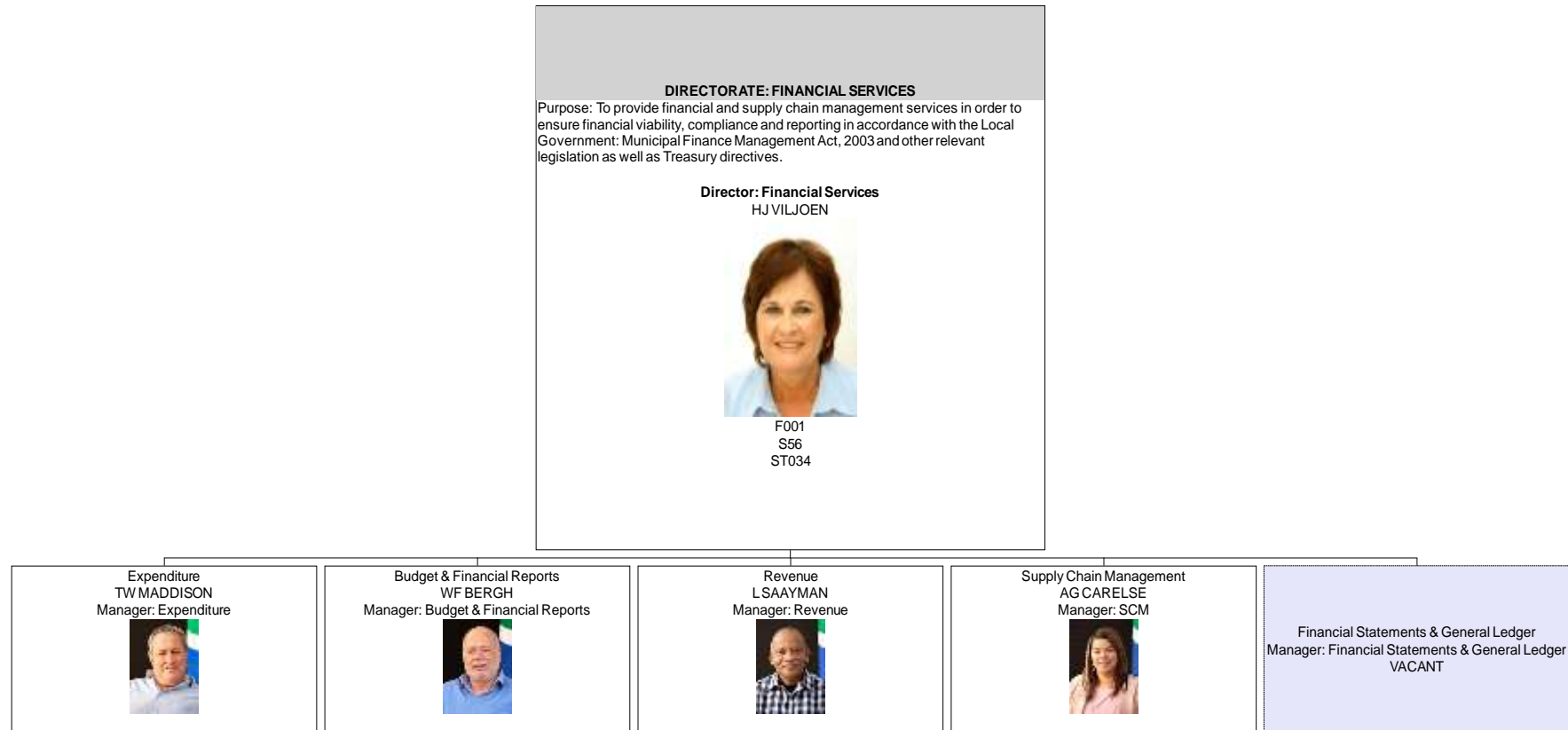
## 1 MACRO STRUCTURE



## 2 OFFICE OF THE MUNICIPAL MANAGER



### 3 Directorate: Financial Services



# 4 Directorate: Corporate Management

**DIRECTORATE: CORPORATE MANAGEMENT**  
Purpose: To manage the Municipality's corporate services to ensure efficient support of administrative and organisational processes in a flexible way in order to respond to changing priorities and circumstances, and to manage service level agreements in respect of the Provincial Library Service.

**Director: Corporate Management**  
AM GRIESEL



K001  
S56  
0513

Library Services  
UN OOSTHUIZEN  
Manager: Library Services



Human Resource Management  
AJ OELOFSE  
Manager: Human Resources



Legal, Administration and Auxiliary Services  
GD LEWIS  
Manager: Legal, Administration and Auxiliary Services



Property Management  
AW KLEYNHANS  
Manager: Property Management



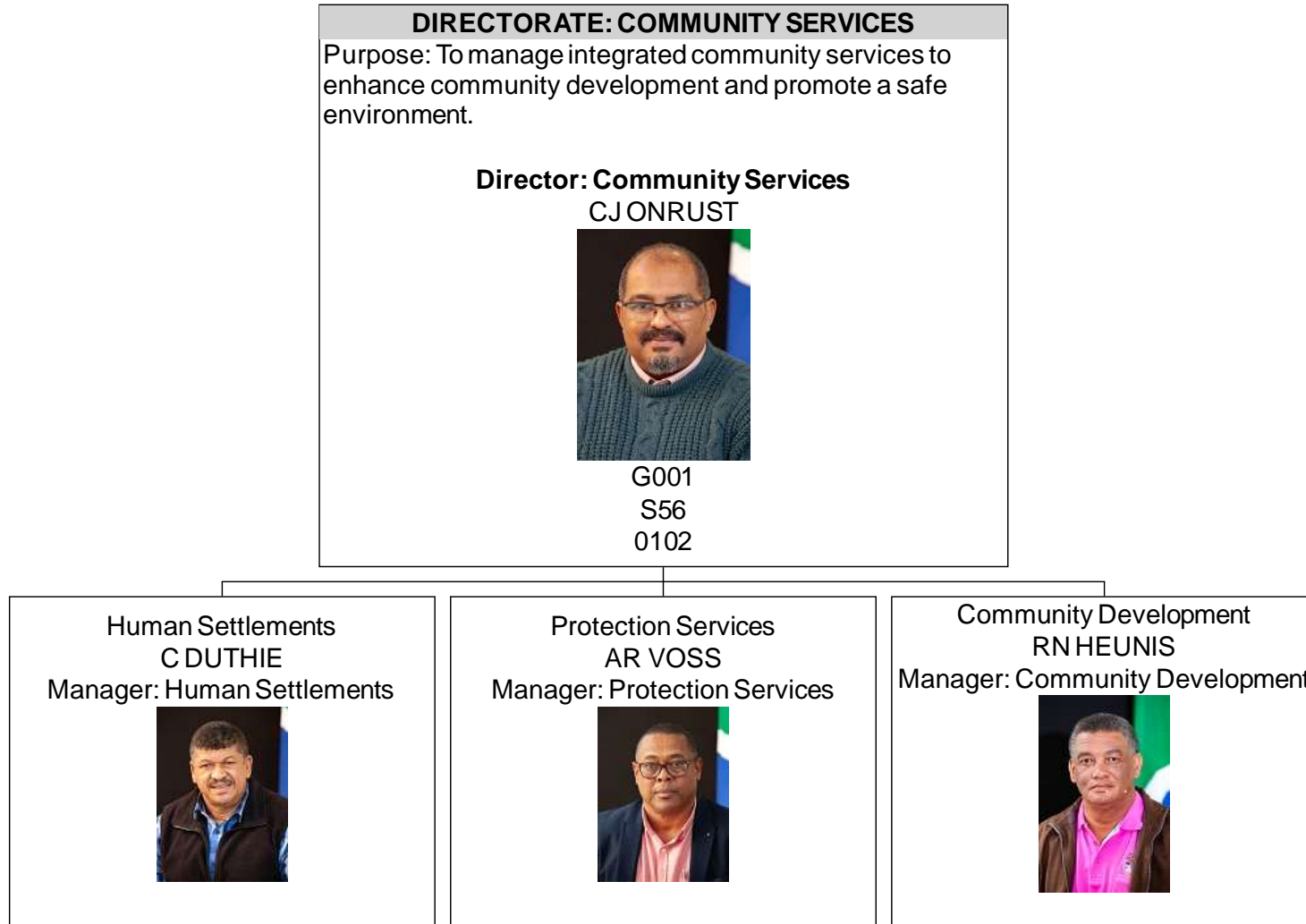
Information Communication Technology  
JM KLEINHANS  
Manager: Information Communication Technology



