

2021/2022

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 by the Executive Mayor of Hessequa Municipality. I would like to provide a few words of welcome. The contents of this report reflect a general overview of the 2021/2022 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.

The honour of being re-elected as custodians of local government in Hessequa confirms that we are moving in the right direction and with the adoption of the Hessequa Integrated Development Plan (IDP) we ensure continuity and alignment not only with national and provincial departments, but with all our previous efforts to ensure sustainable local government in Hessequa. This is seen in the successful projects being implemented 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. It is with great pride that we can report on the best capital spending results in many years. 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.

It is also with great pride that this Annual Report reflects another year of good governance practices, and the audit outcome reflects it. On this note I want to express my deep appreciation to Mr Johan Jacobs, who have been the Municipal Manager for Hessequa and its people for many years. As Accounting Officer, he set the trend for not only improving governance in Hessequa, but also sustaining year on year clean audits. This ninth, consecutive clean audit, is a testimony to his legacy in Hessequa and we will ensure that this legacy prevails after his retirement.

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 report the ninth consecutive clean audit outcome Hessequa Municipality that have been achieved. 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.



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. After the local elections, the re-elected Executive Mayor, Cllr Grant Riddles, expressed his commitment to the existing vision and strategy of the Municipality when Council adopted the IDP of the previous Council.

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. As acting Municipal Manager, I want to give credit to Mr Johan Jacobs, who retired at the end of 2021, and ascribe the results reported in this Annual Report to his legacy of good governance.

*Hendrik Visser*

Acting 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.

Education		2018		Poverty		2018		
	Matric Pass Rate	84.7%			Gini Coefficient	0.564		
	Retention Rate	69.0%			Human Development Index	0.710		
	Learner-Teacher Ratio	26.9						
Health				2018/19				
	Primary Health Care Facilities	9	Immunisation Rate	79.8%	Maternal Mortality Ratio (per 100 000 live births)	0	Teenage Pregnancies - Delivery rate to women U/18	20.2
Safety and Security				Actual number of reported cases in 2018/19				
	Residential Burglaries	346	DUI	108	Drug-related Crimes	815	Murder	8
							Sexual Offences	47

## Population

Hessequa will have an estimated population of 60 800 as presented in the IHS Markit™ Statistical Overview of Hessequa Municipality . This equates to an average annual growing rate of 1.4%. The estimated population growth rate of Hessequa is therefore 0.25% than the estimated population growth rate of the Garden Route District's annual average population growth rate of 1.75% percent.

## Access to Services



One of the major challenges of the Hessequa municipal region is the vast geographic layout. Hessequa is located in a rural area more than twice the size of the City of Cape Town Metro. When access to services is 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.

### 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 have led 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	2020/21	2021/22
		Audit outcome	Audit outcome
<b>Current Ratio</b>	Current assets/current liabilities	3.21	3.61
<b>Current Ratio adjusted for aged debtors</b>	Current assets less debtors > 90 days/current liabilities	2.96	3.32
<b>Liquidity Ratio</b>	Monetary Assets/Current Liabilities	3.18	3.57
<b>Financial year</b>	Total Assets	Ratio	Total Liabilities
	<b>R'000</b>		<b>R'000</b>
<b>2021/22</b>	1 518 939 057	4.1	381 403 831
<b>2020/21</b>	1 384 009 743	3.6.1	380 290 214

### IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2020/21	2021/22
		Audit outcome	Audit outcome
<b>Cost Coverage</b>	(Available cash + Investments)/monthly fixed operational expenditure	14.56	13.68
<b>Total Outstanding Service Debtors to Revenue</b>	Total outstanding service debtors/annual revenue received for services	11.43%	11.08%
<b>Debt coverage</b>	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.08	12.78



## Creditors Management

Description	Basis of calculation	2020/21	2021/22
		Audit outcome	Audit outcome
<b>Creditors Efficiency</b>	<b>System</b> of Creditors Paid Within Terms (within MFMA' s 65(e))	103.38	80.04

## Borrowing Management

Description	Basis of calculation	2020/21	2021/22
		Audit outcome	Audit outcome
<b>Capital Charges to Operating Expenditure</b>	Interest & Principal Paid /Operating Expenditure	7.44%	7.80%

## Employee costs

Detail	Expected norm (% of total budget exp) %	Actual/Total Final budget (%)
Employee Cost	35.50%	33.08%
Repairs & Maintenance	8.00%	14.63%
Finance Charges & Depreciation	10.01%	7.93%

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

Cleaning of Storm Water Network	<b>R 349 600</b>
Repair of water pump - Olive Grove <b>Albertinia</b>	R151 821
Repair of Aerator pump	R 121 459

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

Name of Project*	Current Year: 2021/22		Variance Current Year: 2021/22
	Amended Budget	Actual Expenditure	Variance
	R'000	R'000	R'000
Upgrading of Roads in the Hessequa Municipal area.	7 979	7 631	308
Upgrading of the Riversdale Wastewater Treatment Works (Civil Works)	11 825	11 233	592
Refurbishment of Albertinia Wastewater Treatment Works (Civil Works)	5 077	4 645	432
Upgrading of Electrical Infrastructure in the Hessequa Municipal Area.	4 985	4 985	-
Streetlights Retrofitting	4 223	3 668	555

Name of Project	Upgrading of Roads in the Hessequa Municipal area.
Objective of Project	The project was aimed to upgrade existing roads and to upgrade gravel road to paved roads in the Hessequa Municipal area.
Delays	None
Future Challenges	None
Anticipated citizen benefits	40 187 (Riversdale, Still Bay, Melkhoutfontein, Albertinia, Heidelberg, Slangrivier)

Name of Project	Upgrading of the Riversdale Wastewater Treatment Works (Civil Works)
Objective of Project	<p>The project was aimed to replace the existing Riversdale Wastewater Treatment Works with a new inlet works with an ultimate design capacity of 4 Mℓ/d to accommodate future growth and unblock operational bottlenecks.</p> <p>The objective of the upgrade is to provide:</p> <ul style="list-style-type: none"> <li>The linking of a splitter box and required yard piping to connect the new inlet works with a measuring flume allowing for nominal human intervention as well as improve monitoring and recording of inflows.</li> <li>Constructing and linking a new biological reactor (BNR) to the works.</li> </ul>
Delays	None
Future Challenges	None
Anticipated citizen benefits	16 177 (Riversdale)

Name of Project	Refurbishment of Albertinia Wastewater Treatment Works (Civil Works)
Objective of Project	To refurbish the Albertinia WWTW by means of provision of a reinforced concrete inlet works, adapting the existing pumpstation, construction of an irrigation dam, irrigation pumpstation, vacuum tank, discharge area, pipelines, outfall sewers, manholes, fences and various structures.
Delays	Due to the lack of suitable clay material necessitated the construction of a geo-membrane to seal the irrigation dam. This caused a delay in the construction and the project was extended to 8 September 2022.
Future Challenges	None
Anticipated citizen benefits	6 372 (Albertinia)

Name of Project	Upgrading of Electrical Infrastructure in the Hessequa Municipal Area.
Objective of Project	Upgrading of existing electrical infrastructure, which includes mini substations, low voltage and high voltage cables.
Delays	None
Future Challenges	None
Anticipated citizen benefits	52642 (Hessequa)

Name of Project	Streetlights Retrofitting
Objective of Project	Supply and delivery of LED streetlights and are light luminaire (energy saving lights), to Hessequa Municipality which were installed by the Electrical Department.
Delays	None
Future Challenges	None
Anticipated citizen benefits	52642 (Hessequa)

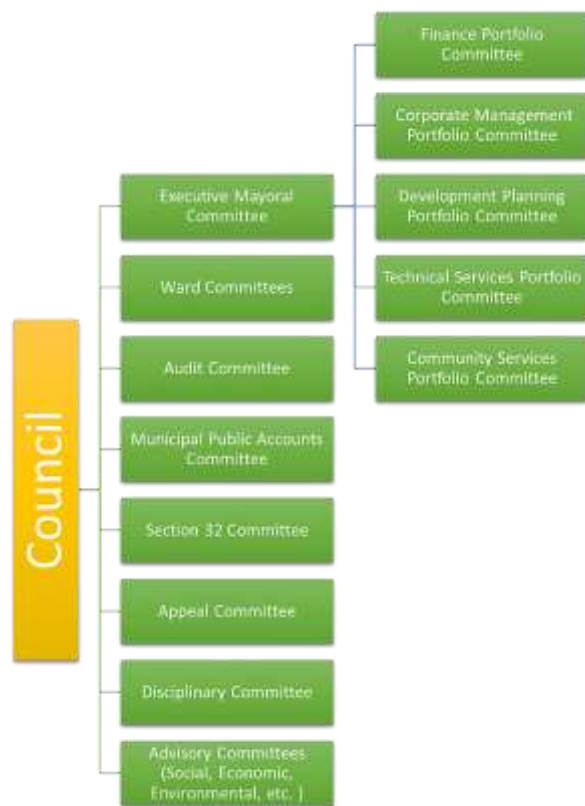
## 2 GOVERNANCE

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.

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#### 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
Manager: Civil Infrastructure	IMESA Meetings	Quarterly
Manager: Civil Infrastructure	Garden Route Infrastructure Forum	Monthly

Delegated Representative	IGR Platform	Frequency of Engagement
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
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

Delegated Representative	IGR Platform	Frequency of Engagement
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 are 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.

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 was 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.

### 2.3.1 WARD COMMITTEE MEETINGS

Because of the 2021 local elections, Ward Committees did not function from October 2021 to February 2022. The term of office of Ward Committees are linked to the term of Council and once the new Council was constituted in November 2021, the process for the development of new Ward Committees initiated and was completed in February 2022 when Committees received induction training. New Ward Committees were established for all 9 wards in Hessequa.

Ward Committees held per month:

Ward	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
Ward 1	1	1	-	-	-	-	-	-	1	2	1	1
Ward 2	-	1	-	-	-	-	-	-	1	-	2	1
Ward 3	1	1	-	-	-	-	-	-	1	1	1	1
Ward 4	-	1	1	-	-	-	-	-	1	1	1	1
Ward 5	1	1	-	-	-	-	-	-	1	1	1	1

Ward	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
Ward 6	1	1	-	-	-	-	-	-	1	1	1	1
Ward 7	-	1	-	-	-	-	-	-	1	1	1	1
Ward 8	1	1	1	-	-	-	-	-	1	1	1	1
Ward 9	-	1	-	-	-	-	-	-	1	1	1	1
<b>TOTAL</b>	<b>5</b>	<b>9</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>9</b>

Ward committee meetings for Wards 1, 2, 5, 6, 7 and 9 did not take place during September 2021 as no items were submitted for their consideration.

## 2.4 CORPORATE GOVERNANCE

### 2.4.1 RISK MANAGEMENT

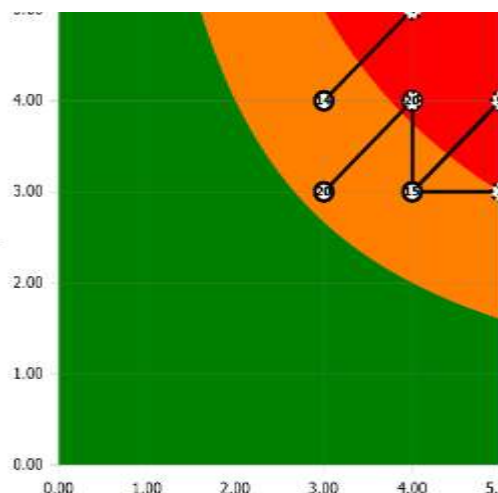
The Municipality is required by the Municipal Finance Management Act (No 56 of 2003) to have a risk management system in place. The legislation specifically reads under Section 62 as follows:

(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 financial year the following risk management related activities were completed:

- In depth risk review per directorate
- Review of controls linked to each risk and identifying new controls
- Evaluation of all controls
- Registration of new risks identified
- Follow-up risk review process in Corporate Management directorate before the end of the financial year

With the implementation of a new risk management system in the previous financial year, the ability to present detailed and summarised risk profiles contributed to the enhanced management of the municipal risk profile. The following diagram and table on the next page list and indicate the effect of controls on the top 20 risks.



No	Risk Title	IR	RR
1	Ageing of infrastructure and performance degradation	15.75	13.39
2	Cash flow shortage	20.00	13.00
3	Non-adherence to building regulations and legislation	20.00	13.00
4	Unsafe structures	20.00	13.00
5	Preferential treatment to specific suppliers	20.00	13.00
6	Negative / Damaging effects of non-management of all waste categories to public health / natural environment	16.00	12.80

No	Risk Title	IR	RR
7	Degradation of burial sites (cemeteries)	15.00	12.75
8	Injuries on duty	12.25	12.25
9	Illegal building practices	20.00	12.00
10	Financial Loss as a result of inadequate controls within Rotation Register Process, Strip and Quote and Deviations	12.00	12.00
11	Late receipt of Source Documentation	12.00	12.00
12	Damages due to Rising Sea Levels	12.00	12.00
13	Non-collection of rental revenue	12.00	12.00
14	Claims for damages or loss of property from personnel or third parties in the event that a fire or danger may be caused by faulty electricity connections	11.56	11.56
15	Poor quality of water	18.00	11.16
16	Authorising payments / benefits to employee's contrary to approved policies and budgets	11.11	11.11
17	Theft or damage to sewer infrastructure as a result of unauthorised access	10.50	10.50
18	Poor financial planning relating to sewerage infrastructure due to poor reporting of critical maintenance information	10.50	10.50
19	Systems Downtime as a result of Electrical Interruptions	15.89	10.49
20	Bribery	16.00	10.40

IR=Inherent Risk Rating (Risk without controls considered), RR=Residual Risk Rating (Risk with controls considered)

## 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 2021/22 financial year:

GOODS AND SERVICES		
Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
11	11	32
INFRASTRUCTUE		
Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
10	18	23

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. Booyesen (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 13/2122	ELECTRICAL CAPITAL PROJECTS 2021/22	Technical Services	MDL ENGINEERING COMPANY (PTY) LTD	R 8 445 000.00
HES-TECH 04/2122	UPGRADING OF ROADS AND STORMWATER IN THE HESSEQUA MUNICIPAL AREA	Technical Services	ENTSHA HENRA (PTY) LTD	R 7 979 150.46
HES-TECH 02/2122	ALBERTINIA WASTEWATER TREATMENT WORKS: REFURBISHMENT CIVIL	Technical Services	ALERT DEVELOPMENTS (PTY) LTD	R 5 076 574.08
HES-TECH 19/2122	THE SUPPLY AND DELIVERY OF ONE (1) NEW CRAWLER DOZER	Technical Services	BEAPO CONSULTING (PTY) LTD	R 4 178 781.00
HES-TECH 05/2122	UPGRADING OF SEWERAGE INLETWORKS - STILL BAY IN THE HESSEQUA MUNICIPAL AREA	Technical Services	HIDRO-TECH SYSTEMS (PTY) LTD.	R4 174 919.85
HES-TECH 15/2122	THE SUPPLY AND DELIVERY OF ELECTRICAL STOCK: LED STREETLIGHT AND AREA LIGHT LUMINAIRES	Technical Services	SIYPHAMBILI ELECTRICAL AND INDUSTRIAL SUPPLIES CC/ GENLUX LIGHTING A DEVISION OF ACTOM (PTY) LTD	3 668 285.90
HES-TECH 06/2122	GOURITSMOND AND JONGENSFONTEIN WASTEWATER TREATMENT WORKS: REFURBISHMENT: CIVIL WORKS	Technical Services	URHWEBO E-TRANSAND	2 991 767.96
HES-TECH 14/2122	UPGRADING OF WATER AND SEWER INFRASTRUCTURE IN THE HESSEQUA MUNICIPAL AREA	Technical Services	BENVER CIVILS AND PLANT HIRE PHAMBILI CIVILS	R 2 929 873.25
HES-TECH 10/2122	UPGRADING OF SEWER AND WATER PUMPSTATIONS IN STILL BAY AND EQUIPPING OF ALBERTINIA BOREHOLE	Technical Services	URHWEBO E-TRANSAND	R 2 338 073.28
HES-CORP 02/2122	THE CONSTRUCTION OF A NEW BUSINESS HUB - KWANOKUTHULA	Corporate Services	TEMMOS SHADE PORTS AND CLEANING SERVICES, MAMBAMBA CIVILS (JV)	R 2 116 124.47