# 5 Directorate: Development Planning

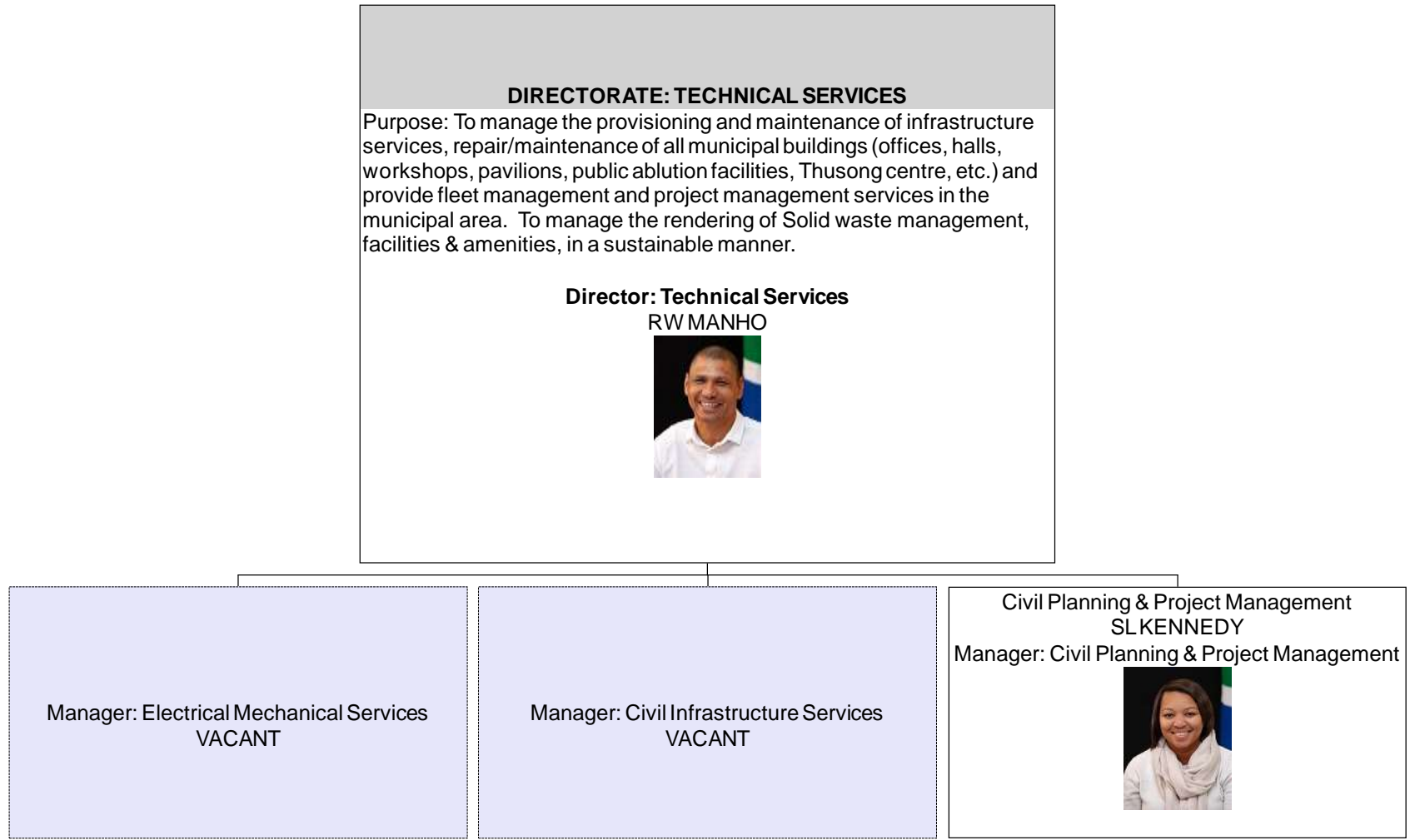


## 6 Directorate: Community Services





## 7 Directorate: Technical Services



# Appendix D

The appendix covers what constitutes the municipal functions:

The municipal function areas for the 2019/20 financial year are indicated below:

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

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

# Appendix E

Information on Ward committees, the sector or community representation. Also included are inputs from Wards to the IDP/Budget Process with responses from Management

Ward Committee Composition		
Ward	# Members	Member Type
1	6	Civil Institution
		Civil Institution
		Civil Institution
		Civil Institution
		Sector Representation
		Sector Representation
2	8	Block - 1
		Civil Institution
		Sector Representation
		Sector Representation
		Sector Representation
		Sector Representation
		Sector Representation
3	4	Civil Institution
		Civil Institution
		Civil Institution
		Sector Representation
		Sector Representation
		Sector Representation
4	10	Civil Institution
		Sector Representation
		Sector Representation
		Block - 1
		Block - 1
		Block - 2
		Block - 2
		Block - 3
		Block - 4
5	4	Block - 1
		Block - 1
		Block - 2
		Block - 2
		Block - 3

Ward Committee Composition		
Ward	# Members	Member Type
		Block - 3
		Sector Representation
		Sector Representation
6	5	Block - 1
		Block - 1
		Block - 2
		Block - 2
		Block - 3
		Block - 3
7	7	Sector Representation
		Sector Representation
		Block - 1
		Block - 2
		Block - 3
8	8	Block - 4
		Block - 5
		Sector Representation
		Civil Institution
		Block - 1
		Block - 1
9	4	Block - 2
		Block - 2
		Block - 3
		Block - 3
		Sector Representation
		Sector Representation
		Sector Representation
		Sector Representation
		Sector Representation

## Ward Committee Meetings for 2020/2021

WARD	28/07/2020	25/08/2020	29/09/2020	27/10/2020	24/11/2020	2/12/2020 (Special Meeting)	23/02/2021	30/02/2021	22/04/2021	25/05/2021	29/06/2021
Ward 1	-	Yes	Yes	Yes	Yes			(No quorum)	Yes	Yes	Yes
Ward 2	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes
Ward 3	Yes	Yes	(No quorum)	Yes	Yes		Yes	Yes	(No quorum)	Yes	Yes
Ward 4	Yes	Yes	Yes	Yes	(No quorum)		Yes	Yes		Yes	
Ward 5	(No quorum)	Yes	(No items)	(No quorum)	Yes		Yes	Yes	Yes	(No quorum)	Ward 5 (No quorum)
Ward 6	(No quorum)	Yes	(No items)	(No quorum)	Yes	Yes	(No quorum)	Yes	Yes	Yes	Ward 6 (No quorum)
Ward 7	Yes	Yes	Yes	Yes	Ward 7 (moved to 3 Dec 2020)	Yes	(No items)	Yes	Yes	Yes	Ward 7
Ward 8	(No items)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	(No items)	Ward 8	Ward 8 (No quorum)
Ward 9	Yes	Yes	(No items)	(No quorum)	Yes		Yes	Yes	(No items)	Yes	

## Appendix F

This appendix relates to ward projects and implementation priorities.

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
Extention of cemetary - Still Bay	1,3	S/B	Loan	500,000.00
EXTENTION OF CEMETARY - S/B	1,3	S/B	CRR	200,000.00
EXTENTION OF CEMETERIES - H/B	4,5,9	H/B	CRR	60,000.00
Mark of cemeteries : Graves - Hessequa	HQ	H/Q	CRR	120,000.00
Upgrading of old Cemeteries - Hessequa	HQ	H/Q	CRR	200,000.00
Museum - Cradle of Human Culture - Stilbay	1,3	S/B	PUB	2,000,000.00
Stairs - Aloeridge & Môrestond	8	R/D	CRR	78,000.00
Fencing of play parks - Hessequa	HQ	H/Q	CRR	70,000.00
Development "Tuin op die Brak" - S/B	1	S/B	CRR	15,000.00
Upgrade of playparks - Hessequa	HQ	H/Q	CRR	100,000.00
NEW BUSINESS HUB - KWANOKUTHULA	7	R/D	CRR	0.00
Fencing - Groenie die Drakie - Slangrivier	4	S/R	CRR	33,000.00
Upgrading of Fencing - Weskamp - W/S	4	W/S	CRR	30,000.00
Upgrading of Ablution Facilities - Jongensfontein	3	J/F	CRR	0.00
Upgrading of Ablution Facilities - Preekstoel	1	S/B	CRR	50,000.00
Blinds for Chalets - Preekstoel	1	S/B	CRR	10,000.00
Retaining Blocks - Preekstoel	2	S/B	CRR	36,000.00
Vantage points - Lifesavers - H/Q	HQ	H/Q	CRR	74,000.00
Goeverment Jettie - Witsand	4	W/S	Loan	1,500,000.00
Electronic motor for entrance gates- JFTN - S/B	3	S/B	CRR	6,000.00
New curtains - Ellensrust	1	S/B	CRR	40,000.00
New Curtains - Jongensfontein	3	J/F	CRR	40,000.00
Upgrading of Ablution facilities - Ellensrust S/B	1	S/B	CRR	50,000.00
Small tidal pool - Gouritzmond	1	G/M	CRR	0.00
UPGRADING TIDAL POOL - G/M	1	G/M	Loan	164,708.00
Development of Sportgronds - Slangrivier (Ref 271190)	4	S/R	MIG	5,237,150.00
Development of Sportgronds - Slangrivier - Counter/Own Funding (Ref 271190)	4	S/R	Loan	1,000,000.00
Upgrading of Sportsfields - Melkhoutfontein (Ref 271051)	1	S/B	MIG	5,632,854.00
NEW TOILETS AT TENNIS CLUB - S/B	3	S/B	Loan	120,000.00

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
Upgrading of Sportsfields - Melkhoutfontein - Counter/Own Funding (Ref 271051)	1	S/B	Loan	1,000,000.00
Upgrading Of Netball Courts - Hessequa	HQ	H/Q	PGWC	600,000.00
Upgrading swimming pool & floor - Heidelberg	9	H/B	CRR	100,000.00
Fencing of new extention behind Diepkloof - H/B	4	H/B	CRR	177,000.00
Fencing of Bitouville Kleuterskool - Gouritsmond	1	G/M	CRR	47,000.00
BUILDING ON TO THUSONG CENTRE - R/D	HQ	H/Q	Loan	784,500.00
Paving Thusong Centre - Riversdale	6	R/D	CRR	8,500.00
Burglar Bars - Youth Café - Thusong Centre - Riversdale	6	R/D	CRR	8,000.00
Safety Gates - Thusong Centre & Youth Café - Riversdale	6	R/D	CRR	6,500.00
Fire Station - Albertinia - Fire	HQ	H/Q	CRR	100,000.00
BUSINESS HUB - H/B	5	H/B	PUB	1,000,000.00
Upgrading of braai facilities at public places - HQ	HQ	H/Q	CRR	20,000.00
UPGRADING OF ABLUTION FACILITY - W/S	4	W/S	CRR	52,000.00
New thatch roof chalets - Jongensfontein	3	J/F	CRR	170,890.00
New Playpark - Ellensrust	1	S/B	CRR	0.00
Additional Toilets - Dollar Square - Heidelberg	5	H/B	CRR	0.00
Ablution Facilities - Landfill sites - SR	4	S/R	CRR	86,000.00
Ablution Facilities - Landfill sites - WS	4	W/S	CRR	55,000.00
P-CNIN HER WORKS OF ART	HQ	H/Q	PUB	0.00
REPLACING OF ROOF - AFRICANA MUSEUM	HQ	H/Q	PUB	100,000.00
Burglar Bars - groundfloor - Civic Centre - R/D	HQ	H/Q	CRR	55,000.00
ALUMINIUM PARTITION OFFICES-CIVIC CENTRE	HQ	R/D	CRR	220,000.00
EATING AREA FOR WORKERS - W/S	4	W/S	Loan	322,953.00
1 X Raised Floors Serv.Room - ICT	HQ	H/Q	CRR	40,000.00
1 X Scanner - Assets - Finance	HQ	H/Q	CRR	0.00
1 x Laptop - SCM - Tender Admin	HQ	R/D	CRR	15,000.00
1 x Order & Cheque Printers - SCM - Finance	HQ	R/D	CRR	4,000.00
1X LAPTOP - ASSETS	HQ	R/D	CRR	16,000.00
1 x Order & Cheque Printers - Exp - Finance	HQ	R/D	CRR	4,000.00
1X LASERJET PRINTER	HQ	H/Q	CRR	2,800.00
2 X LX300 printers - Income - Finance	HQ	H/Q	CRR	4,000.00
2 X Laptop - Income - Finance (Interns)	HQ	H/Q	CRR	26,500.00