## 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)
None				NONE

## 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 deviations R	Percentage of total deviations value
<b>&lt;R2 000</b>	<b>225</b>	<b>R 219,582.19</b>	<b>0.870068</b>
Sole Supplier	0	R 0.00	0
Emergency	12	R 12,864.57	0.050974
Exceptional Circumstances	213	R 206,717.62	0.819094
Impractical	0	R 0.00	0
<b>R2 000 – R30 000</b>	<b>237</b>	<b>R 1,982,240.62</b>	<b>7.854393</b>
Sole Supplier	6	R 107,016.62	0.424041
Emergency	19	R 157,320.68	0.623365
Exceptional Circumstances	212	R 1,717,903.32	6.806988
Impractical	0	R 0.00	0
<b>R30 000 – R200 000</b>	<b>92</b>	<b>R 6,397,991.25</b>	<b>25.35128</b>
Sole Supplier	3	R 165,510.30	0.655815
Emergency	1	R 50,370.00	0.199585
Exceptional Circumstances	88	R 6,182,110.95	24.49588
Impractical	0	R 0.00	0
<b>&gt;R200 000</b>	<b>21</b>	<b>R 16,637,535.33</b>	<b>65.92426</b>
Sole Supplier	1	R 4,906,447.35	19.44121
Emergency	1	R 284,625.00	1.127793
Exceptional Circumstances	19	R 11,446,462.98	45.35525
Impractical	0	R 0.00	0
<b>Total</b>	<b>575</b>	<b>R 25,237,349.39</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:

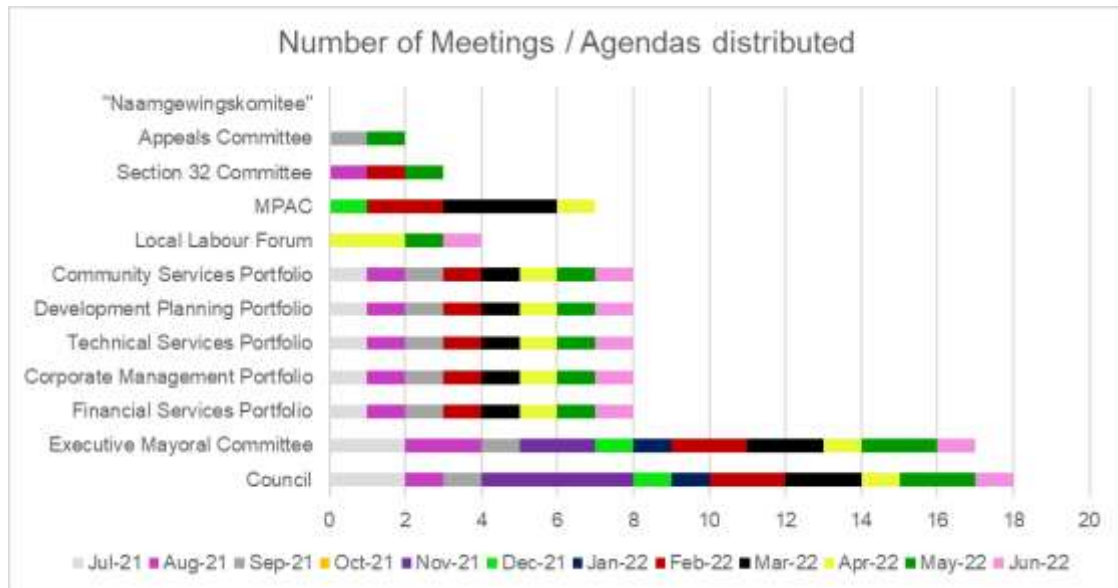
Aerodromes	Outdoor Advertising
Air Pollution	Public Amenities
Cemeteries and Crematoria	Public Busses and Taxi's
Commonage	Prevention of Public Nuisance and Public Nuisance arising from the Keeping of Animals
Customer Care & Revenue Management	Rates
Disposal of Solid Waste	Rules for the Conduct of Meetings
Electricity Supply	Roads and Streets
Events	Street Trading
Fencing and Fences	Storm Water Management
Fire Safety	Sporting Facilities
Fire Works	Tariffs
Heritage Resources and Cultural Institutions	Water Supply, Sanitation and Industrial Effluent
Impoundment of Animals	
Irrigation Water	
Keeping and Treatment of Dogs and Cats	
Liquor Trading Hours and Days	
Management and Use of Rivers	
Municipal Land Use Planning	

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:

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

Number of resolutions distributed via the Collaborator system:

Month	Number
July 2021	123
August 2021	88
September 2021	102
October 2021	32
November 2021	59
December 2021	10
January 2022	73
February 2022	91
March 2022	144
April 2022	105
May 2022	140
June 2022	131
<b>TOTAL</b>	<b>1,098</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.

## MONTHLY PROGRESS REPORTS REGARDING COUNCIL RESOLUTIONS

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## RECORDS COUNT

Record Type	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Correspondence	4880	5036	4712	4894	5006	3597	3499	4729	4249	4106	5099	4184
Memorandums	11	12	16	15	17	16	10	28	29	32	25	34
Items	123	88	102	32	59	10	73	91	144	105	140	131
SMS	72	34	20	86	45	12	32	23	52	21	29	62
SMS Contact Details	8	15	13	8	7	5	17	11	47	6	9	10

## TELEPHONE SYSTEM: WISPERNET / ELMICOM COMPLAINTS REPORTED

Month	Number of calls logged	Finalised within the approved SLA timeframes
July 2021	16	Yes
August 2021	10	Yes
September 2021	13	Yes
October 2021	17	Yes
November 2021	16	Yes
December 2021	18	Yes
January 2022	15	Yes
February 2022	12	Yes
March 2022	13	Yes

Month	Number of calls logged	Finalised within the approved SLA timeframes
April 2022	5	Yes
May 2022	12	Yes
June 2022	11	Yes
<b>Total Calls logged</b>	<b>158</b>	<b>Yes</b>

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

Month	Requests Received	Approved in full	Partially approved	In process	Declined
July 2021	0	0	1	0	0
August 2021	0	0	0	0	0
September 2021	0	0	0	0	0
October 2021	2	1	1	0	0
November 2021	0	0	0	0	0
December 2021	0	0	0	0	0
January 2022	3	2	0	1	0
February 2022	1	0	0	1	0
March 2022	2	0	0	2	0
April 2022	0	0	1	0	0
May 2022	1	0	0	1	0
June 2022	0	0	0	0	0

## POLICIES APPROVED

The following policies have been approved:

Month	Number
August 2021	<ol style="list-style-type: none"> <li>Aanpassing van Klousule 8(1) van die Beleid insake Kredietbeheer en Skuldinvordering vanaf 1 Julie 2021</li> <li>Hessequa Municipal Accelerated Local Economic Development and Preferential Procurement Policy, 2021/2022</li> </ol>
September 2021	<ol style="list-style-type: none"> <li>Review of ICT Governance Framework and Related Policies</li> </ol>



Month	Number
March 2022	1. Wysigings aan die "Grant-In-Aid and Transfer Payment" Beleid 2. Beleid vir Ere-Toekennings, Raadsheerskap en Raadsdameskap

## CONTRACTS

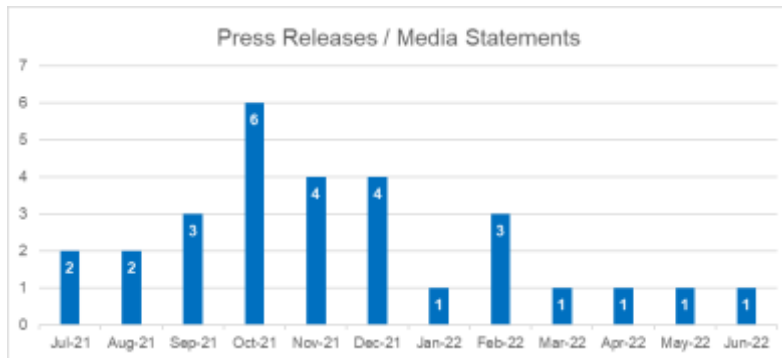
NO.	SERVICE PROVIDER	PERIOD OF CONTRACT	WRITTEN AGREEMENT IN PLACE	PLAN OF ACTION
1.	Wispernet (only the telephone component)	01/07/2020 – 30/06/2023	Yes	Formal Tender process in collaboration with ICT
2.	Business Engineering (Collaborator System Support & SMS)	01/12/2022 – 30/06/2025	Yes	Approved and Finalised on 06 May 2022
3.	Business Engineering Licence Agreement	01/07/2022 – 30/06/2025	Yes	Approved and Finalised on 06 May 2022
4.	Eden FM	01/07/2021 – 31/06/2024	Yes	Approved and Finalised on 19 April 2021
5.	Konica Minolta - Printers	01/12/2019 – 30/11/2022	Yes	Formal Tender process
6.	Courier Services	01/10/2021 – 30/09/2022	Yes	Tender cancelled on 31/05/2021. Deviation approved by BAC – 12-month appointment (01/10/2021 – 30/09/2022). New appointment in process
7.	Business Connection BCX (Telkom) Analogue Data Line	01/07/2022 – 30/06/2023	Yes	Approved and Finalised on 04 April 2022

## 2.7 PUBLIC RELATIONS

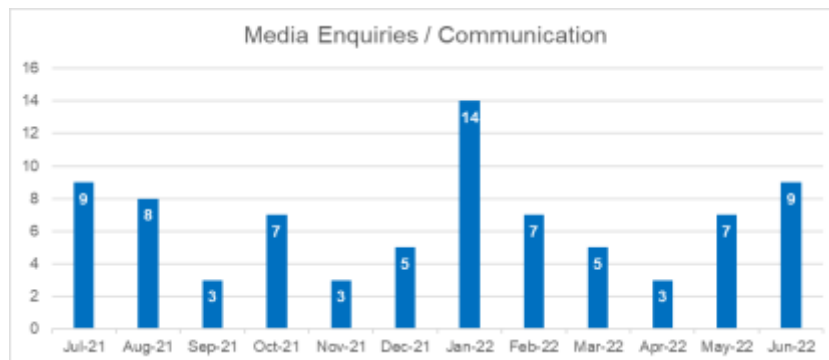
### 2.7.1 PUBLISH ALL WEB REQUESTS AS RECEIVED

1073 Notices and requests were posted on the Hessequa website during the 2021/2022 financial year.

## 2.7.2 PRESS RELEASES



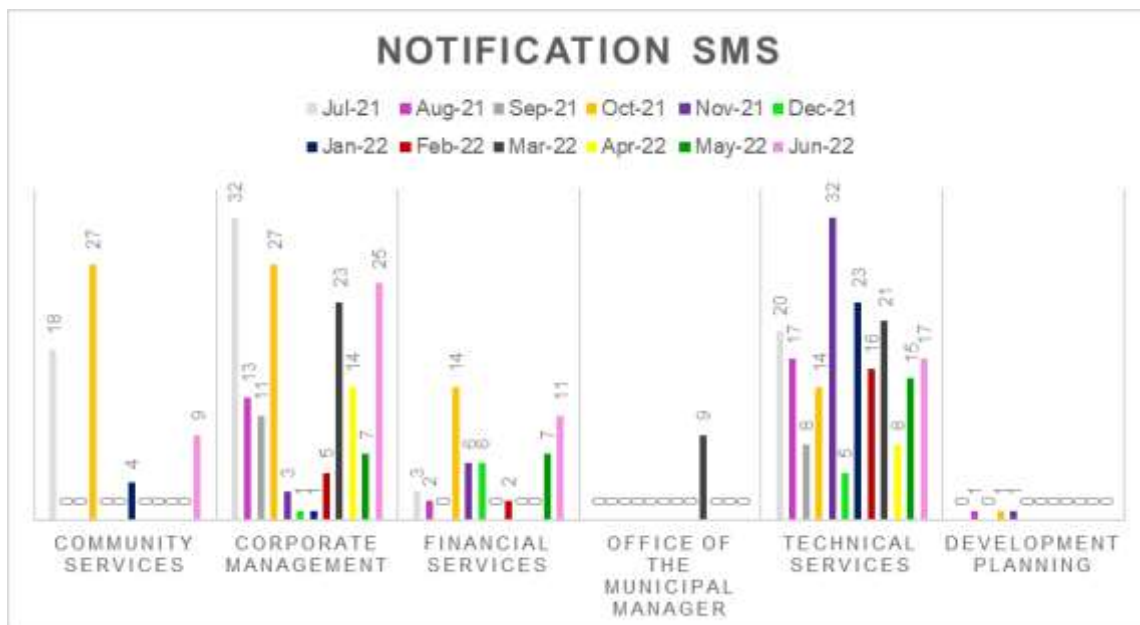
## 2.7.3 MEDIA ENQUIRIES / COMMUNICATION



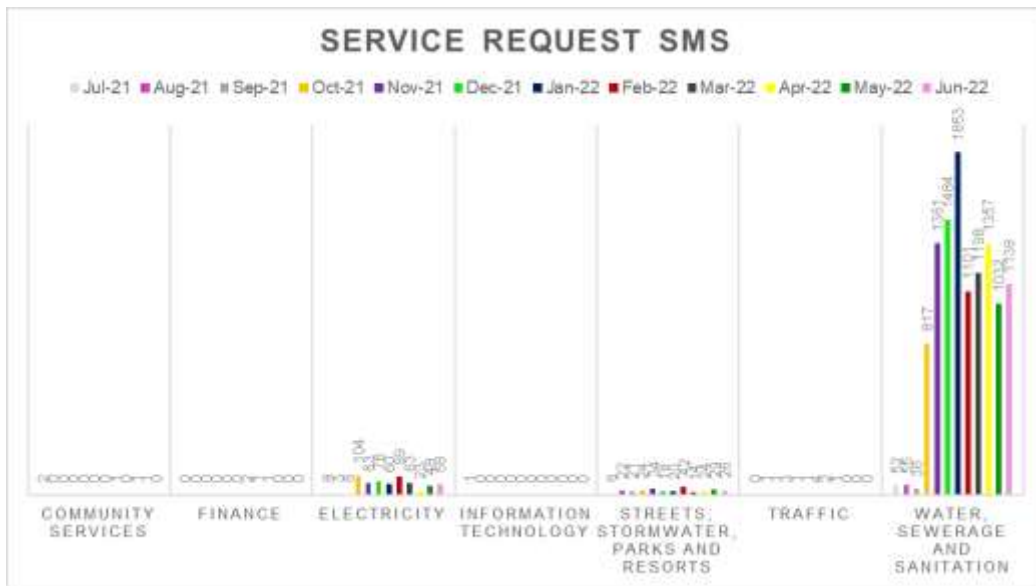
## 2.7.4 SMS SYSTEM

Currently, there are 3394 members registered on the SMS database.