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
1 X Desktop Computer - Income - Finance	HQ	H/Q	CRR	12,000.00
1 X Routemaster Cradle - Income - Finance	HQ	H/Q	CRR	14,000.00
LCD MONITOR - BUDGET OFFICE	HQ	H/Q	CRR	2,500.00
1X LASERJET PRINTER (BUDGET)	HQ	H/Q	CRR	2,800.00
1 X Printer- Exp- Finance	HQ	H/Q	CRR	6,000.00
1 X Desktop Computers - Expenditure - Finance	HQ	H/Q	CRR	9,800.00
1 x Laptop - Foremen, Public Works - Stilbaai	HQ	S/B	CRR	14,000.00
1 x Laptops (New Posts Technical Services) - R/D	HQ	H/Q	CRR	14,000.00
3 X Laptops UBM & Speaker Office	HQ	R/D	CRR	42,000.00
2 X "Pool" Projectors - IDP	HQ	H/Q	CRR	10,000.00
LCD Screens - ICT - Store Items	HQ	H/Q	CRR	25,000.00
1 X UPS SOLUTION DR - SITE - ICT	HQ	H/Q	Loan	40,000.00
2 x Fibre Channel Brocade Switches - ITC	HQ	R/D	Loan	480,000.00
1 X Laptops - LED	HQ	H/Q	CRR	16,000.00
2 X Laptop - HR	HQ	H/Q	CRR	28,000.00
Desktop Computers - Traffic	HQ	H/Q	CRR	30,000.00
1 x Laptops - Community Service/Traffic	HQ	H/Q	CRR	14,000.00
Tablets Technical Services - H/Q	HQ	H/Q	CRR	10,000.00
20 X Steeltables - Sportsgrounds Hall - Heidelberg	4,5	H/B	CRR	12,000.00
70 X Plastic Chairs - Sportsgrounds hall - Heidelberg	4,5	H/B	CRR	10,500.00
10 x Steel Tables - Theronville Hall	2	A/B	CRR	8,000.00
Bed and Base sets - Chalets Jongensfontein	3	J/F	CRR	0.00
Filing Cabinet - Lock - Speaker	HQ	H/Q	CRR	6,000.00
2 x Desk with drawer (Raadslede)	HQ	H/Q	CRR	20,000.00
4 x Visitors chairs (Raadslede)	HQ	H/Q	CRR	5,300.00
1 x Filing Cabinet (Mayor)	HQ	H/Q	CRR	6,400.00
Occupational Safety Equipment - HR-HQ	HQ	H/Q	CRR	20,000.00
3 x High Back Chairs - ICT	HQ	H/Q	CRR	15,000.00
2 X Steel Cabinet - ICT	HQ	H/Q	CRR	3,000.00
2 x High Back chair- Legal Services	HQ	H/Q	CRR	3,000.00
Klankstelsel vir Raadsaal - Admin	HQ	H/Q	Loan	300,000.00
1 x Bookcase - Media (Admin)	HQ	H/Q	CRR	3,500.00
1 x Filling Cabinets - Admin (Media)	HQ	H/Q	CRR	6,400.00
Stoves - Jongensfontein	3	J/F	CRR	0.00
Tables & Chairs - Ellensrust	1,3	S/B	CRR	0.00
Fridges - Preekstoel	1,3	S/B	CRR	7,500.00
Tables & Chairs - Preekstoel	1,3	S/B	CRR	0.00
Matresses & Beds - Preekstoel	1,3	S/B	CRR	0.00
Cupboard with Shelves - MM	HQ	H/Q	CRR	0.00
1 X Stapler (big) - MM	HQ	H/Q	CRR	0.00
1 x Punch (large) - MM	HQ	H/Q	CRR	0.00



PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
1 X Typist Chair - MM	HQ	H/Q	CRR	4,500.00
Parade Room Tables - Traffic	HQ	H/Q	CRR	21,000.00
Parade Room Chairs - Traffic	HQ	H/Q	CRR	4,000.00
Matrasses - Disaster Management	HQ	H/Q	CRR	20,000.00
Blankets - Disaster Management	HQ	H/Q	CRR	20,000.00
1 X Cabinet Server Room - ICT	HQ	H/Q	CRR	40,000.00
1 X CALCULATOR - INCOME - FINANCE	HQ	H/Q	CRR	2,000.00
1X OFFICE CHAIR - INCOME	HQ	H/Q	CRR	1,900.00
1X OFFICE CHAIR - INCOME - VALUATION	HQ	H/Q	CRR	3,600.00
1 X Calculator - Budget - Finance	HQ	H/Q	CRR	6,600.00
1 x Office chair- Budget - Finance	HQ	H/Q	CRR	2,500.00
3 X Calculators Exp- Finance	HQ	H/Q	CRR	4,000.00
1X EXECUTIVE CHAIR - MANAGER EXPENDITURE	HQ	H/Q	CRR	3,600.00
1X OFFICE CHAIR - SALARIES EXPENDITURE	HQ	H/Q	CRR	1,900.00
1 X Heavy Duty Punch - SCM - Finance	HQ	H/Q	CRR	316.00
1 X Power Punch - SCM - Finance	HQ	H/Q	CRR	1,068.00
1 x Voice Recoder - SCM - Finance	HQ	H/Q	CRR	2,961.00
1X NON-MAGNETIC WRITE BOARD (SCM)	HQ	H/Q	CRR	760.00
2 x Voice Recoder - HR	HQ	H/Q	CRR	6,000.00
1 X Step ladder - Admin / Archives	HQ	H/Q	CRR	2,000.00
1 X Industrial Punch - Admin / Archives	HQ	H/Q	CRR	2,000.00
1 X Industrial Stapler - Admin / Archives	HQ	H/Q	CRR	2,000.00
1 X Franking Machine - Admin	HQ	H/Q	CRR	40,000.00
Cleaning Mop trolley Duivenhoks Community Hall - Heidelberg	4	H/B	CRR	3,000.00
1 x Industrial Fridge - Duivenhoks Community Hall - Heidelberg	4	H/B	CRR	15,000.00
20 x Steel tables Community Hall - Slangrivier	4	S/R	CRR	12,500.00
1 x Vacuum Cleaner Community Hall - Slangrivier	4	S/R	CRR	2,600.00
2 x Tea trolleys Community Hall - Slangrivier	4	S/R	CRR	6,000.00
2 x Cordless microphones Community Halls - Hessequa	HQ	H/Q	CRR	5,000.00
10 x Steeltables sportgrounds - Slangrivier	4	S/R	CRR	8,000.00
Curtains - Theronville Community Hall - Albertinia	2	A/B	CRR	50,000.00
1 x 20 L Urn Community Hall - Stilbaai	1,3	S/B	CRR	2,500.00
3 x Mop Trolleys - Burgersentrum - Riversdal	6,7,8	R/D	CRR	9,000.00
1 X Gas stove with Electric oven & hob - Burgersentrum - Riversdal	6,7,8	R/D	CRR	25,000.00
2 x 30L urn - Burgersentrum - Riversdal	6,7,8	R/D	CRR	5,000.00
1 x Industrial Fridge - Burgersentrum - Riversdal	6,7,8	R/D	CRR	15,000.00
1 X Office Table - Public Works - RD	HQ	H/Q	CRR	2,100.00
10 x Visitor chair- Public Works - RD	HQ	H/Q	CRR	0.00

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
2 X Office Carpet - Public Works - RD	HQ	H/Q	CRR	5,000.00
3 X OFFICE CHAIRS (PW)	HQ	R/D	CRR	10,500.00
New carpets - Mayors office & Councillors - Civic Centre	HQ	H/Q	CRR	0.00
Crockery & Cutlery - Preekstoel	1,3	S/B	CRR	7,500.00
Crockery & Cutlery - Jongensfontein	3	J/F	CRR	10,000.00
Crockery & Cutlery - Witsand Middel Kamp	4	W/S	CRR	1,000.00
AIRCONDITIONERS - HEIDELBERG	11	H/B	Library	65,400.00
AIRCONDITIONERS - ALBERTINIA	2	A/B	Library	49,500.00
AIRCONDITIONERS - PROTEA LIBRARY	2	A/B	Library	21,800.00
Sportfield Lighting - HQ	HQ	H/Q	CRR	90,000.00
Lighting requirements at WTW - HQ	HQ	H/Q	Loan	400,000.00
Refurbishment of sub-stations - Riversdal	6,7,8	R/D	CRR	150,000.00
Upgrading Network - 185mm <sup>2</sup> Cable SS Plattebosch to SS3 (MP 5.2.4)	1,3	S/B	Loan	2,225,000.00
Ring between PMT 4 & Erica Cres MHF (MP 5.3.24)	1,3	S/B	CRR	175,000.00
MV kabel tussen Gazania straat en Lanoria straat substasie	6,7,8	R/D	Loan	390,000.00
Electricity Network - Low Cost Housing - H/Q	HQ	H/Q	INEP	2,000,000.00
SERVICES OF INFORMAL AREAS - H/Q	HQ	H/Q	CRR	200,000.00
Electricity Load Control System - H/Q	HQ	H/Q	DME	3,600,000.00
REPLACE SS HOSPITAAL FUSE	7	R/D	CRR	170,000.00
UPGRADE SUPPLY CABLE TO S	2	A/B	CRR	85,000.00
REPLACE 24 KIOSKS IN WES	4	W/S	CRR	150,000.00
SERVICE OF 11 STANDS - MHFT	1	S/B	CRR	0.00
STREETLIGHTS - H/Q	HQ	H/Q	CRR	200,000.00
UPGRADE SECTIONS OH LINE	1,3	S/B	CRR	40,000.00
CABLE BETWEEN OH LINE & M	1,3	S/B	CRR	70,000.00
INSTALLATION OF NEW TRANSFORMER STILBAAI	2	A/B	CRR	35,000.00
REPLACE MV CABLE BETWEEN	2	A/B	CRR	140,000.00
SS-2 - RMU 2-3 - UITSG ST	1,3	S/B	CRR	55,000.00
RING BETWEEN PMT 7 & ROOI	1,3	S/B	CRR	95,000.00
REPLACE RETIC BETWEEN MS MULDER & SS PAU	7	R/D	CRR	315,000.00
RURAL LINES - INSTALATION OF SECTIONALIS	6,7,8	R/D	CRR	100,000.00
SS HOSPITAAL (MP 5.2.2)	7	R/D	CRR	290,000.00
UPGRADING OF SUB-STATIONS	6,7,8	R/D	Loan	150,000.00
MS LE ROUX RMU (MP 5.3.15)	7	R/D	Loan	215,000.00
MS NAUTILUS (MP 5.2.5)	1,3	S/B	Loan	700,000.00
MS VAN WYK STR (MP 5.2.7)	1,3	S/B	Loan	420,000.00
MS C RUST TO MS SS X (MP	1,3	S/B	Loan	600,000.00
MOVE H/V & L/V LINE UNDER	4,5	H/B	Loan	300,000.00
REPLACE OLD POLECASING AT	4,5	H/B	Loan	300,000.00

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
MOVE 11KV OVER HEAD LINE	4,5,9	H/B	Loan	250,000.00
UPGRADE MV LINE FROM MIDD	4	W/S	Loan	1,500,000.00
MV RETIC BETWEEN MS TOMLI	4,5	H/B	Loan	420,000.00
RMU IXIA STREET (MP 5.3.1	7	R/D	Loan	320,000.00
RETIC FROMRMU IXIA TO RMU	7	R/D	Loan	1,075,000.00
RETIC SS PAUW ST - RMU TA	7	R/D	Loan	250,000.00
SS MAIN RETICULATION TO M	7	R/D	Loan	760,000.00
RMU PALING STREET (MP 5.3	1,3	S/B	Loan	420,000.00
CABLE BETWEEN MAIN INTAKE	1,3	S/B	Loan	2,095,000.00
MV CABLE BETWEEN MAIN SUB	1	G/M	Loan	825,000.00
MV CABLE BETWEEN MAIN SUB	1	G/M	Loan	650,000.00
RING MAIN UNIT RMU GMT R&	2	A/B	Loan	550,000.00
REPLACE CABLE BETWEEN BUI	4,5	H/B	Loan	793,000.00
MV RETIC BETWEEN MS PROTEA ST & SUB 10 (	4	W/S	Loan	915,000.00
RETIC BEWEEN SS HOSPITAL & KRAGSTASIE (M	7	R/D	Loan	950,000.00
MS PENTZSTRAAT 315KVA NEW	4,5	H/B	Loan	500,000.00
MS VAN RIEBEECKSTRAAT 315	4,5	H/B	Loan	500,000.00
NEW SF6 GASE AUTO RECLOSE	4,5	H/B	Loan	275,000.00
INSTALLATION OF ROOFTOP PV ON MUNICIPAL	HQ	H/Q	CRR	100,000.00
INSTALLATION OF ROOFTOP PV ON MUNICIPAL - H/Q	HQ	H/Q	DM	273,533.00
TRANSFORMER TESTER	HQ	HQ	PUB	62,800.00
INSTALLATION OF FESTIVE LIGHTS	1	S/B	CRR	68,000.00
1 x Fibre Link Council Chambers Upgrade - ITC	HQ	R/D	CRR	30,000.00
New Road, info and street Signs - Traffic	HQ	H/Q	CRR	150,000.00
Signage boards - public places - HQ	HQ	H/Q	CRR	15,000.00
Westly road bypas (Development) - S/B	1,3	S/B	Loan	750,000.00
Traffic Calming Techniques - H/Q	HQ	H/Q	CRR	0.00
Upgrading of Roads & Stormwater - G/M	1	G/M	Loan	334,530.00
Upgrading of Roads & Stormwater - MHFT - S/B	1	S/B	Loan	351,640.00
Upgrading of Roads & Stormwater - S/B East	1	S/B	Loan	205,810.00
Upgrading of Roads & Stormwater - A/B	2	A/B	Loan	1,344,980.00
Upgrading of Roads & Stormwater - Jongensfontein - S/B	3	S/B	Loan	475,400.00
Upgrading of Roads & Stormwater - S/B West	3	S/B	Loan	1,462,670.00
Upgrading of Roads & Stormwater - H/B - Joe Slovo	4	H/B	Loan	107,850.00
Upgrading of Roads & Stormwater - S/R	4	S/R	Loan	820,690.00
Upgrading of Roads & Stormwater - W/S	4	W/S	Loan	425,460.00