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



## Number of Service request SMS's sent



### 2.7.5 FACEBOOK STATISTICS

#### 7,099 people follow the Hessequa Municipality's Facebook page

An increase of 1,165 followers during the 2021/2022 financial year.

#### 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.

## 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	Quarterly

		Ms I Lorenz Mr J Kok Prof JAA Lazenby	
Municipal Public Accounts Committee		Cllr IT Mangaliso (Chairperson) Cllr RG Davids Cllr B van Noordwyk Cllr S Le Roux Cllr L February	Quarterly and Ad-hoc
MFMA Sect 32 Committee		Cllr B van Noordwyk (Chairperson) Cllr RG Davids Cllr S Le Roux Cllr CP Taute	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 2020/2021 financial year:

Date of Section 32 Committee Meeting held	Unauthorised, Irregular, Fruitless and Wasteful Expenditure	Description of Expenditure	Amount of Expenditure	Write-off / Condoned / Liability	Consequence Management	Date of Council Resolution
13/08/2021	Irregular	Non-compliant tax status of supplier	R34,202.38	Write-Off – No person liable	Has been put in place	25/08/2021
28/02/2022	Unauthorised	Bulk purchases, bad debt and Operating Budget Office of the Municipal Manager	R3 934 664 for the 2019/2020 financial year and R2 631 310 for the 2020/2021 financial year.	Condoned – No person liable	This unauthorised expenditure was disclosed in the 2019/2020 and 2020/2021 annual financial statements.	30/03/2022
28/02/2022	Irregular	Non-compliant tax status of supplier	R39 349.80	Write-Off – No person liable	Has been put in place	30/03/2022
28/02/2022	Irregular	Owner of a supplier in service of the State	R3 723.70	Write-Off – No person liable	Has been put in place	30/03/2022
12/05/2022	Irregular	Purchase of 10 USB's in contravention of the SCM policy	R875.00	Write-Off – No person liable	Has been put in place	25/05/2022

### 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. The Department of Community Development managed, with strict Covid-19 measures in place, to offer five (5) Mobile Programs during the 2021/2022 Financial year.

##### Summary of Programs Conducted:

TOWN	DATE	NUMBER OF BENEFICIARIES REACHED
Albertinia	August 11 & 12, 2021	515
Heidelberg	October 13 & 14, 2021	576
Snake River	November 24 & 25, 2021	388
Melkhoutfontein	23 & 24 March 2022	324
Riversdale	May 19 & 20, 2022	493
<b>Total</b>		<b>2296</b>



Heidelberg and Riversdale Thusong Mobile programs



**Social Development Programmes:** Programs are aimed at the youth, the aged, disabled persons and the empowerment of the vulnerable groups. Fifteen (15) successful programmes were conducted during this period.

The number of beneficiaries reached: 2134.



**YOUTH DAY PROGRAM**



**Anti- Drug Campaign Gouritsmond**



**Table tennis development**

**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. Fifteen (15) successful programmes were conducted during this period with 1184 participants.



**Resurfacing of Netball Courts in Riversdale**





**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: 17112.



**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

##### Title Deeds Handovers

61 Title Deeds were handed over to owners in Albertinia, Melkhoutfontein, Riversdale, Heidelberg and Slangrivier whilst 117 homeowners were invited to 6 handing over sessions to receive their documents.



##### Housing Consumer Education

8 Housing Consumer Education Sessions were held in Albertinia, Heidelberg, Melkhoutfontein, Riversdale and Slangrivier where 445 beneficiaries attended these sessions. During the presentations information were disseminated regarding properties, the roles and responsibilities of being a homeowner, wills, etc.



##### Updating of Housing Demand Database

The housing waiting list was updated at 5 Jamborees in Albertinia, Melkhoutfontein, Riversdale, Heidelberg and Slangrivier. Community members also visited the Housing Office in Riversdale on a regular basis to update their personal information on the housing demand database. 263 Persons either registered for the first time or updated their existing status on the housing waiting list.



##### 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 whereafter the construction of the civil engineering services started. The project will be implemented over three financial years at a cost of over R120 million. One hundred and fifty (150) Melkhoutfontein/Still Bay

Housing Waiting List applicants were approved as beneficiaries for a housing opportunity within the project.

### **Slangrivier Consolidation Housing Project**

Funding for the Slangrivier Consolidation Housing Project was approved by the Department of Human Settlements. Updated financial information for the project was provided to the Western Cape Department of Human Settlement for consideration on 22 February 2022. During the past financial year 33 beneficiaries were approved to receive a house under the government's national housing subsidy scheme.

### **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, 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.



### **TRAFFIC SAFETY INITIATIVES**

Various traffic safety initiatives were undertaken at schools and pre-schools, and the Daantjie Kat display attracted a lot of attraction.





## RAISE AWARENESS ON DISASTERS

Various awareness sessions were conducted during the reporting period.



### 3.1.4 LEGAL AND ADMINISTRATION PERFORMANCE HIGHLIGHTS:

#### Storage Room at the Theronville Community Hall, Albertinia

1. An inquiry was received regarding the Albertinia Storage Room at Theronville Community Hall.
2. After an inspection *in loco* on 18 May 2022, it was determined that a massive number of documentation from various departments is stored in a storage room under the stage which dates back to 1982.
3. A plan of action was presented to the Municipal Manager and Directors which includes the following:
4. The project concluded on 29 July 2022



#### Archives

##### Record Management Audit

In order to comply with the Provincial Archives and Records Services of the Western Cape Act, 2005 (Act 3 of 2005) a Records Management Audit was scheduled for the 7<sup>th</sup> of September 2021.

The following was be audited:

- 11.1 Classification Systems
  - 11.1.1 File Plan
  - 11.1.2 Records Control Schedule
  - 11.1.3 Records Management Policy



- 11.1.4 Registry Procedure Manual
- 11.1.5 Disaster Management Recovery Plan / Business Continuity Plan
- 11.1.6 Other policies, electronic, email, etc.
- 11.2 Disposals
- 11.3 Inter Office Transfers
- 11.4 Electronic Systems
- 11.5 Records Control Mechanisms
- 11.6 Training
- 11.7 Records Storage Areas
- 11.8 Offsite Storage
- 11.9 Protection of / Damaged Records
- 11.10 Internal Inspections



The Archive staff worked around the clock to ensure that Hessequa Municipality is fully compliant with the audited areas.

Hessequa Municipality has 8 strong rooms (safes) and one storage area that are at our disposal for the storage of valuable information under the guidance of Archive. Three of the eight safes are under Archive control.

In order to comply with the National Archives and Records Service Act, 43 of 1996, the Archive staff were moved out of the main registry. They are now occupying an office opposite the main registry.

A separate report was tabled to the Portfolio Committee regarding the outcome of the archive audit.

### 3.1.5 PROPERTY MANAGEMENT HIGHLIGHTS AND CHALLENGES:

#### **CONSTRUCTION OF NEW DRIVING RANGE ON A PORTION(1400 SQM) OF ERF 2015, RIVERSDALE**

The Municipality applied for funding for the establishment of a driving range for all Driving Schools in Hessequa. The course was opened on 15 July 2022.



### **MAINTENANCE WORK AT AFRICANA CENTRE, RIVERSDALE**

The wooden floor at the African Centre was in a very poor condition and were replaced the new wooden deck.



### **REPLACING OF THATCHROOFS, JONGENSFONTEIN CAMPING SITE**

Two Chalet's thatched roofs have been replaced. The main block's wooden windows have been replaced with aluminium windows. We are planning to also replace the other 2 Ablution's wooden windows in the 2022/2023 financial year.



### **UPGRADING OF SLANGRIVIER COMMUNITY HALL KITCHEN AND BATHROOMS FLOORS**

The wooden cabinets in the kitchen were very rotten and we replaced it with a cement counter.





## Library Service Highlights:

Library of the Blind – April 2021: Riversdale Library was expanded to include a Library of the Blind  
**ATKV Storieleesfees** – July 2021: Seven Libraries participated in the reading competition and a total of 295 children entered. All seven libraries received a book voucher from LAPA valued at R750 each which was used to purchase new library books.

**Writing competition** – July and Augustus 2021: A writing competition was launched to encourage local children to write a story. The ten best stories were chosen and compiled into a book with illustrations.

**Art competition** – September 2021: Five library in conjunction with Hessequa Art Route launch an art competition. 187 Children were encouraged to paint what makes their town special. The art was displayed in December and the winners received art supplies.

**Book launch** – October 2021: Still Bay Library launched Marié Heese's new book "Troebadoer" to the enjoyment of the audience.

**Shoe box Santa** – October 2021: Vermaaklikheid Library together with Shoe box Santa and Mss Borain donated school shoes and socks to 64 children. Each child also received a shoe box full of presents.



**Christmas party** – December 2021: This will be second year Slangrivier will present their Christmas party for the children of Slangrivier. Father Christmas gave out present were the children sing songs and stories was read.

**Book launch** – March 2022: Duivenhoks Library launched William Flicks new book "Bo-Solder" to the enjoyment of the 38 guests.

**Book launches** – March 2022: Riversdal Library presented two book launches on 26 March. Bernard Fielies's "Soektog na die son" and Hendi Grobbelaar's "Maskermense".

**Dedication** – March 2022: Riversdal Library in conjunction with the Federasie van Afrikaanse Kultuurvereniging celebrated Alba Bower, remembering her work as writer.

**Book launch** – May 2022: Riversdal Library represented Johan Oosthuizen's book "Die Vreeslose Brandertemmer van Vleesbaai" to create enjoyment of the audience.

**YearBeyond ICT Cadets** – May 2022: Three young adults were appointed as ICT cadets to assist the public with the computers and internet. This is not to employ but to provide experience to prepare for the workplace.

**Still Bay Library** – June 2022: Still Bay Library was enlarged with an extra 114m<sup>2</sup> to accommodate in the growing needs of the community. This includes a reference, computer and youth section with a bathroom and kitchenet.



All Hessequa Libraries assisted the public in registering for the Covid-19 vaccine during the pandemic.

### 3.1.6 TECHNICAL SERVICES HIGHLIGHTS AND CHALLENGES

#### Capital Project Highlights

- Upgrading of Roads in the Hessequa Municipal area.
- Upgrading of Water and Sewer Infrastructure in the Hessequa Municipal area.
- Upgrading of Sewer and Water Pumpstations in Still Bay and Equipping of Albertinia and Melkhoutfontein Boreholes.
- Refurbishment of Albertinia Waste-Water Treatment Works (Civil Works)
- Still Bay Wastewater Treatment Works: Refurbishment of Inlet Works (Mechanical and Electrical Works).
- Refurbishment of Gouritsmond and Jongensfontein Wastewater Treatment Works (Civil Works).
- Upgrading of the Riversdale Waste-Water Treatment Works (Civil Works).
- Upgrading of Electrical Infrastructure in the Hessequa Municipal Area.
- Streetlights Retrofitting

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

- Upgrading and extension of cemeteries in the Hessequa Municipal area.

#### Challenges:

- Aging of infrastructure across the Hessequa Municipal area.
- Upgrade of the sewerage works in Gouritsmond and Still Bay Area.
- Sourcing alternative water sources in Albertinia and Heidelberg.
- Personal shortage in the Department.
- Aging road infrastructure across the towns of Hessequa Municipality

#### Some of the project highlights during the 2021/22 financial year.

During the replacement of the retro fitting energy saving lights the refuse compactors was also branded as part of awareness.



**Highlights of service delivery : 2021/22**

Joe Slovo Street (Riversdale):



President C.R. Swart Street (Riversdale):



Riversdale WWTW:



Albertinia WWTW:



Streetlights Retrofitting:

Streetlights Retrofitting:

**3.1.7 DEVELOPMENT PLANNING HIGHLIGHTS AND CHALLENGES**

**Spatial Development Frameworks** - Council approved a Riversdale Local Spatial Development Framework (LSDF). 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. Different planning areas were identified with specific and unique characteristics in order to facilitate the application of land use proposals. The planning areas identified are Church Square Riversdale, Remainder of Erf 21 Riversdale and a portion of the Remainder of Erf 22 Riversdale.

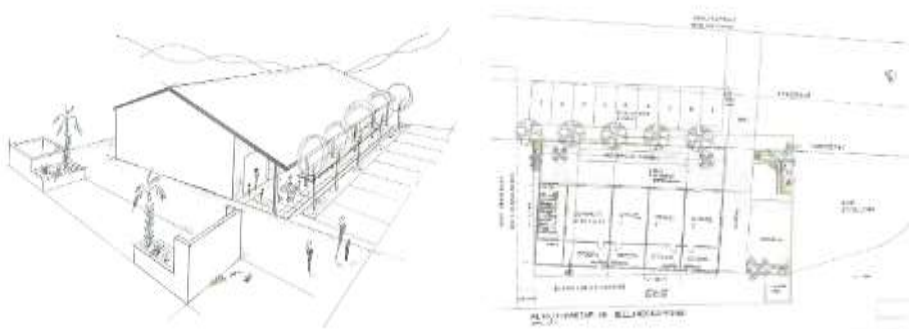


The intention of the Directorate Development Planning was to compile a Stilbaai Local Spatial Development Framework (LSDF), but seeing that the Hessequa Municipality is in a process to compile a new Hessequa Spatial Development Framework (HSDF) – the LSDF will form part of the HSDF. The Status Quo report of the HSDF is in a process for comment and will be submitted to Council during October 2022 for consideration. The purpose of the report is to provide an overview of the current state of development of the Hessequa Municipality, using the latest data and intelligence available, to derive the most pressing key spatial issues and opportunities that exist within the municipality.

Hessequa Municipality seeks to update and amend its 2017's SDF to align with the 5-year term of the planned IDP 2022-2027. Since the 2017 SDF approval, there has been changes to the policy and legislative context which impacts upon the MSDF, as well as changed economic and social conditions in the municipality, which require the MSDF to be amended to address and reflect these changes.



**DEDAT Booster Funding** - Hessequa Municipality applied to the Department of Economic Development and Tourism (DEDAT) through their Booster Funding for a Kwanokuthula Business Hub and a Driving Test Range to be built. The Driving Test Range was completed for all the Driving Schools in Riversdale and the Business Hub is under construction. Hessequa Municipality applied for the funding when there was still capital funding available within the Department. Jobs will be created for the people and the Western Cape Province has a mandate to say that they are open for Business. Hessequa Municipality and the Provincial Department support projects which create jobs for local residents.



**Hessequa Municipal Smart Economic Development Strategy (2022 – 2027)** – Local government must promote social and economic development, and structure its administration, and budgeting and planning processes to promote social and economic development of the community [Constitution of South Africa, 1996]. This SMART economic strategy [SMART strategy] for the Hessequa Municipal Area will be used as an institutional framework to guide decision making pertaining to planning and allocation of resources to promote sustainable local and social economic development. The SMART strategy undergirds the Integrated Development Plan [IDP] and facilitates the paradigm shift from *socially based infrastructure investment to a holistic sustainable local and social economic investment, including infrastructure investment*. It will be used as the investment compass and to facilitate economic and other



partnerships, thus positioning Hessequa in the economic sphere of the Garden Route, the Western Cape, South Africa, and the world. Hessequa Municipality can be classified as a rural municipality, as it expresses symptoms of out migration of skilled workers, high unemployment, few income generating activities, high grant dependency and 100km away from a stable growing economic centre. The constant development of new small businesses in the Municipal area combined with the high unemployment highlights that there is a disjuncture between the real opportunities relating to job creation.

**SMME KICK-START** - Hessequa Municipality LED rolled a SMME funding support project named SMME Kick-Start. The project aimed to assist start-up business and growth seeking SMMEs.