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
Upgrading of Roads & Stormwater - H/B	5	H/B	Loan	424,950.00
Upgrading of Roads & Stormwater - Wyk 6 - R/D	6	R/D	Loan	698,500.00
Upgrading of Roads & Stormwater - Wyk 7 - R/D	7	R/D	Loan	1,136,550.00
Upgrading of Roads & Stormwater - Wyk 8 - R/D	8	R/D	Loan	407,290.00
Upgrading of Roads & Stormwater - Wyk 9 - H/B	9	H/B	Loan	803,680.00
PAVING ROAD 11 NEW ERVEN - MELKHOUTFONT	1	S/B	Loan	0.00
Bus shelter- Diepkloof	5	H/B	CRR	50,000.00
Traffic & Advertising signs Main Road - Riversdale	6,7,8	R/D	CRR	30,000.00
Upgrading of existing Sewerage Infrastructure ( GLS) - Albertinia	2	A/B	Loan	2,775,000.00
Replacement of Pumpstation Equipment - H/B	4,5	H/B	CRR	0.00
Replacement of Pumpstation Equipment - S/R	4	S/R	CRR	0.00
Flow meter - Sewerage - Hessequa	HQ	H/Q	CRR	200,000.00
Upgrading of Sewerage works - Phase 2 - R/D (Ref 313781)	6,7,8	R/D	MIG	1,041,446.00
Upgrading of Sewerage works - Phase 2 - R/D - Counter Funding (Ref 313781)	6,7,8	R/D	Loan	3,880,134.00
UPGRADE SEWERAGE WORKS - R/D	1,3	S/B	Loan	2,018,611.00
Upgrading of sewerage system - H/B	9	H/B	Loan	3,978,000.00
Upgrade Existing Gravity - S/B	1,3	S/B	Loan	1,500,800.00
New Gravity Distribution - GLS Development - S/B	1,3	S/B	Loan	0.00
Standby pump for irrigationsystem sewer dams - Jft.	3	J/F	CRR	11,000.00
SERVICES OF INFORMAL AREAS - H/Q	HQ	H/Q	CRR	350,000.00
Upgrading of Sewer Infrastructure (Unserved Erven) - GM	1	G/M	Loan	0.00
New Sewerage line 11 erven - Melkhoutfontein	1	S/B	CRR	100,000.00
UPGRADING OF SEWAGE PUMP STATION (LCH)	1	S/B		2,420,000.00
UPGRADING OF WWTW (LCH) MELKHOUTFONTEIN	1	S/B		4,165,000.00
INSTALLATION OF IRRIGATION SYSTEMS FOR W	1	S/B		2,415,000.00
Rural Refuse Containers / Depots - H/Q	9	H/Q	CRR	100,000.00
Infrastructure Low Cost Housing - MHFN (Ref 349707)	1	S/B	MIG	0.00
Irrigation of parks & open spaces - HQ	HQ	H/Q	CRR	28,000.00
Water meters - Hessequa	HQ	H/Q	Loan	159,000.00
Replacement of Water Infrastucture - GLS Report - H/B	9	H/B	Loan	1,130,000.00
Upgrading of Main Water Supply (GLS REPORT) - Witsand	4	W/S	Loan	500,000.00

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
Water Network Reinforcement GLS - Riversdale	6,7,8	R/D	Loan	1,890,000.00
Water Specials - H/Q	HQ	H/Q	CRR	0.00
Telemetric system - Hessequa	HQ	H/Q	Loan	1,000,000.00
New Water Networks Distribution - GLS - S/B	1,3	S/B	Loan	4,416,606.00
SERVICES OF INFORMAL AREAS - H/Q	HQ	H/Q	CRR	350,000.00
Water Security Measures - H/Q	HQ	H/Q	Loan	0.00
New water infrastructure for 11 new erven at Melkhoutfontein	1	S/B	CRR	0.00
LOW LEVEL RESERVIOR REHABILITATION - R/D	6,7,8	R/D	CRR	2,292,101.00
WATER METERS	HQ	H/Q		217,310.00
RESERVIOR ROOF - S/R	4	S/R	CRR	480,000.00
UPGRADING OF SANDFILTERS	6,7,8	R/D	CRR	200,000.00
MAIN WATER SUPPLY - A/B	2	A/B	CRR	1,265,412.00
SAND FILTERS - G/M	1	G/M	Loan	0.00
EMERGENCY GENERATOR / STORAGE CAPACITY - H/Q	HQ	H/Q	CRR	1,516,400.00
Walk behind lawn mower - Parks - R/D	6,7,8	R/D	CRR	25,000.00
LAWN MOVER - CIVIC CENTRE - RD	HQ	R/D	CRR	7,000.00
WEEDEATER - CIVIC CENTRE - RD	HQ	R/D	CRR	4,000.00
Walk behind lawn mower - Parks - S/B	1,3	S/B	CRR	25,000.00
Walk behind lawn mower - Parks - H/B	4,5	H/B	CRR	25,000.00
Weedeaters - Parks - Riversdale	6,7,8	R/D	CRR	8,300.00
Weedeaters - Parks - S/B	1,3	S/B	CRR	8,300.00
Weedeaters - Jongensfontein	3	J/F	CRR	8,300.00
Weedeaters - Public Works - G/M	1	G/M	CRR	8,300.00
Laboratory Equipment - H/Q	HQ	H/Q	CRR	100,000.00
Sewerage Rods - H/Q	HQ	H/Q	CRR	12,000.00
High Pressure Spout - Sewerage - Slangrivier	4	S/R	CRR	0.00
Tar Cutter - Public Works - H/Q	HQ	H/Q	CRR	26,000.00
Tar Spout (200L) - Self Heating - P/Works - H/Q	HQ	H/Q	CRR	26,000.00
Tools - Mechanical - H/Q	HQ	H/Q	CRR	10,000.00
Tools - Electricity - H/Q	HQ	H/Q	CRR	15,000.00
Tools for Camp - Preekstoel & Ellensrust	1,3	S/B	CRR	35,000.00
Cut off Machine/saw - Electricity - H/B	4,5	H/B	CRR	3,600.00
1.8 m Ladders - Electricity - H/B	4,5	H/B	CRR	1,200.00
4.8 m Extention Ladders - Electricity - H/B	4,5	H/B	CRR	2,200.00
30 X Fault Indicators - Electricity - H/Q	HQ	H/Q	CRR	113,000.00
Brush Cutters 1,5m - Public Works - H/Q	HQ	H/Q	CRR	58,000.00

<b>PROJECT DESCRIPTION</b>	<b>Ward</b>	<b>Ref</b>	<b>Fund</b>	<b>4th Adjusted Budget</b>
<b>Walkie-Talkie Radios - Electricity - Hessequa</b>	HQ	H/Q	CRR	55,000.00
<b>Hoses - Fire</b>	HQ	H/Q	CRR	20,000.00
<b>5 x Breathing Apparatus with back plate - Fire</b>	HQ	H/Q	CRR	50,000.00
<b>10 x Cylinders - Fire</b>	HQ	H/Q	CRR	15,000.00
<b>5 x PASS Devices - Fire</b>	HQ	H/Q	CRR	20,000.00
<b>5 x Hose Ramps - Fire</b>	HQ	H/Q	CRR	15,000.00
<b>5 x Hose Dividres - Fire</b>	HQ	H/Q	CRR	20,000.00
<b>2 x Nozzles - Fire</b>	HQ	H/Q	CRR	25,000.00
<b>5 x Fireman Axe - Fire</b>	HQ	H/Q	CRR	10,000.00
<b>5 x Halligan Tool - Fire</b>	HQ	H/Q	CRR	25,000.00
<b>4 x Chain Saw - Fire</b>	HQ	H/Q	CRR	15,000.00
<b>Two Way Radio Devices - Protection Services</b>	HQ	H/Q	CRR	30,000.00
<b>Fire Hydrants - Riversdale - Fire</b>	6,7,8	R/D	CRR	120,000.00
<b>Fire Hydrants - Heidelberg - Fire</b>	4,5	H/B	CRR	120,000.00
<b>Fire Hydrants - Stillbaai - Fire</b>	1,3	S/B	CRR	120,000.00
<b>Fire Hydrants - Albertinia - Fire</b>	2	A/B	CRR	120,000.00
<b>Fire Hydrants - Slangrivier - Fire</b>	4	S/R	CRR	85,000.00
<b>Fire Hydrants - Gouritsmond - Fire</b>	1	G/M	CRR	65,000.00
<b>Fire Hydrants - Witsand - Fire</b>	4	W/S	CRR	65,000.00
<b>1 x Motor Boat- Environmental - H/Q</b>	HQ	H/Q	CRR	55,000.00
<b>1X HULL - MOTOR BOAT-ENVIR</b>	HQ	H/Q	CRR	52,000.00