A total of 11 SMMEs benefited in this project. They received equipment, inventory and stock. The municipality has since allocated a budget to sustain the project in the 2022/23 financial year.

**Small scale piggery farmers** - LED has facilitated the formalization of small scale farmer groups that lease municipal land. These farmers are organized and trained about farming co-operatives to prepare them to formalize into primary co-operatives.

Registering as Co-operatives has helped the Isiqalo Piggery Primary Co-op and the Jukani Co-operative to access the support from the Department of Agriculture Land Reform and Rural Development. Isiqalo received storage container, feed and medication for their pigs.

**Tourism Awards and Achievements** - Hessequa was nominated and won the category: Destinations, during the 2021/2022 South Africa Tourism Awards. The awards were a private sector initiative aimed at stimulating tourism after the Covid pandemic. As category winner, Hessequa is recognised as the top destination within South Africa.



**Tourism Events** - Hessequa Tourism Department successfully hosted two trail runs within the Werner Frehse Nature Reserve and in so ensuring that a total of 71 athletes gained access to the facility, in so experiencing the well-maintained trail network which is ideal for running and cycling. Hessequa Tourism also assisted a total of 16 local events with financial grants. The local events included the Hessequa Heritage Trail Run (Stilbaai), Hessequa Harmony Festival (Heidelberg), Riversdale Agricultural Show, Albertinia Mountain Bike Challenge and the Hessequa Art Exhibition (Jongensfontein). Events has the potential to stimulate the local economy by drawing visitors to the region.



**Tourism Monitors Programme** - The Hessequa Tourism Department successfully coordinated seven (7) local youth to the Tourism Monitors Programme, a 12-month programme by the National Department of Tourism. The seven Tourism Monitors received NQF 4 training and was deployed to Stilbaai Tourism, Heidelberg Info Office and Hessequa Municipality as part of the

skills development component. The programme is running from September 2021 until September 2022.

**Tourism Television Media** - The Hessequa Tourism Department successfully invited Dewald Visser, producer of the Afrikaans travel and lifestyle programme, Die Mal Kamper, to film the Duiwenhoks River in Vermaaklikheid during February 2022. This initiative facilitated national television exposure to one of the least visited towns within the Hessequa region.

**Tourism Exhibitions** - The Hessequa Tourism Department attended the World Travel Market Africa, hosted in Cape Town and the Garden Route Outdoor Expo, hosted in Mossel Bay in April 2022. The exhibitions served activation after the Covid pandemic and also yielded some bookings for the wildlife and luxury facilities within Hessequa.





## 3.2 ORGANISATIONAL PERFORMANCE PER IDP OBJECTIVE

### Performance Rating Description

#	Rating	Description
1	R	Poor Performance
2	Y	Target Not Met
3	Gr1	Target Achieved
4	Gr2	Target Over-Achieved
5	B	Very Good Performance

### 3.2.1 COST EFFECTIVE SERVICE DELIVERY

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL145	90% Expenditure of the Approved Capital Budget for the Municipality by end of financial year	83.62	90.00	92.56	Gr2	Target Achieved
TL146	90% Expenditure of the Approved Operational Budget for the Municipality by end of financial year	86.36	90.00	92.32	Gr2	Target Achieved
TL149	% Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering	99.34	90.00	88.00	Y	Services are rendered to all residents within the urban edge of towns, however calculation is based on total households and there are households counted within the rural areas (not within urban edges) to which the municipality does not render electrical services directly. Due to the required calculation method of total households being used as denominator, and not the total amount of households registered for the service, the actual result will be affected negatively.
TL150	% Provision of refuse removal and solid waste disposal for residential account holders	95.60	90.00	93.00	Gr2	Target Achieved

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL151	% Provision of sanitation/sewerage services to residential account holders	91.41	90.00	88.00	Y	Services are rendered to all residents within the urban edge of towns, however calculation is based on total households and there are households counted within the rural areas (not within urban edges) to which the municipality does not render sanitation services directly. Due to the required calculation method of total households being used as denominator, and not the total amount of households registered for the service, the actual result will be affected negatively.
TL152	% Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering	91.45	90.00	85.00	Y	Services are rendered to all residents within the urban edge of towns, however calculation is based on total households and there are households counted within the rural areas (not within urban edges) to which the municipality does not render water services directly. Due to the required calculation method of total households being used as denominator, and not the total amount of households registered for the service, the actual result will be affected negatively.
TL158	The % of registered indigent account holders (poor households) with access to free basic services	98.76	90.00	98.00	B	Target Achieved
TL166	Limit water losses to less than 30% for financial year	7.80	30.00	13.81	Gr2	Target Achieved
TL173	90% Expenditure of the approved Capital Budget of the Technical Department for Financial year	95.86	90.00	94.00	Gr2	Target Achieved
TL174	90% Expenditure of the approved Operational Budget of the Technical Department for financial year	95.00	90.00	94.09	Gr1	Target Achieved
TL182	95% Expenditure of National Electrification Grant spent for Financial Year	96.25	95.00	100.00	B	Target Achieved

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL184	Limit electricity losses to 10% for financial year	10.09	10.00	9.06	Gr2	Target Achieved
TL188	95% Expenditure of Municipal Infrastructure Grant (MIG) for Financial year	100.00	95.00	100.00	B	Target Achieved
TL73	90% Expenditure of Approved budget for maintenance of Municipal camps sites by end of Financial year	96.17	90.00	97.08	Gr2	Target Achieved

### 3.2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL109	Report to Portfolio Committee regarding Harbour Development in Stilbaai	2.00	2.00	2.00	B	Target Achieved
TL116	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1.00	1.00	1.00	Gr1	Target Achieved
TL14	Progress Report on initiatives to improve collection rate of Traffic Fines	4.00	3.00	3.00	Gr1	Target Achieved
TL15	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1.00	1.00	1.00	Gr1	Target Achieved
TL153	Development of an Integrated IDP Process Plan submitted to PC by August annually	1.00	1.00	1.00	Gr1	Target Achieved

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL157	Submission of Final IDP submitted to Council by May of financial year	1.00	1.00	1.00	Gr1	Target Achieved
TL179	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1.00	1.00	1.00	Gr1	Target Achieved
TL48	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1.00	1.00	1.00	Gr1	Target Achieved
TL49	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	58.30	66.00	62.50	Y	Employment equity targets are dealt with in accordance with Council's approved Recruitment and Selection Policy. This target is affected by final decision of Council in terms of employment of Senior Managers (Directors & Municipal Manager)
TL53	Maintain an average vacancy rate of less than 10% of budgeted staff establishment	6.55	10.00	5.40	B	Target Achieved
TL54	Progress Report on Succession Planning Initiatives	2.00	1.00	1.00	Gr1	Target Achieved
TL63	Report on Telephone System Functionality and Trends Report in terms of interruptions	n/a	4.00	4.00	Gr1	Target Achieved
TL65	Revision of Delegation Register by September annually	1.00	1.00	1.00	Gr1	Target Achieved
TL66	Revision of Municipal code annually	1.00	1.00	1.00	Gr1	Target Achieved

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL86	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1.00	1.00	1.00	Gr1	Target Achieved

### 3.2.3 SOCIAL AND ECONOMIC DEVELOPMENT

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL100	Submit a quarterly report indicating progress in terms of tourism programmes to PC	4.00	4.00	4.00	Gr1	Target Achieved
TL103	Evaluate land use applications within 120 days by the Planning Tribunal, after receipt of all relevant information and documents in terms of SPLUMA	39.90	120.00	37.31	B	Target Achieved
TL104	Evaluate land use applications within 60 days by the delegated official, after receipt of all relevant information and documents in terms of SPLUMA	27.80	60.00	23.29	Gr2	Target Achieved
TL108	Progress Report to Portfolio Committee with regards to development of Erf 22 , Riversdale and Riversdale CBD development at Church square	5.00	4.00	4.00	Gr1	Target Achieved
TL16	Formulate and submit Housing funding Applications (PIDs; PFR's, PIRR's) for 2 housing projects on the approved Housing Pipeline to the department of Human Settlements	5.00	2.00	2.00	Gr1	Target Achieved
TL190	Number of work opportunities created through EPWP	262.00	63.00	210.00	B	Target Achieved
TL20	Review the housing Pipeline in Collaboration with the Department of Human Settlements by March annually and submit reviewed pipeline to PC	1.00	1.00	1.00	Gr1	Target Achieved

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL21	Scheduled outreach programmes for all towns in Hessequa to update housing waiting lists	6.00	3.00	7.00	B	Target Achieved
TL25	Transfer of 100 Post 1994 housing scheme title deeds.	10.00	100.00	2.00	R	The Title Deed Transfer programme of Council has been experiencing operational challenges in the allocation of houses to the correct and legitimate/lawful owners of houses. Council has reviewed the allocation policy within the financial year and will results be improved in the coming financial year.
TL26	Transfer of 50 Pre 1994 housing scheme title deeds.	84.00	50.00	44.00	Y	The Title Deed Transfer programme of Council has been experiencing operational challenges in the allocation of houses to the correct and legitimate/lawful owners of houses. Council has reviewed the allocation policy within the financial year and will results be improved in the coming financial year.
TL27	At least 150 Traffic Law Enforcement contraventions issued by Municipal Traffic Law Enforcement Officer issued for road traffic infractions per month	n/a	1800.00	6116.00	B	Target Achieved
TL28	Conduct integrated vehicle checkpoints for Financial year	53.00	24.00	60.00	B	Target Achieved
TL29	Enhancing of Fire Fighting Service by the procurement of Equipment by 90% of the capital budget spent for financial year (TL52)	55.91	90.00	87.40	Y	All products have been procured successfully; the unspent amount reflects as an unexpected saving against the planned budget.
TL3	Implement Thusong Outreach Programmes for financial year	5.00	3.00	5.00	B	Target Achieved
TL37	Receive a performance of not less than 80% for the formal Provincial Audits on the Licensing Agency Services	n/a	80.00	92.00	B	Target Achieved
TL39	Review of the Disaster Management Plan	1.00	1.00	1.00	Gr1	Target Achieved



Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL4	Implementation of Social development initiatives in Hessequa for financial year	12.00	8.00	20.00	B	Target Achieved
TL5	Implementation of Sport Development Initiatives in Hessequa for financial year	12.00	8.00	13.00	B	Target Achieved
TL70	Hold Library exhibitions in Hessequa annually	1140.00	672.00	1381.00	B	Target Achieved
TL76	Approve/reject building plans within 20 days for buildings less than 500m <sup>2</sup> a after all information required is correctly submitted	4.30	20.00	5.67	B	Target Achieved
TL77	Approve/reject building plans within 40 days for buildings larger than 500m <sup>2</sup> after all information required is correctly submitted	n/a	40.00	3.33	B	Target Achieved
TL78	Finalise occupancy certification within 14 days after receipt of all applicable information	3.70	14.00	5.92	Gr2	Target Achieved
TL85	Quarterly report on Development Trends to PC	5.00	4.00	4.00	Gr1	Target Achieved
TL9	75% expenditure of funds allocated for Eradication of Title Deed Transfer Backlogs	n/a	75.00	0.96	R	The Title Deed Transfer programme of Council has been experiencing operational challenges in the allocation of houses to the correct and legitimate/lawful owners of houses. Council has reviewed the allocation policy within the financial year and will results be improved in the coming financial year.
TL95	Establishment and Coordination of the Hessequa Chamber of Commerce	n/a	1.00	1.00	Gr1	Target Achieved

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL98	Submit a progress report on the Slangrivier Transformation Process biannually to Portfolio Committee	2.00	2.00	3.00	B	Target Achieved
TL99	Submit a quarterly report indicating progress in terms of Economic Development programmes to PC	4.00	4.00	4.00	Gr1	Target Achieved

### 3.2.4 FINANCIAL MANAGEMENT

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL117	Submit a liquidity report of the Municipality to the Finance Portfolio Committee by end February annually	1.00	1.00	1.00	Gr1	Target Achieved
TL118	Submit a report on Borrowing Funds and Reserves to the Financial Portfolio committee by February annually	1.00	1.00	1.00	Gr1	Target Achieved
TL119	Unqualified Financial Audit as reported by Auditor General	1.00	1.00	1.00	Gr1	Target Achieved
TL120	95% Spending of Municipal Financial Management Grant by end of June annually	100.00	95.00	100.00	Gr2	Target Achieved
TL134	Management of Income annual payment rate of thresholds higher than 95% for financial year	95.92	95.00	96.52	Gr2	Target Achieved
TL136	Submit a detailed report on the status of handed over accounts	2.00	2.00	4.00	B	Target Achieved

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL68	90% Spending of Municipal Replacement fund (Grant) and Community Library Services Grant by end of June of the financial year	97.47	90.00	94.11	Gr2	Target Achieved

### 3.2.5 ENVIRONMENTAL MANAGEMENT

Ref	Key Indicator Title	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Rating	Performance Comment
TL90	Plan and Manage Environmental Awareness initiatives	New TL Indicator	10.00	17.00	B	Target Achieved

## 4 MUNICIPAL WORKFORCE AND ORGANISATIONAL DEVELOPMENT

At the end of the reporting period the Municipality employed 580 employees (including fixed-term contract employees). These employees, in core and support services, collectively deliver services to the Hessequa region. The success of the Municipality depends upon the motivation and dedication of its workforce. To work diligently, disciplined, and motivated towards quality service delivery must be every employee's purpose and indeed is the undertaking the employee makes when she or he joined the Municipality. This constitutional pledge forms the core of human resource management. The municipality seeks to employ, train, develop, empower and in general create a rewarding employment experience for employees selected to work in the organisation – and in return, the employer expects dedication, discipline, and commitment.

### 4.1 VACANCY RATE AND STAFF ESTABLISHMENT

The staff establishment (posts on paper) is 692 posts. However, not all these posts are funded. 600 posts are funded. At the end of this period there were 20 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 throughout the year a vacancy rate of 4.3% was maintained. This is a decrease of 2,3% from the average the previous year. The decrease is attributed to the challenging employment market, the uncertainty with COVID-19, and the downturn in the economy. The mobility of employees to move between jobs have been restricted.

In addition to the full staff complement, during this period 154 short-term temporary employment opportunities were created. 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 2022	548	32	0	0	3,5%	20,8%	74
May 2022	548	33	4	2	3,5%	20,8%	125
April 2022	550	34	1	3	3,2%	14,1%	102
March 2022	548	36	2	2	3,3%	14,1%	87
February 2022	548	35	0	1	3,4%	14,2%	76

Month	Perm	FT Con	Out	In	% Funded	% Total	TMP/Season
January 2022	547	37	0	0	3,6%	14,1%	90
December 2021	547	36	3	5	3,6%	14,1%	98
November 2021	545	29	8	5	4,9%	15,5%	69
October 2021	540	35	2	7	4,8%	15,4%	154
September 2021	534	36	1	9	5,0%	16,0%	129
August 2021	526	37	0	2	6,4%	17,2%	99
July 2021	524	37	3	0	6,8%	17,5%	18

## 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 2021/22 is 4.4%.

Year	New	Terminations	Turnover Rate
2017/18	40	36	6.6%
2018/19	34	34	6.2%
2019/20	44	37	6.7%
2020/21	48	38	6.7%
2021/22	36	24	4.4%

## 4.3 SICK LEAVE

The number of sick leave days that an employee may take in the Municipality is regulated by collective agreement in the local government sector. The monitoring of sick leave identifies certain patterns or trends within different departments and sections. It can identify problem areas and lead to interventions to rectify and address problems. The total number of workdays lost due to sick leave during this reporting period shows a decrease of 230 days compared to the previous fiscal year. On average 333.5 working days are lost per month. This is 0.5 days per employee per month or an average of 6.9 days per employee per year.

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



Directorates	2019/20	2020/21	2021/22
Office of the MM	15	26	10
Corporate Management	390	787	680
Technical Services	1 835	2507	2578
Community Services	216	345	231
Financial Services	243.5	460	367
Development Planning	79	107	136
<b>Total</b>	<b>2 778</b>	<b>4232</b>	<b>4002</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 fiscal 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 fiscal year during the 2021/22 fiscal year.

## 4.5 Conditions Of Service

A new three-year Salary and Wage collective bargaining agreement was reached in the South African Local Government Bargaining Council (SALGBC) at national level. The agreement was implemented on 1 July 2021 and will terminate on 30 June 2024.

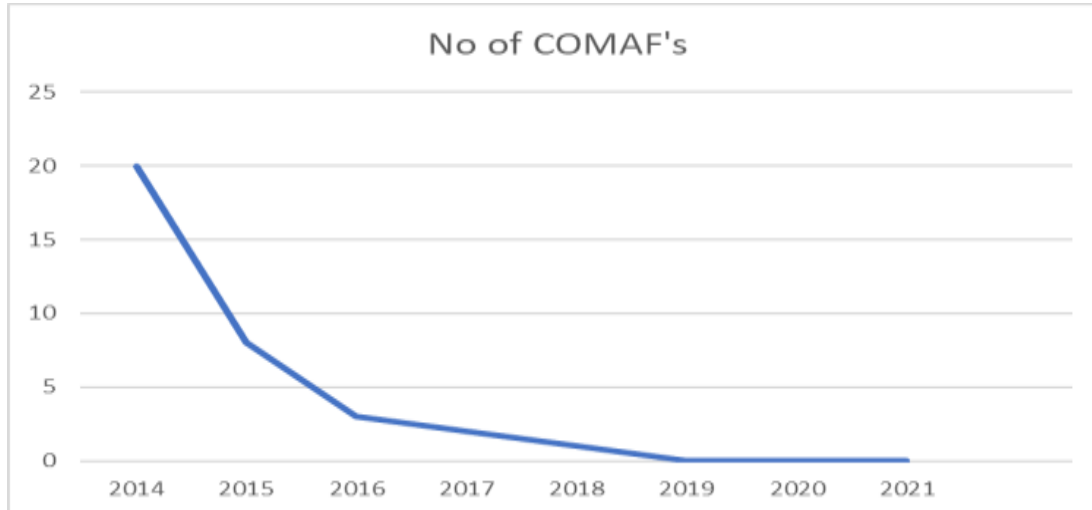
There is pressure on all sectors of the economy to recover from the effects of COVID-19 and arrest the rising inflation rate. National Treasury has emphasised that the public sector must curb growth in salary and wages.

The Conditions of Service for the Western Cape Division of the Bargaining Council is negotiated from time to time and the South African Local Government Association (SALGA), and the Trade Unions are still negotiating amendments. The current agreement has been extended to September 2022. These conditions are complied with.

A Retirement Fund Collective Agreement was reached between the parties to the SALGBC. The agreement will be implemented on 1 July 2022 and terminate on 30 June 2027. As of 1 July 2022, and until 30 December 2022 employees can transfer their pension benefit to an accredited fund of their choice. From 1 January 2023 no employee will be allowed to be a

member of a non-accredited fund. It should be noted that some of the non-accredited pension funds applied for an interdict in the High Court to prohibit the implementation of the collective agreement. The sector will be guided by the Court outcomes.

The recently published Regulations on the Public Audit Amendment Act, particularly with regards to parts that deal with “Material Irregularity” must be noted.



There have been no audit findings in the last three years. There will be adverse finding where municipalities act outside the prescribed regulatory framework and bargaining council collective agreements. It is imperative that the boundaries of the collective agreements and the requirements of the Regulations 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 Bursary and Sexual Harassment policies were reviewed and will be tabled at the July 2022 Council meeting for final approval.

The Municipal Staff Regulations were promulgated in the Government Gazette of 20 September 2021 and will be implemented on 1 July 2022. The Regulations provides guidance with regards to:

- Staff establishments, job descriptions and evaluations
- Recruitment and selection, appointment of staff
- Performance management and development system
- Skills development
- Dispute resolution
- Disciplinary Code and procedures
- Remuneration matters

The Regulations will replace the Recruitment and Selection, Acting Allowance, Training and Development, as well as the Internal and External Bursary policies of the Municipality. The Internal and External Bursary policy was reviewed and consolidated into one policy.

The new Regulations require standardised personnel practices to be put in place. The Municipal Staff Regulations is key legislation that will ensure fair and transparent human resource practices in all Municipalities across the Republic.

## 4.7 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>	48	479	0	59	586
<b>% For Positions filled</b>	8.2%	81.7%	0%	10.1%	100%

The percentage employees from previously disadvantaged groups in Top Management (Directors and Municipal Manager) changed from the previous year due to the Municipal Manager retiring December 2021. The current profile comprises 1 white male, 2 white females and 2 coloured males in the top management team of 6.

One African male was appointed as Senior Manager within this fiscal year.

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
<b>Top Management</b>	0	2	0	1	0	0	0	2	5
<b>%</b>	0	40	0	20	0	0	0	40	100
<b>Snr Management</b>	1	7	0	8	0	2	0	1	19
<b>%</b>	5.3	36.8	0	42.1	0	10.5	0	5.3	100

## 4.8 Managing The Municipal Workforce

Managing the municipal workforce refers to the post-recruitment period when the human capital 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.

#### 4.8.1 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 serves as the Chairperson of the Health & Safety Co-ordinating Committee that meets on a quarterly basis. There was an increase of 2 incidents, compared to last year, in the number of workplace injuries.

The Department of Labour have conducted various inspection of the municipal worksites since 2019. There is good compliance with the requirements of the Occupational Health and Safety Act but still challenges with Certificates of Compliance (COC's) for all municipal buildings. This is being addressed. There were no serious injuries during the 2021/22 fiscal year. The following table indicates the total number of injuries on duty reported within the different departments:

Directorates	2020/21	2021/22
Office of the Municipal Manager	0	0
Corporate Management	5	3
Technical Services	57	63
Community Services	2	0
Financial Services	1	0
Development Planning	0	1
<b>Total</b>	<b>65</b>	<b>67</b>

The Workman's Compensation Commissioner has failed to perform his/her functions and responsibilities towards compensation for injuries on duty towards the Municipality. Despite numerous requests and petitions, compensation due to the Municipality remains unpaid.

#### 4.8.2 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 fiscal 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 fiscal year end as the National and Local Government fiscal years differ. The training interventions and expenditure reported hereunder is for the LGSETA Workplace Skills Plan period May 2021 to April 2022.

The table below indicates that a total amount of R610 000 was allocated towards the implementation of the workplace skills plan and that 121.7 % of the total amount was spent from 1 May 2021 to 30 April 2022. The Municipality received additional funding from LGSETA which resulted in over 100% expenditure.

Total personnel budget	Total Allocated	Total Spent	% of allocation spent
R211 875 223	R610 000	R 742 489	121.7%

The Skills Development Facilitator facilitated all the required COVID-19 protocols for training sessions and managed to safely roll out all this training amidst the COVID-19 pandemic. The table below shows the training interventions per occupational categories for the WSP Period 1 May 2021 to 30 April 2022.

Category	Gender	Target	Actual
<b>Managers</b>	Female	2	1
	Male	10	14
<b>Professionals</b>	Female	4	3
	Male	7	7
<b>Technicians and Associate Professionals</b>	Female	1	0
	Male	50	36
<b>Clerical Support Workers</b>	Female	5	5
	Male	0	2
<b>Service Workers</b>	Female	0	2
	Male	13	28
<b>Skilled Workers</b>	Female	0	0
	Male	32	29
<b>Plant and Machine Operators</b>	Female	2	1
	Male	15	33
<b>Elementary Occupations</b>	Female	8	10
	Male	99	158
<b>Sub total</b>	Female	22	22
	Male	215	309
<b>Total</b>		<b>248</b>	<b>331</b>

### 4.8.3 CREATING A LEARNING ORGANISATION

A Personal Development Plan for 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. The SDF is currently busy reviewing all PDPs.

During this reporting period fourteen (14) external bursaries were offered to students from the local community. Funding for this is from the Municipality and the Western Cape Provincial Government.

#### 4.8.4 MFMA COMPETENCIES

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

The compliance is as follows compared to Provincial and National level:

POSITION	National %	Provincial %	Hessequa %
Accounting Officer	72%	90%	Vacant
Chief Financial Officer - Municipality	60%	69%	0%
Senior Manager (MSA S56)	62%	70%	75%
Head of Supply Chain Management unit	65%	85%	100%
Supply Chain Management Manager	78%	83%	100%
Middle Manager: Finance	72%	75%	100%

#### 4.9 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	
2020/21	195 534	488 511	40,03%
2021/22	200 563	549 553	36,50%

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

Financial year Description	2020/21	2021/22	
	Actual R'000	Approved Budget R'000	Actual R'000
<b><u>Councillors</u></b>			
Basic Salary	5 501	7 114	5 855
UIF, Medical and Pension Fund	632	759	573



Financial year Description	2020/21	2021/22	
	Actual	Approved Budget	Actual
	R'000	R'000	R'000
Vehicle	1 025	1 230	782
Cell phone Allowance	681	904	720
Housing	–	–	–
Performance	–	–	–
Other Benefits And Allowances	–	–	–
Benefits	–	–	–
<b>Sub Total</b>	<b>7 839</b>	<b>10 007</b>	<b>7 930</b>
<i>% increase/(decrease)</i>			
<b><u>Senior Managers of the Municipality</u></b>			
Salary	6 030	6 432	5 738
UIF, Medical Aid– and Pension Contributions	1 302	1 338	1 176
Motor Vehicle Allowance	537	537	519
Cell phone Allowance	43	50	43
Housing allowance	–	–	–
Performance Bonus	1 004	1 168	1 102
Other Benefits and Allowances	153	39	185
Benefits	–	–	–
<b>Sub Total</b>	<b>9 069</b>	<b>9 566</b>	<b>8 763</b>
<i>% increase/(decrease)</i>			
<b><u>Other Municipal Staff</u></b>			
Basic Salaries and Wages	120 443	140 454	130 879
UIF, Medical Aid– and Pension Contributions	25 977	32 160	28 166
Motor Vehicle Allowance	3 827	4 695	4 270
Cell phone Allowance	308	361	354
Housing Allowances	1 294	632	721
Overtime	6 376	6 197	7 090
Other Benefits And Allowances	6 750	6 841	6 268
Post-retirement	13 651	8 945	6 121
<b>Sub Total</b>	<b>178 927</b>	<b>201 285</b>	<b>183 869</b>
<b>Total Municipality</b>	<b>195 534 451</b>	<b>220 858 175</b>	<b>200 562 534</b>
<i>% increase/ (decrease)</i>			<b>3%</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

Statement of Financial Performance (Figures in Rand)									
Revenue		Original Budget	Budget Adjustments	Final Adjustment Budget	Virement	Final Budget	Actual amounts on comparable basis	Actual Outcome as % of Final Budget	Reference
							<b>434 868 965</b>		<b>Note 56</b>
Property Rates		104 190 958	100 000	104 290 958	0	104 290 958	112 849 907	-8,21%	
Availability Charges		11 880 566	0	11 880 566	0	11 880 566	10 446 531	12,07%	
Service Charges - Electricity Revenue		180 956 514	0	180 956 514	0	180 956 514	185 888 273	-2,73%	
Service Charges - Water Revenue		41 859 980	0	41 859 980	0	41 859 980	46 252 220	-10,49%	
Service Charges - Sanitation Revenue		22 046 140	0	22 046 140	0	22 046 140	25 482 338	-15,59%	
Service Charges - Refuse Revenue		27 535 387	-25 000	27 510 387	0	27 510 387	31 168 533	-13,30%	
Rental of Facilities and Equipment		3 196 282	-89 400	3 106 882	0	3 106 882	3 400 720	-9,46%	
Interest Earned - External Investments		13 500 000	0	13 500 000	0	13 500 000	19 380 443	-43,56%	
Interest Earned - Outstanding Debtors		582 835	0	582 835	0	582 835	2 371 920	-306,96%	
Fines		54 401 661	1 698 913	56 100 574	0	56 100 574	61 931 662	-10,39%	
Licences and Permits		1 928 486	0	1 928 486	0	1 928 486	1 988 190	-3,10%	
Agency Services		2 598 502	0	2 598 502	0	2 598 502	2 893 648	-11,36%	
Transfers Recognised - Operational		68 460 778	7 778 692	76 239 470	120 000	76 359 470	65 117 331	14,72%	
Other Revenue		19 757 802	-17 146	19 740 656	0	19 740 656	23 021 119	-16,62%	
Profit/(Loss) on Fair Value Adjustments		0	0	0	0	0	17 487 157		
Contributed Property, Plant and Equipment		0	0	0	0	0	123 000		
IGRAP2 Adjustment		0	0	0	0	0	0		

**Statement of Financial Performance (Figures in Rand)**

Revenue	Original Budget	Budget Adjustments	Final Adjustment Budget	Virement	Final Budget	Actual amounts on comparable basis	Actual Outcome as % of Final Budget	Reference
Gains on Disposal of PPE	10 000 000		10 000 000	0	10 000 000	9 787 021	2,13%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>562 895 891</b>	<b>9 446 059</b>	<b>572 341 950</b>	<b>120 000</b>	<b>572 461 950</b>	<b>619 590 013</b>		

**Expenditure**

Employee Related Costs	207 840 721	1 199 292	209 040 013	0	209 040 013	192 632 564	7,85%	Exp 5
Remuneration of Councillors	10 007 468	0	10 007 468	0	10 007 468	7 929 971	20,76%	
Debt Impairment	59 604 886	80 198	59 685 084	700 000	60 385 084	57 010 549	5,59%	
Depreciation and Asset Impairment	35 870 126	0	35 870 126	0	35 870 126	28 611 057	20,24%	Exp 1
Finance Charges	24 334 705	0	24 334 705	0	24 334 705	19 487 523	19,92%	Exp 2
Bulk Purchases	141 337 303	26 000	141 363 303	0	141 363 303	141 118 373	0,17%	Exp6
Other Materials	34 456 809	222 238	34 679 047	503 869	35 182 916	32 245 166	8,35%	
Contracted Services	40 964 150	6 267 060	47 231 210	-151 722	47 079 488	35 239 678	25,15%	
Transfers and Grants	2 028 460	2 148 480	4 176 940	-390 000	3 786 940	3 444 891	9,03%	Exp 3
Other Expenditure	40 265 221	-473 276	39 791 945	-542 147	39 249 798	31 568 631	19,57%	Exp 4
Impairment Loss	0	0	0	0	0	10 421 426		
<b>Total Expenditure</b>	<b>596 709 849</b>	<b>9 469 992</b>	<b>606 179 841</b>	<b>120 000</b>	<b>606 299 841</b>	<b>559 709 827</b>		

<b>Surplus/(Deficit)</b>	<b>-33 813 958</b>	<b>-23 933</b>	<b>-33 837 891</b>	<b>0</b>	<b>-33 837 891</b>	<b>59 880 186</b>		
Transfers Recognised - Capital	48 221 950	27 041 424	75 263 374	0	75 263 374	73 799 679	98,06%	
Contributed Assets	0	25 000	25 000	0	25 000	0	0,00%	
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>14 407 992</b>	<b>27 042 491</b>	<b>41 450 483</b>	<b>0</b>	<b>41 450 483</b>	<b>133 679 865</b>		