PROJECT DESCRIPTION	Ward	Ref	Fund	4th Adjusted Budget
1 x Edge trimmer Ellensrust & Preekstoel	1	S/B	CRR	5,000.00
Emergency Generators for critical plants - Electricity - HQ	HQ	H/Q	Loan	727,000.00
INDUSTRIAL CHIPPERS - REFUSE - H/Q	HQ	H/Q	CRR	496,000.00
Industrial Chippers - Refuse - H/Q	HQ	H/Q	CRR	529,000.00
OIL TESTER - FOR DI-ELECTRIC OR INSULATI	HQ	H/Q	CRR	164,861.00
30 X Fire extinguishers - vehicles - HQ	HQ	H/Q	CRR	20,000.00
First aid kits - Vehices - HQ	HQ	H/Q	CRR	10,000.00
Tools - Public Works	HQ	R/D	CRR	50,000.00
High Pressure Spout - Sewerage - Stilbaai	1,3	S/B	CRR	380,000.00
1 X Jackhammer Cemetery - Mftn	1	S/B	CRR	31,000.00
10 X "Skokstokke" - Income - Finance	HQ	H/Q	CRR	0.00
LDV - Public Works - A/B	2	A/B	CRR	348,400.00
LDV - Sewerage - S/B	1,3	S/B	CRR	336,000.00
LDV - Electricity - H/B	4,5	H/B	CRR	348,400.00
Double Cab Truck Tipper - Public Works - S/B	1,3	S/B	CRR	654,000.00
Multi-purpose Loader - Public Works - S/B	1,3	S/B	Loan	1,340,000.00
LDV - Public Works - W/S	4	W/S	CRR	336,000.00
DOUBLE CAB TRUCK TIPPER -	4	W/S	CRR	683,000.00
DOUBLE CAB TRUCK TIPPER -	1,3	S/B	CRR	683,000.00
1 X 3M3 TIPPER - PUBLIC W	4,5	H/B	CRR	700,000.00
1 X 3M3 TIPPER - PUBLIC W	1,3	S/B	CRR	700,000.00
LDV - Sewerage - H/B	4,5	H/B	CRR	350,000.00
CHERRY PICKER - ELECTRICI	1,3	S/B	Loan	1,389,400.00

# Appendix G

## Recommendations of the Municipal Audit Committee

*(This appendix relates to all meetings of the audit committee held together with its recommendations.)*

During the financial year 2020/2021 the APAC held four scheduled meetings on the following dates:

- 10 September 2020
- 19 November 2020
- 25 February 2021 and
- 20 May 2021

In addition, a special meeting to discuss the draft 2021/2022 budget was held on 15 April 2021.

At the quarterly meeting on September 2020 the financial statements for the year ended 30 June 2020 were discussed. In addition the external audit was discussed with the Auditor General.

Four official meetings were held, and attendance of these meetings were as follows:

- |                                |   |   |
|--------------------------------|---|---|
| • Prof JA Döckel (Chairperson) | 4 |   |
| • Ms A Hartnick                |   | 4 |
| • Ms I Lorenz                  |   | 4 |
| • Mr J Kok                     | 4 |   |
| • Prof JAA Lazenby             |   | 4 |

Mr. JC Oosthuizen, Manager: Internal Audit, attended all meetings and acted as secretary. Full minutes were held of each meeting and submitted to the Council on a regular basis (with recommendations).

#### **4. Scope and responsibilities of the APAC**

In terms of section 166 (2) (a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), an Audit Committee and Performance Audit Committee is an independent advisory body which, inter alia, the municipal council, the political office bearers, the accounting officer and the management staff of the municipality must advise on a wide range of financial, legal and management matters. The responsibilities and powers assigned by the Board to the Committee under this Act are as follows:

- Evaluation of the duties of the Auditor-General
- Evaluation of the mandate, audit plan and functions of Internal Audit
- Monitoring of effective systems of internal control and financial control
- Compliance with laws, rules and regulations
- Monitoring ethical conduct of board members, executive officials and management



- Analysis of financial statements
- Monitoring of performance management
- Review the risk management process
- Monitoring of Good Governance

The APAC gave the necessary attention to all these aspects.

## **5. Summary of key issues discussed during the year**

Since detailed minutes have been submitted regularly to the Council, only the following important issues are addressed:

- Compliance with legal requirements
- Audit planning for 2021/22, 2022/23 and 2023/24
- Non-compliance with Council decisions by directorates
- Evaluation of the Internal Audit function and the Manager: Internal Audit in terms of independence and effectiveness
- Audit of general administrative matters
- Audit of internal controls on activities of the Council
- Auditing of accounting procedures and practices
- Implementation of the approved audit plan for the year
- Performance Management
- Risk Management
- Good governance

In addition to the above issues, certain other general issues have also been addressed:

### 1. Debtors

APAC regards the collection of overdue payments as an important aspect and feedback is given at each ordinary meeting of the APAC. The functions of the debt management department were of good quality throughout the year. However, the debtors show a concerning upward trend which can be attributed, amongst others, to the effects of the Covid-19 pandemic.

### 2. Risk Management

Risk Management in the municipality can still be improved. There is, however, progress in this department.

BarnOwl, a Risk Management software system, was implemented during the year and shows positive signs. The full effect of this system will show in the next financial year.

### 3. Execution of Audit Plan

The implementation of the approved Audit Plan is monitored and discussed quarterly by the APAC. The 2020/2021 plan has been fully implemented.

### 4. Covid-19

Concern was expressed on the influence of the virus on the income and expenditure side of Municipal finances and the community. This increased the need for communication with the relevant parties regarding the high degree of uncertainty involved. The concerns became reality especially related to debtors.

## **6. Auditor-General**

The cooperation and evaluation of the functions of the Auditor-General (AG) is one of the priorities of the Committee. The APAC met with the heads of the AG's audit team on 10 September 2020, with the start of the audit of financial statements for the year ended 30 June 2020. Aspects of the nature and extent of the audit were discussed with them and recommendations made on areas of concern that could be addressed in the audit.

A meeting with representatives of the AG was also held on 19 November 2020. At this meeting the final Management report as well as the draft Audit report was discussed. It was a draft External Audit Report since a specific technical issue was referred to the Technical Committee of the AG for a ruling. The ruling on this issue and thus the final Audit Report was only received on 29 June 2021. This considerable delay in finalizing the report impacted negatively on the activities of the administration.