<b>Surplus/(Deficit) for the year</b>	<b>14 407 992</b>	<b>27 042 491</b>	<b>41 450 483</b>	<b>0</b>	<b>41 450 483</b>	<b>133 679 865</b>		
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HESSEQUA LOCAL MUNICIPALITY								
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS								
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022								
	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	2022 R	%
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash		5 489 769	(1 500 000)	3 989 769		3 989 769	2 571 259	-35.55%
Call Investment Deposits		212 974 009	42 530 985	255 504 994		255 504 994	360 105 001	40.94%
Consumer Debtors		33 307 928	-	33 307 928		33 307 928	31 993 698	-3.95%
Other Debtors		21 083 081	-	21 083 081		21 083 081	25 558 560	21.23%
Current Portion of long-term receivables		3 432	-	3 432		3 432	-	-100.00%
Inventory		2 800 715	672 640	3 473 355		3 473 355	4 274 332	23.06%
<b>Total Current Assets</b>	<b>49.2.1</b>	<b>275 658 934</b>	<b>41 703 625</b>	<b>317 362 559</b>	<b>-</b>	<b>317 362 559</b>	<b>424 502 850</b>	<b>33.76%</b>
<b>Non-Current Assets</b>								
Long-term Receivables		3 823	-	3 823		3 823	-	-100.00%
Investment Property		73 606 414	-	73 606 414		73 606 414	91 486 333	24.29%
Property, Plant and Equipment		1 027 614 552	(67 500 301)	960 114 251		960 114 251	994 021 702	3.53%
Intangible Assets		309 788	-	309 788		309 788	409 009	32.03%
Other Non-Current Assets		8 321 875	-	8 321 875		8 321 875	8 519 162	2.37%
<b>Total Non-Current Assets</b>	<b>49.2.2</b>	<b>1 109 856 452</b>	<b>(67 500 301)</b>	<b>1 042 356 151</b>	<b>-</b>	<b>1 042 356 151</b>	<b>1 094 436 206</b>	<b>5.00%</b>
<b>TOTAL ASSETS</b>		<b>1 385 515 386</b>	<b>(25 796 676)</b>	<b>1 359 718 710</b>	<b>-</b>	<b>1 359 718 710</b>	<b>1 518 939 057</b>	<b>11.71%</b>
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Borrowing		23 296 470	-	23 296 470		23 296 470	21 811 998	-6.37%
Consumer Deposits		9 438 069	-	9 438 069		9 438 069	11 575 638	22.65%
Trade and Other Payables		53 319 069	17 563 371	70 882 440		70 882 440	61 669 385	-13.00%
Provisions		9 288 375	12 574 421	21 862 796		21 862 796	22 639 048	3.55%
<b>Total Current Liabilities</b>	<b>49.2.3</b>	<b>95 341 983</b>	<b>30 137 792</b>	<b>125 479 775</b>	<b>-</b>	<b>125 479 775</b>	<b>117 696 068</b>	<b>-6.20%</b>
<b>Non-Current Liabilities</b>								
Borrowing		179 937 131	(41 625 001)	138 312 130		138 312 130	130 488 308	-5.66%
Provisions		166 230 671	(54 861 517)	111 369 154		111 369 154	133 219 455	19.62%
<b>Total Non-Current Liabilities</b>	<b>49.2.4</b>	<b>346 167 802</b>	<b>(96 486 518)</b>	<b>249 681 284</b>	<b>-</b>	<b>249 681 284</b>	<b>263 707 763</b>	<b>5.62%</b>
<b>TOTAL LIABILITIES</b>		<b>441 509 785</b>	<b>(66 348 726)</b>	<b>375 161 059</b>	<b>-</b>	<b>375 161 059</b>	<b>381 403 831</b>	<b>1.66%</b>
<b>NET ASSETS</b>								
Accumulated Surplus/(Deficit)		943 462 498	40 552 050	984 014 548		984 014 548	1 136 992 123	15.55%
Reserves		543 103	-	543 103		543 103	543 103	0.00%
<b>TOTAL NET ASSETS</b>		<b>944 005 601</b>	<b>40 552 050</b>	<b>984 557 651</b>	<b>-</b>	<b>984 557 651</b>	<b>1 137 535 226</b>	<b>15.54%</b>

The table below indicates the summary of the financial performance for the 2021/2022 financial year:

Financial Summary						
R'000						
Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	101 568	104 191	104 291	112 850	8 659	8 559
Service charges	256 212	284 279	272 373	288 791	4 513	16 418
Investment revenue	14 048	13 500	13 500	19 380	5 880	5 880
Transfers recognised - operational	63 329	68 461	76 359	65 117	3 343	11 242
Other own revenue	93 832	92 466	105 939	133 451	40 985	27 512
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>528 988</b>	<b>562 896</b>	<b>572 462</b>	<b>619 590</b>	<b>56 694</b>	<b>47 128</b>
Employee costs	189 432	207 841	209 040	195 043	12 798	13 997
Remuneration of councillors	7 839	10 007	10 007	7 930	2 077	2 077
Depreciation & asset impairment	27 087	35 870	35 870	28 611	7 259	7 259
Finance charges	14 925	24 335	24 335	19 488	4 847	4 847
Materials and bulk purchases	148 975	175 794	176 546	173 364	2 431	3 183
Transfers and grants	1 973	2 028	3 787	3 445	(1 416)	342
Loss on disposal of PPE						
Other expenditure	106 306	140 834	146 714	131 830	9 005	14 885
<b>Total Expenditure</b>	<b>496 535</b>	<b>596 710</b>	<b>606 300</b>	<b>559 710</b>	<b>37 000</b>	<b>46 590</b>
<b>Surplus/(Deficit)</b>	<b>32 453</b>	<b>(33 814)</b>	<b>(33 838)</b>	<b>59 880</b>	<b>93 694</b>	<b>93 718</b>
Transfers recognised - capital	20 560	48 222	75 263	73 800	25 578	1 464
Contributions recognised - capital & contributed assets	315		25			25
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>53 328</b>	<b>14 408</b>	<b>41 450</b>	<b>133 680</b>	<b>119 272</b>	<b>92 229</b>
Share of surplus/ (deficit) of associate						
<b>Surplus/(Deficit) for the year</b>	<b>53 328</b>	<b>14 408</b>	<b>41 450</b>	<b>133 680</b>	<b>119 272</b>	<b>92 229</b>

<b>Financial Summary</b>						
<b>R'000</b>						
<b>Description</b>	<b>2020/21</b>	<b>2021/22</b>			<b>2021/22 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><u>Capital expenditure &amp; funds sources</u></b>						
<b><u>Capital expenditure</u></b>						
Transfers recognised - capital	20 025	48 495	75 288	72 527	24 032	2 761
Public contributions & donations	108			123	123	123
Borrowing	55 643	46 929			46 929	
Internally generated funds	19 261	11 873	48 630	42 018	30 146	6 612
<b>Total sources of capital funds</b>	<b>95 037</b>	<b>107 297</b>	<b>123 919</b>	<b>114 669</b>	<b>7 371</b>	<b>9 250</b>
<b><u>Financial position</u></b>						
Total current assets	408 275	275 659	317 363	424 503	148 844	107 140
Total non-current assets	975 870	1 109 856	1 042 356	1 094 436	15 420	52 080
Total current liabilities	127 212	95 342	125 480	117 696	22 354	7 784
Total non current liabilities	253 078	346 168	249 681	263 708	82 460	14 026
Community wealth/Equity	1 003 855	944 006	984 558	1 137 535	193 530	152 978
<b><u>Cash flows</u></b>						
Net cash from (used) operating	118 096	74 636	81 617	141 673	67 037	60 056
Net cash from (used) investing	93 714	93 068	113 919	104 369	11 301	9 550
Net cash from (used) financing	68 655	23 255	23 296	23 297	46 552	1
<b>Cash/cash equivalents at the year end</b>	<b>348 669</b>	<b>218 464</b>	<b>259 495</b>	<b>362 676</b>	<b>9 751</b>	<b>70</b>
<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available	348 669	218 464	259 495	362 676	144 212	103 181
Application of cash and investments	4 164	21 334	22 035	4 346	16 987	17 689
<b>Balance - surplus (shortfall)</b>	<b>352 833</b>	<b>197 130</b>	<b>237 459</b>	<b>358 330</b>	161 200	120 871
<b><u>Asset management</u></b>						
Asset register summary (WDV)	975 870	1 109 853	960 424	1 094 436	15 416	134 012
Depreciation & asset impairment	27 087	35 870	35 870	28 611	7 259	7 259

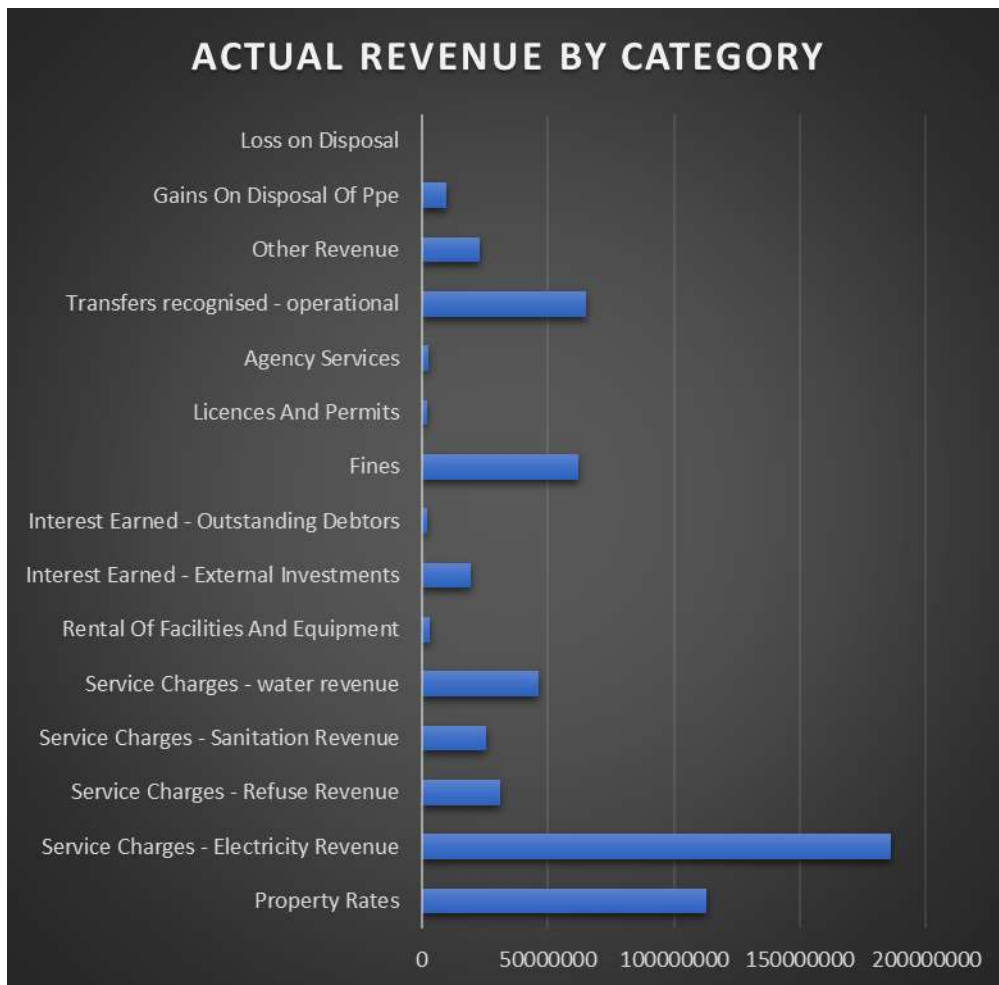


Financial Summary						
R'000						
Description	2020/21	2021/22		2021/22 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Renewal of Existing Assets	9 011	48 956	48 010	2 875	46 081	45 135
Repairs and Maintenance	82 273	94 549	96 910	87 489	7 059	9 420
Free services						
Cost of Free Basic Services provided	5 561	6 466	6 466	6 613	148	148
Revenue cost of free services provided	42 516	39 757	39 757	43 949	4 192	4 192
<i>Variances are equal to actual minus original- and adjusted budget</i>						

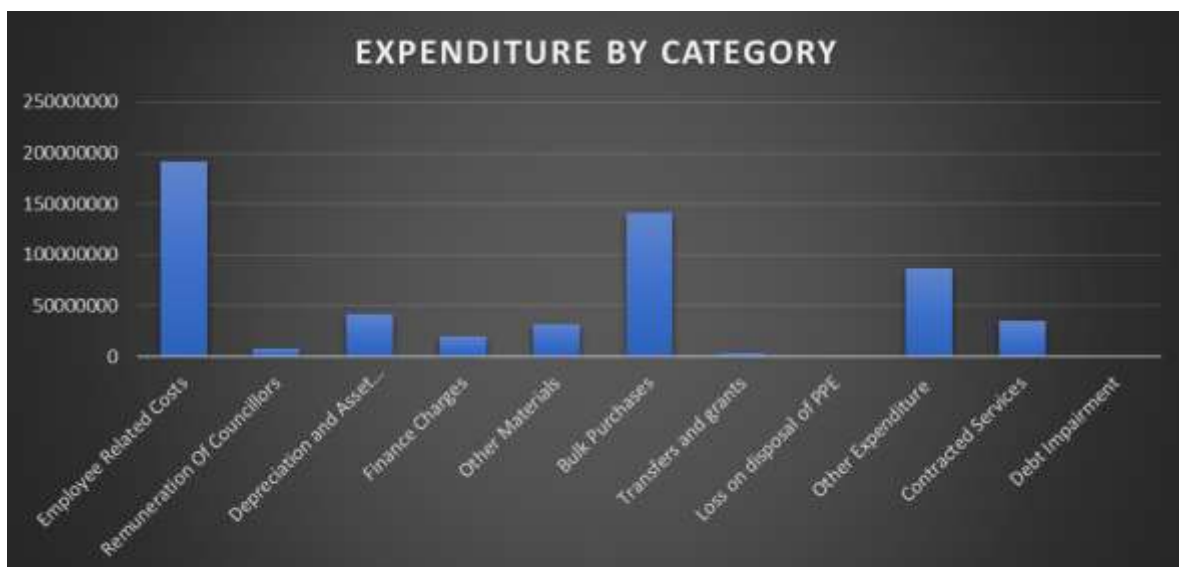
The table below shows a summary of performance against budgets:

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	%
2020/21	539 338	549 863	(10 525)	<b>101,95%</b>	576 532	496 535	79 997	<b>86,12%</b>
2021/22	572 462	619 590	(47 128)	<b>108,23%</b>	606 300	559 710	46 590	<b>92,32%</b>

The following graph indicates the revenue by source actuals for 2021/2022.



The following graph indicates the expenditure by type actuals for 2021/22.



## 5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by Vote:

Vote Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote1 - Executive and Council	51 034	49 943	52 523	52 273	(2 330)	250
Vote2 - Internal Audit						
Vote3 - Finance and Admin	128 438	124 268	127 368	159 794	(35 526)	(32 426)
Vote4 - Planning and Development	4 142	12 309	13 069	16 076	(3 767)	(3 007)
Vote5 - Public Safety	9	59 244	25	(22)	59 266	47
Vote6 – Health *						
Vote7 - Community and Social Services	9 591	10 516	11 146	10 390	126	756
Vote8 - Sports and Recreation	15 018	14 927	15 425	15 399	(472)	26
Vote9 - Housing	3 156	35 156	61 073	52 626	(17 470)	8 446
Vote 10 - Waste Management	27 683	27 603	27 578	31 554	(3 951)	(3 976)
Vote11 - Road Transport	61 645	1 095	65 367	68 944	(67 849)	(3 577)
Vote12 - Waste Water Management	27 066	35 628	35 935	39 456	(3 828)	(3 522)
Vote13 - Water Management	46 282	47 881	45 346	49 800	(1 918)	(4 454)
Vote14 - Energy Sources	175 666	191 882	192 230	196 471	(4 590)	(4 241)
Vote15 - Environmental Protection	513	665	665	625	40	40
Vote16 - Other				2	(2)	(2)
<b>Total Revenue by Vote</b>	<b>550 242</b>	<b>611 118</b>	<b>647 750</b>	<b>693 390</b>	<b>(82 272)</b>	<b>(45 639)</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 2021/2022 financial year:

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	101 568	104 191	104 291	112 850	(8 659)	(8 559)
Property rates - penalties & collection charges						
Availability Charges			11 881	10 447	(10 447)	1 434

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Service Charges - electricity revenue	169 918	187 274	180 957	185 888	1 386	(4 932)
Service Charges - water revenue	45 366	44 549	41 860	46 252	(1 704)	(4 392)
Service Charges - sanitation revenue	25 629	24 921	22 046	25 482	(562)	(3 436)
Service Charges - refuse revenue	25 980	27 535	27 510	31 169	(3 633)	(3 658)
Service Charges - other						
Rental of facilities and equipment	3 116	3 196	3 107	3 401	(204)	(294)
Interest earned - external investments	14 048	13 500	13 500	19 380	(5 880)	(5 880)
Interest earned - outstanding debtors	2 140	583	583	2 372	(1 789)	(1 789)
Dividends received						
Fines	55 690	54 402	56 101	61 932	(7 530)	(5 831)
Licences and permits	1 877	1 928	1 928	1 988	(60)	(60)
Agency services	2 641	2 599	2 599	2 894	(295)	(295)
Transfers recognised - operational	63 329	68 461	76 359	65 117	3 343	11 242
Other revenue	16 165	19 758	19 741	23 021	(3 263)	(3 280)
Gains on disposal of PPE	1 521	10 000	10 000	9 787	213	213
Profit/(Loss) on Fair Value Adjustments				17 487	(17 487)	(17 487)
Contributed Property, Plant and Equipment				123	(123)	(123)
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>528 988</b>	<b>562 896</b>	<b>572 462</b>	<b>619 590</b>	<b>(56 571)</b>	<b>(47 005)</b>
<i>Variances are equal to actual minus original- and adjusted budget (EXCLUDING CAPITAL GRANTS)</i>						

### 5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2021/22 financial year:

Description	2020/21	2021/22		2021/22 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Operating Cost</b>						
Water Management	13 028	8 543	6 632	11 373	(2 831)	(4 741)
Wastewater Management	1 374	6 118	5 965	9 319	(3 200)	(3 353)
Energy Sources	24 694	9 038	8 557	22 430	(13 392)	(13 872)
Waste Management	5 397	(7 642)	(7 611)	5 015	(12 656)	(12 625)
Housing	1 354	27 737	50 124	50 708	(22 971)	(585)
<b>Component A: sub-total</b>	<b>45 847</b>	<b>43 794</b>	<b>63 668</b>	<b>98 844</b>	<b>(55 050)</b>	<b>(35 177)</b>
Wastewater (Storm water Drainage)						
Road Transport	(44 277)	(48 708)	(47 473)	(43 736)	(4 971)	(3 737)
Transport						
<b>Component B: sub-total</b>	<b>(44 277)</b>	<b>(48 708)</b>	<b>(47 473)</b>	<b>(43 736)</b>	<b>(4 971)</b>	<b>(3 737)</b>
Planning And Development	(5 127)	329	1 110	5 549	(5 220)	(4 440)
Other	(941)	(1 231)	(1 231)	(1 190)	(40)	(40)
<b>Component C: sub-total</b>	<b>(6 068)</b>	<b>(901)</b>	<b>(121)</b>	<b>4 359</b>	<b>(5 260)</b>	<b>(4 480)</b>
Community And Social Services	(9 911)	(11 486)	(11 363)	(10 084)	(1 402)	(1 279)
Environmental Protection	(4 371)	(4 957)	(4 789)	(4 555)	(403)	(235)
Health						
Public Safety	(7 515)	(17 287)	(17 574)	(11 651)	(5 636)	(5 923)
Sport And Recreation	(6 978)	(11 849)	(10 806)	(9 367)	(2 482)	(1 439)
Finance And Administration	69 483	48 671	51 829	85 102	(36 431)	(33 273)
Executive And Council	19 114	19 114	20 063	26 615	(7 501)	(6 552)
Internal Audit	(1 721)	(1 984)	(1 984)	(1 848)	(136)	(136)
<b>Component D: sub-total</b>	<b>58 101</b>	<b>20 223</b>	<b>25 377</b>	<b>74 213</b>	<b>(53 991)</b>	<b>(48 836)</b>
<b>Net</b>	<b>53 603</b>	<b>14 408</b>	<b>41 450</b>	<b>133 680</b>	<b>(119 272)</b>	<b>(92 229)</b>
<i>In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are equal to actual minus original- and adjusted budget</i>						

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

### 5.2.1 WATER SERVICES

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Water Management</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>46 692</b>	<b>47 881</b>	<b>45 346</b>	<b>49 857</b>	<b>(4 511)</b>
Expenditure:					
Employees	12 434	13 063	13 063	13 560	(497)
Inventory	9 457	12 370	11 703	9 769	1 934
Depreciation and amortisation	3 786	4 290	4 290	4 169	121
Bulk Purchases	83	403	371	83	287
Interest Paid	1 606	2 795	2 795	2 659	135
Bad debts	2 673	2 506	2 748	3 878	(1 130)
Contracted Services	1 585	2 021	1 970	1 646	325
Loss on Disposal of PPE				57	(57)
Water losses	410			963	(963)
Impairment Loss					
Gains/(Loss) on Sale of Fixed Assets					
General Expenses	1 631	1 890	1 774	1 699	75
<b>Total Operational Expenditure</b>	<b>33 665</b>	<b>39 339</b>	<b>38 714</b>	<b>38 484</b>	<b>230</b>
<b>Net</b>	<b>13 028</b>	<b>8 543</b>	<b>6 632</b>	<b>11 373</b>	<b>(4 741)</b>
<i>Variances equal to actual minus adjustment budget (INCLUDING CAPITAL GRANTS)</i>					

### 5.2.2 WASTEWATER / SANITATION SERVICES

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Wastewater Management</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>27 077</b>	<b>35 628</b>	<b>35 935</b>	<b>39 479</b>	<b>(3 545)</b>
Expenditure:					
Employees	11 545	12 807	12 807	12 579	227
Inventory	2 000	2 795	2 642	2 597	44
Depreciation and amortisation	5 177	5 719	5 719	5 256	464
Bulk Purchases					
Interest Paid	2 480	3 669	3 669	3 553	116
Bad debts	1 184	1 084	1 256	2 530	(1 274)
Contracted Services	2 308	2 038	2 660	2 510	150
Loss on Disposal of PPE	10			23	(23)
Gains/(Loss) on Sale of Fixed Assets					



Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Wastewater Management</b>	<b>R'000</b>				
Impairment Loss					
General Expenses	997	1 398	1 216	1 112	104
<b>Total Operational Expenditure</b>	<b>25 702</b>	<b>29 510</b>	<b>29 969</b>	<b>30 161</b>	<b>(191)</b>
<b>Net</b>	<b>1 374</b>	<b>6 118</b>	<b>5 965</b>	<b>9 319</b>	<b>(3 353)</b>
<i>Variances equal to actual minus adjustment budget</i>					

### 5.2.3 ELECTRICAL SERVICES

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Energy Sources</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>175 870</b>	<b>191 882</b>	<b>192 230</b>	<b>196 490</b>	<b>(4 260)</b>
Expenditure:					
Employees	11 812	16 071	16 230	13 247	2 983
Inventory	2 625	3 053	3 735	3 747	(12)
Depreciation and amortisation	3 053	3 838	3 838	3 752	86
Bulk Purchases	122 254	141 337	141 363	141 118	245
Interest Paid	4 095	5 470	5 470	4 922	548
Bad debts	2 062	6 362	6 557	967	5 589
Contracted Services	1 075	1 888	1 625	1 400	225
Loss on Disposal of PPE	203			19	(19)
Inventories: (write-down)/Reversal of write-down to Net Realisable value					
Impairment Loss				298	(298)
General Expenses	3 996	4 824	4 855	4 591	264
<b>Total Operational Expenditure</b>	<b>151 176</b>	<b>182 844</b>	<b>183 673</b>	<b>174 061</b>	<b>9 612</b>
<b>Net</b>	<b>24 694</b>	<b>9 038</b>	<b>8 557</b>	<b>22 430</b>	<b>(13 872)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.4 SOLID WASTE MANAGEMENT

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Management	R'000				
<b>Total Operational Revenue</b>	<b>27 096</b>	<b>27 603</b>	<b>27 578</b>	<b>31 554</b>	<b>(3 976)</b>
Expenditure:					
Employees	11 751	13 533	13 642	12 422	1 220
Inventory	1 798	2 365	2 226	2 221	5
Depreciation and amortisation	642	5 630	5 630	1 426	4 203
Bulk Purchases					
Interest Paid	3 498	7 665	7 665	4 230	3 436
Bad debts	1 309	1 500	1 672	2 643	(971)
Contracted Services	2 180	2 830	2 669	2 495	173
Loss on Disposal of PPE	(587)				
Impairment Loss					
General Expenses	1 108	1 722	1 685	1 102	583
<b>Total Operational Expenditure</b>	<b>21 699</b>	<b>35 245</b>	<b>35 189</b>	<b>26 540</b>	<b>8 649</b>
<b>Net</b>	<b>5 397</b>	<b>(7 642)</b>	<b>(7 611)</b>	<b>5 015</b>	<b>(12 625)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.5 HOUSING

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Housing	R'000				
<b>Total Operational Revenue</b>	<b>3 156</b>	<b>35 156</b>	<b>61 073</b>	<b>52 626</b>	<b>8 446</b>
Expenditure:					
Employees	1 610	1 899	1 899	1 676	223
Inventory					
Depreciation and amortisation	7	7	7	6	1
Bulk Purchases					
Interest Paid					
Bad debts	99			25	(25)
Contracted Services	33	5 420	8 950	153	8 798
Loss on Disposal of PPE					
Impairment Loss					
General Expenses	52	92	92	57	35
<b>Total Operational Expenditure</b>	<b>1 801</b>	<b>7 418</b>	<b>10 949</b>	<b>1 918</b>	<b>9 031</b>
<b>Net</b>	<b>1 354</b>	<b>27 737</b>	<b>50 124</b>	<b>50 708</b>	<b>(585)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.6 ROADS

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Road Transport</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>62 667</b>	<b>1 095</b>	<b>4 477</b>	<b>3 637</b>	<b>840</b>
Expenditure:					
Employees	33 112	25 630	26 720	23 186	3 534
Inventory	5 864	6 261	6 342	6 300	42
Depreciation and amortisation	9 032	9 498	9 498	9 008	490
Bulk Purchases					
Interest Paid	2 794	3 499	3 499	3 101	398
Bad debts	45 546				
Contracted Services	7 311	2 837	3 970	3 965	5
Loss on Disposal of PPE	1 022			27	(27)
Impairment Loss					
General Expenses	2 263	2 079	1 922	1 787	135
<b>Total Operational Expenditure</b>	<b>106 944</b>	<b>49 803</b>	<b>51 951</b>	<b>47 374</b>	<b>4 577</b>
<b>Net</b>	<b>(44 277)</b>	<b>(48 708)</b>	<b>(47 473)</b>	<b>(43 736)</b>	<b>(3 737)</b>
<i>Variations equal to actual minus adjustment budget</i>					

## 5.2.7 PLANNING

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Planning And Development</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>4 145</b>	<b>12 309</b>	<b>13 069</b>	<b>16 079</b>	<b>(3 010)</b>
Expenditure:					
Employees	8 145	9 655	9 722	9 415	308
Inventory	70	107	111	86	25
Depreciation and amortisation	34	37	37	36	1
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	405	1 263	1 093	556	537
Loss on Disposal of PPE	4			3	(3)
Impairment Loss					
General Expenses	613	918	997	435	562
<b>Total Operational Expenditure</b>	<b>9 272</b>	<b>11 980</b>	<b>11 960</b>	<b>10 530</b>	<b>1 430</b>
<b>Net</b>	<b>(5 127)</b>	<b>329</b>	<b>1 110</b>	<b>5 549</b>	<b>(4 440)</b>
<i>Variations equal to actual minus adjustment budget</i>					

## 5.2.8 COMMUNITY & SOCIAL SERVICES

Description	2020/21	2021/22			
	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>9 610</b>	<b>10 516</b>	<b>11 146</b>	<b>10 401</b>	<b>744</b>
Expenditure:					
Employees	14 879	16 578	16 385	15 455	931
Inventory	1 181	1 178	1 710	1 478	232
Depreciation and amortisation	1 108	1 057	1 057	858	199
Bulk Purchases					
Interest Paid	162	278	278	235	43
Bad debts					
Contracted Services	1 560	1 503	1 698	1 464	235
Loss on Disposal of PPE	19			12	(12)
Impairment Loss				186	(186)
General Expenses	611	1 408	1 379	799	581
<b>Total Operational Expenditure</b>	<b>19 521</b>	<b>22 002</b>	<b>22 508</b>	<b>20 485</b>	<b>2 023</b>
<b>Net</b>	<b>(9 911)</b>	<b>(11 486)</b>	<b>(11 363)</b>	<b>(10 084)</b>	<b>(1 279)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.9 ENVIRONMENTAL PROTECTION

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Environmental Protection</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>526</b>	<b>665</b>	<b>665</b>	<b>628</b>	<b>37</b>
Expenditure:					
Employees	3 606	3 918	3 900	3 857	43
Inventory	346	370	385	356	28
Depreciation and amortisation	9	25	25	13	12
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	297	646	450	367	83
Loss on Disposal of PPE	13			3	(3)
Impairment Loss					
General Expenses	627	664	695	587	108
<b>Total Operational Expenditure</b>	<b>4 897</b>	<b>5 623</b>	<b>5 455</b>	<b>5 183</b>	<b>271</b>
<b>Net</b>	<b>(4 371)</b>	<b>(4 957)</b>	<b>(4 789)</b>	<b>(4 555)</b>	<b>(235)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.10 SECURITY AND SAFETY

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Public Safety</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>115</b>	<b>59 244</b>	<b>60 915</b>	<b>65 353</b>	<b>(4 438)</b>
Expenditure:					
Employees	3 321	16 397	16 377	16 128	249
Inventory	415	1 504	1 845	1 815	30
Depreciation and amortisation	322	656	656	601	55
Bulk Purchases					
Interest Paid	197	209	209	209	
Bad debts		46 935	46 935	44 671	2 264
Contracted Services	2 868	8 545	10 583	12 318	(1 735)
Loss on Disposal of PPE	106			41	(41)
Impairment Loss					
General Expenses	402	2 284	1 883	1 220	663
<b>Total Operational Expenditure</b>	<b>7 630</b>	<b>76 531</b>	<b>78 488</b>	<b>77 003</b>	<b>1 485</b>
<b>Net</b>	<b>(7 515)</b>	<b>(17 287)</b>	<b>(17 574)</b>	<b>(11 651)</b>	<b>(5 923)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.11 SPORT AND RECREATION