In respect of the remedial action flowing from the external audit findings, there are monthly progress reports to Council on the progress of the matters.

Although the final AG report was still to be issued, this process was still formally followed in light of the findings in the final Management report.

## **7. Matters that the Committee wishes to bring to the attention of the Council**

### ***7.1 Risk Management***

The Risk Management Process is improving. The BarnOwl system has been implemented. Progress in risk management as mentioned in 5.2 of this report, is acknowledged.

### **7.2 Efficiency of the internal audit function**

The Committee noted the independence of the internal audit function. The legal requirements for the audit function are extensive and the two skilled staff members are insufficient to give due consideration to all the tasks. An Intern in the department was appointed on 3 May 2021 for which the Committee is very grateful.

The approved Audit Plan for 2019/2020 was carried out satisfactorily. The Committee however believes that additional staff can add additional effectiveness of the internal audit unit.

### **7.3 Opinion on the Annual Financial Statements of 2020/2021**

The opinion of the committee on the Annual Financial statements for the year ended 30 June 2021 is as follows:

- a. The Director: Financial Services and her team must once again be congratulated on a well-prepared set of financial statements.
- b. The various measures provided reflect on the soundness of the municipality's finances and fall within the required norms. Amongst others, the current ratio of 3,21 indicate that the Municipality is more liquid and solvent, while interest paid as percentage of total expenditure at 3% are well below the norm. It should also be noted that personnel cost to total expenditure is moving towards the upper limit of 40% of expenditure and needs careful management.
- c. It should be noted that long term debt/ total operating revenue ratio increased from 23% in 2019/20 to 37 % in 20/21.
- d. Debt collecting days declined by 4,3 days implying that the risk of irrecoverable debts is lower than the previous year.
- e. Revenue collection versus budgeted was on target and reflects an increase of 7% (not the stated 0,07). Expenditure amounted to 90% of budgeted amount, an increase of 12% with the major increases of debt impairment of 29 % and employment cost of 24%. The effect of Covid-19 on the expenditure side is to some extent indicated in the surplus for the year. This is reflected in the final budget of -R6,42 mil vs actual realization of R53,6 mil. The change was mainly due to contracted services and other expenses declining by 41% and 20% respectively.
- f. Capital spending was 83% of the budgeted amount which is commendable to some extent due to the negative effect of Covid-19 and in addition APAC was informed that considerable progress has been made to improve expenditure management.
- g. The comments of the Director of Finance need to be noted that the Municipality's tariffs are very high, and that expenditure needs to be carefully managed to ensure its long-term sustainability.
- h. The Cash flow position of the municipality increased significantly. This was mainly due to a substantial increase in external loans. It raises the question as to whether it was prudent to increase external loans to the extent indicated in the financial statements.
- i. The creditors payment period increased significantly to 72,62 days. This was an issue raised in previous external audit reports. The payment of creditors is monitored regularly and reported to Council and APAC. The increases are due to the spiking of expenditures and late invoices towards the end of the financial year. This issue needs constant attention.
- j. The extend of impairments, due to amongst other the management of traffic fines is a familiar issue and in need of constant attention.
- k. It should be noted that no fruitless and wasteful expenditure is reported and irregular expenditure almost non-existent, while unauthorized expenditure of R2,6 mil is awaiting authorization.
- l. The continuous increase of external loans may become a problem.

#### **7.4 Opinion on Performance Management 2020/2021**

The opinion of the committee on Performance Management for the year ended 30 June 2021 is as follows:

- a. Of a total of 63 KPI's, 55 were met, well met or extremely well met. Only 3 KPI's were not met and 3 KPI's almost met. 2 KPI's is marked N/A.
- b. Reasons for not achieving the performance targets are clearly motivated. KPI D6 and D24 where targets are significantly missed, deals with title deed transfer backlogs. It reflects the difficulty of achieving the targets but needs urgent attention.
- c. The fact that only 5 percent of KPI's are not met reflects emphasis placed by the municipality on the delivery of services.

#### **8. Shortcomings**

##### **8.1 Risk Management process**

The risk management process is not at the required level yet. The progress will be monitored by the APAC.

##### **8.2 Attendance of APAC meetings by Officials**

The sporadic presence of some of the municipal officials at APAC meetings is a concern.

#### **9. General**

Despite the aspects mentioned in this report and especially paragraph 8, the Committee believes that it has succeeded in carrying out their responsibilities. The activities of the Committee are strongly backed by the activities of the Internal Audit function.

The activities of the internal audit department, including its annual program, coordination with external auditors, the results of significant investigations and response of management to specific recommendations can be found in the Agendas and Minutes of the meetings held during the year.

Special reference must also be made of the internal audit reports tabled at each APAC meeting:

- It forms the most important source according to which the effectiveness of internal control systems can be evaluated
- Risk areas of the municipality are indicated
- Compliance with legislation is being reviewed

The staff of the internal audit department are professional and independent. Their functions are set out in the internal audit mandate and function under the Chairman of the APAC, and administratively under the Municipal Manager. The Manager: Internal Audit has direct communication with the Chairperson of the Audit Committee. The Audit Committee reviews the Internal Audit Charter annually and it was approved again at a meeting held on 20 May 2021.

The activities of the Internal Audit unit are set out in the Internal Audit plan which is reviewed quarterly by the APAC.

Reasonable assurance can be given that the Municipality complies with legal and regulatory provisions.

Brief reports on general aspects are:

- a. Reasonable assurance can be given that internal control systems is functioning satisfactorily.
- b. The financial information provided by management is adequate, reliable and accurate.

An external Quality Assessment Review was performed on the Internal Audit unit during the year and the report was discussed during a meeting held on 20 May 2021. The shortcomings identified in the functioning of the Department will be addressed and serve as a standing item on the Agenda of the quarterly meetings until all the shortcomings have been addressed.

## **10. Interaction with Council**

The interaction with Council is good. The minutes of the APAC are submitted to Council and serve at the subsequent Portfolio Committee meeting, which is referred to the Executive Mayor Committee meeting, where the resolutions of the APAC serve as recommendations to the Council. The Chairman of the APAC has a standing invitation to such meetings.

The Council and staff of the Hessequa Municipality are congratulated on a clean audit report for 2019/20, the seventh in a row.



**Chairperson: Audit- and Performance Audit Committee**

# Appendix J

This Appendix relates to financial disclosures of senior managers and other section S56 officials. The financial interest disclosure is required even if posts were occupied for part of the year.

During the 2020/21 the following Senior Managers (Sect 56 Employees) have completed the annual disclosure form of financial interest in accordance with Item 5A of Schedule 2 of the Municipal Systems Act of 2000:

<b>Section 56 Employee</b>	<b>Submitted Quarterly Disclosure Form for 2020/21</b>
<b>Municipal Manager: Mr J Jacobs</b>	Yes
<b>Director Corporate Management: Ms M Griesel</b>	Yes
<b>Director Development Planning: Mr H Visser</b>	Yes
<b>Director Community Services: Mr C Onrust</b>	Yes
<b>Director Financial Services: Ms L Viljoen</b>	Yes
<b>Director Technical Services: Mr R Manho</b>	Yes

## **8 VOLUME II:ANNUAL FINANCIAL STATEMENTS**

## 9 VOLUME III: OVERSIGHT REPORT