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Sport And Recreation</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>	<b>15 232</b>	<b>14 927</b>	<b>15 425</b>	<b>15 426</b>	<b>(2)</b>
Expenditure:					
Employees	14 996	17 405	17 419	15 609	1 810
Inventory	1 764	2 544	2 496	2 349	147
Depreciation and amortisation	1 906	2 466	2 466	1 911	555
Bulk Purchases					
Interest Paid	108	323	323	291	33
Bad debts					
Contracted Services	2 435	2 877	2 503	2 329	174
Loss on Disposal of PPE	215			27	(27)
Impairment Loss				1 109	(1 109)
General Expenses	787	1 161	1 023	1 169	(146)
<b>Total Operational Expenditure</b>	<b>22 211</b>	<b>26 776</b>	<b>26 231</b>	<b>24 794</b>	<b>1 437</b>
<b>Net</b>	<b>(6 978)</b>	<b>(11 849)</b>	<b>(10 806)</b>	<b>(9 367)</b>	<b>(1 439)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.12 FINANCE & ADMIN

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Finance And Administration</b>					
<b>R'000</b>					
<b>Total Operational Revenue</b>	<b>129 746</b>	<b>124 268</b>	<b>127 368</b>	<b>169 240</b>	<b>(41 872)</b>
Expenditure:					
Employees	41 249	47 858	47 851	44 463	3 388
Inventory	1 079	1 396	1 513	1 371	142
Depreciation and amortisation	1 474	2 557	2 557	1 505	1 052
Bulk Purchases					
Interest Paid	191	395	395	287	108
Bad debts	781	1 218	1 218	2 297	(1 079)
Contracted Services	4 215	6 266	6 031	4 099	1 931
Loss on Disposal of PPE	1 019			9 446	(9 446)
Profit/(Loss) on Fair Value Adjustments					
Reversal of Impairment Loss/(Impairment Loss) on receivables					
Impairment Loss				8 829	(8 829)
General Expenses	10 256	15 908	15 975	11 840	4 134
<b>Total Operational Expenditure</b>	<b>60 264</b>	<b>75 597</b>	<b>75 539</b>	<b>84 138</b>	<b>(8 599)</b>
<b>Net</b>	<b>69 483</b>	<b>48 671</b>	<b>51 829</b>	<b>85 102</b>	<b>(33 273)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.2.13 EXECUTIVE & COUNCIL

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Executive And Council</b>					
<b>R'000</b>					
<b>Total Operational Revenue</b>	<b>51 036</b>	<b>49 943</b>	<b>52 523</b>	<b>52 274</b>	<b>250</b>
Expenditure:					
Employees	25 082	22 714	22 714	16 850	5 864
Inventory	28	58	58	28	30
Depreciation and amortisation	34	72	72	52	20
Bulk Purchases					
Interest Paid		31	31		31
Bad debts					
Contracted Services	2 037	2 580	2 632	1 747	885
Loss on Disposal of PPE	2				()
Impairment Loss					



Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Executive And Council</b>	<b>R'000</b>				
General Expenses	4 739	5 374	6 953	6 981	(29)
<b>Total Operational Expenditure</b>	<b>31 922</b>	<b>30 829</b>	<b>32 460</b>	<b>25 658</b>	<b>6 802</b>
<b>Net</b>	<b>19 114</b>	<b>19 114</b>	<b>20 063</b>	<b>26 615</b>	<b>(6 552)</b>
<i>Variances equal to actual minus adjustment budget</i>					

#### 5.2.14 INTERNAL AUDIT

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Internal Audit</b>	<b>R'000</b>				
<b>Total Operational Revenue</b>					
Expenditure:					
Employees	1 609	1 717	1 717	1 706	10
Inventory	1	2	2	2	
Depreciation and amortisation	2	2	2	2	()
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	74	141	141	93	48
Loss on Disposal of PPE					
Impairment Loss					
General Expenses	35	122	122	45	77
<b>Total Operational Expenditure</b>	<b>1 721</b>	<b>1 984</b>	<b>1 984</b>	<b>1 848</b>	<b>136</b>
<b>Net</b>	<b>(1 721)</b>	<b>(1 984)</b>	<b>(1 984)</b>	<b>(1 848)</b>	<b>(136)</b>
<i>Variances equal to actual minus adjustment budget</i>					

#### 5.2.15 OTHER

Description	2020/21	2021/22			
	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>2</b>	<b>(2)</b>
Expenditure:					
Employees	384	413	413	410	2
Inventory	10	51	44	42	1
Depreciation and amortisation	16	16	16	16	

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Other</b>	<b>R'000</b>				
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	24	110	104	98	6
Loss on Disposal of PPE					()
Impairment Loss					
General Expenses	508	641	655	626	29
<b>Total Operational Expenditure</b>	<b>942</b>	<b>1 231</b>	<b>1 231</b>	<b>1 192</b>	<b>38</b>
<b>Net</b>	<b>(941)</b>	<b>(1 231)</b>	<b>(1 231)</b>	<b>(1 190)</b>	<b>(40)</b>
<i>Variances equal to actual minus adjustment budget</i>					

## 5.3 GRANTS

### 5.3.1 GRANT PERFORMANCE

Grant Performance						
R'000						
Description	2020/21	2021/22			2021/22Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>53 407</b>	<b>52 256</b>	<b>55 113</b>	<b>54 932</b>	<b>(2 676)</b>	<b>181</b>
Equitable share	50 190	<b>48 843</b>	51 423	51 428	(2 585)	(5)
Municipal Systems Improvement						
Finance Management	1 550	1 550	1 550	1 550	( )	( )
Energy Efficiency & Demand Management			277	91	(91)	186
Expended Public Works programme (EPWP)	1 158	1 154	1 154	1 154		
Disaster Recovery Grant						
Mig 5%	510	709	709	709		
Integrated National Electricity Program						
Municipal Disaster Relief Grant						
<b>Provincial Government:</b>	<b>9 590</b>	<b>14 518</b>	<b>19 340</b>	<b>9 837</b>	<b>4 681</b>	<b>9 503</b>
Housing	28	5 265	8 651	121	5 144	8 530
Housing Consumer education						
Informal Settlements Upgrading Partnership Grant			180			180
PSEG - Public Employment Support Grant			1 100	225	(225)	875
Tuin op die brak						
Greenest municipality						
Financial Support Grant / Management						
Performance Management Grant						
Thusong Centre						
Capacity Building	454	450	657	608	(158)	49
Libraries	8 950	8 645	8 594	8 725	(80)	(132)
CDW, Road Maintenance	158	158	158	158		
LG Support Grant: Humanitarian Relief						
<b>Other grant providers</b>	<b>360</b>	<b>1 112</b>	<b>1 332</b>	<b>348</b>	<b>763</b>	<b>983</b>
Seta/Disaster Relief/Trade Union/HCE/ASLA/tourism	331	1 112	1 332	347	765	985
Heritage Council WC						

Grant Performance						
R'000						
Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Arbor City	29			1	(1)	(1)
National Lottery fund						
<b>Total Operating Transfers and Grants</b>	<b>63 358</b>	<b>67 886</b>	<b>75 785</b>	<b>65 117</b>	<b>2 769</b>	<b>10 667</b>

*Variances equal to actual minus original and adjustment budget*

### 5.3.2 CONDITIONAL GRANTS (EXCLUDING MIG)

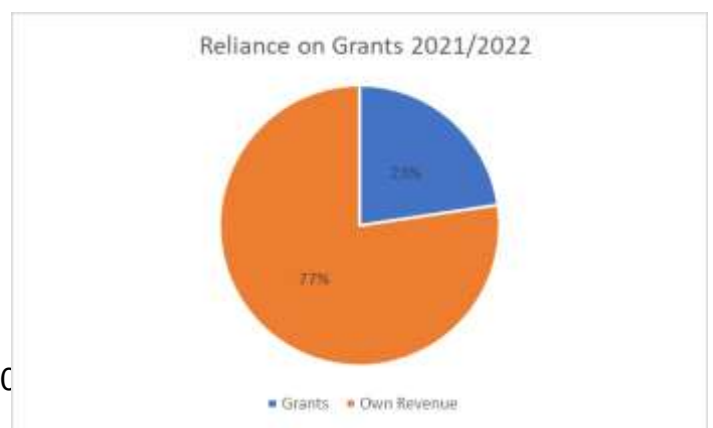
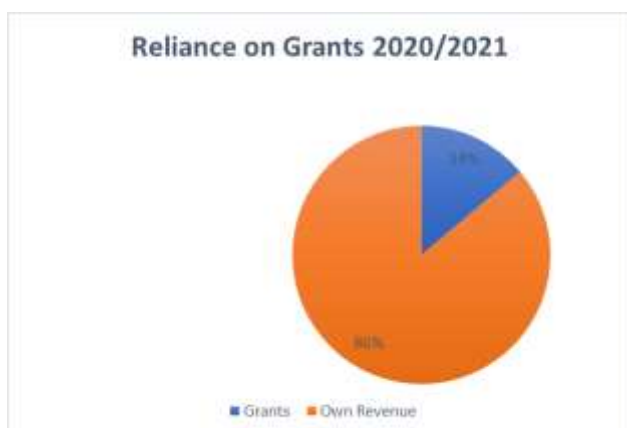
Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjusted Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjusted Budget	
FMG, MSIG, NEP, EPWP, DME, PGWC: LIBRARY GRANTS , PGWC: FINANCIAL SUPPORT GRANT	16 872 107	22 821 605	19 445 103	-2 572 996	3 376 502	
<b>Total</b>	<b>16 872 107</b>	<b>22 821 605</b>	<b>19 445 103</b>	<b>-2 572 996</b>	<b>3 376 502</b>	

*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*

### 5.3.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	%
2020/21	84 204	606 300	13,89%
2021/22	138 917	619 590	22,42%

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>Upgrading of Roads and Stormwater in Hessequa Municipal Area</b>	
Description	Reseal of roads, paving, laying of kerbs and stormwater related infrastructure where required.	
Asset Type	Infrastructure : Roads and Stormwater	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	<b>2020/21 (R'000)</b>	<b>2021/22 (R'000)</b>
	9 000	7 000

Asset 2		
Name	<b>Refurbishment of Albertinia Wastewater Treatment Works (Civil Works)</b>	
Description	To refurbish the Albertinia WWTW by means of provision of a reinforced concrete inlet works, adapting the existing pumpstation, construction of an irrigation dam, irrigation pumpstation, vacuum tank, discharge area, pipelines, outfall sewers, manholes, fences and various structures.	
Asset Type	Infrastructure : Sewerage Works	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	<b>2020/21 (R'1000)</b>	<b>2021/22 (R'000)</b>
	0	6 456

Asset 3		
Name	<b>Upgrading of the Riversdale Wastewater Treatment Works (Civil Works)</b>	
Description	<p>The project was aimed to replace the existing Riversdale Wastewater Treatment Works with a new inlet works with an ultimate design capacity of 4 Ml/d to accommodate future growth and unblock operational bottlenecks.</p> <p>The objective of the upgrade is to provide:</p> <ul style="list-style-type: none"> <li>The linking of a splitter box and required yard piping to connect the new inlet works with a measuring flume allowing for nominal human intervention as well as improve monitoring and recording of inflows.</li> <li>Constructing and linking a new biological reactor (BNR) to the works.</li> </ul>	
Asset Type	Infrastructure: Sewerage Works	
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>2020/21 (R'000)</b>	<b>2021/22 (R'000)</b>
	1 041	11 233

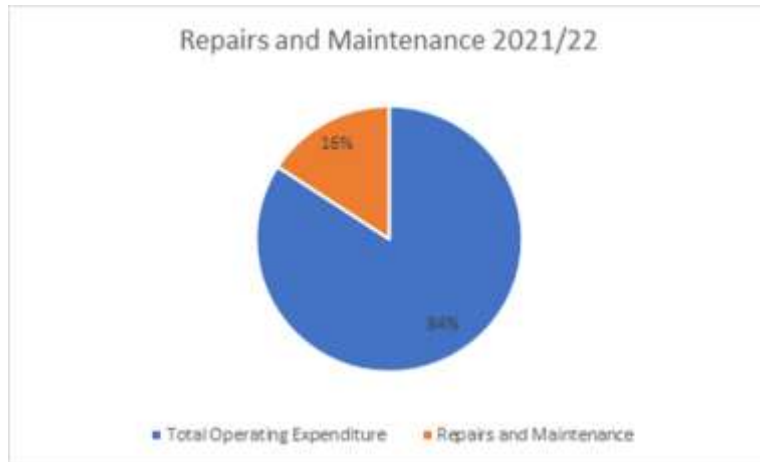
## 5.4.2 REPAIRS AND MAINTENANCE

Description	2020/21	2021/22
	R'000	R'000
Total Operating Expenditure	498 239	559 710
Repairs and Maintenance	82 273	88 688
<b>% of total OPEX</b>	<b>16,51%</b>	<b>15,85%</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	2020/21	2021/22
		Audit outcome	Audit outcome
Current Ratio	Current assets/current liabilities	3,21	3,61
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,96	3,32
Liquidity Ratio	Monetary Assets/Current Liabilities	3,18	3,57

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

Financial year	Total Assets	Total Liabilities	Ratio
	R'000	R'000	
2020/21	1 384 145 574	380 290 214	3.6:1
2021/22	1 518 939 057	381 403 831	4.0.1

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

### 5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2020/21	2021/22
		Audit outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	14,56	13,68
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11,43%	11,08%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12,08	12,78

### 5.5.3 CREDITORS MANAGEMENT

Description	Basis of calculation	2020/21	2021/22
		Audit outcome	Audit outcome
Creditors System Efficiency	of Creditors Paid Within Terms (within MFMA' s 65(e))	103,38	80,04

### 5.5.4 BORROWING MANAGEMENT

Description	Basis of calculation	2020/21	2021/22
		Audit outcome	Audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7,44%	7,80%

### 5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2020/21	2021/22
		Audit outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	35,98%	34,50%

## 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	107 297 217	123 918 781	114 699 085	-7 401 868	9 219 696
Operating Expenditure	596 709 849	606 299 841	559 709 827	37 000 022	46 590 014
<b>Total expenditure (Capital)</b>	<b>107 297 217</b>	<b>123 918 781</b>	<b>114 699 085</b>	<b>-7 401 868</b>	<b>9 219 696</b>
Water and sanitation	37 948 414	35 737 482	34 328 178	3 620 236	1 409 304
Electricity	13 696 533	9 848 968	9 343 713	4 352 820	505 255
Housing	29 835 000	46 172 000	46 337 963	-16 502 963	-165 963
roads pavements bridges and storm water	9 287 270	11 418 999	9 619 464	-332 194	1 799 535
Other	16 530 000	20 741 332	15 069 768	1 460 232	5 671 564
<b>Total Finance Source - Capital</b>	<b>107 297 217</b>	<b>123 918 781</b>	<b>114 699 085</b>	<b>-7 401 868</b>	<b>9 219 696</b>
External Loans	46 929 134	0	0	46 929 134	0
Internal contributions	11 872 600	48 630 407	42 018 202	-30 145 602	6 612 205
Grants and subsidies	48 495 483	75 288 374	72 527 456	-24 031 973	2 760 918
Other		0	153 427	-153 427	-153 427
Salaries, wages and allowances	217 848 189	219 047 481	200 562 534	17 285 655	18 484 947
External loans repaid	24 334 705	24 334 705	19 487 523	4 847 182	4 847 182
<b>Operating Revenue</b>	<b>611 117 841</b>	<b>572 461 950</b>	<b>619 590 013</b>	<b>-8 472 172</b>	<b>-47 128 063</b>
Property rates	104 190 958	104 290 958	112 849 907	-8 658 949	-8 558 949
Service charges	284 278 587	272 373 021	288 791 364	-4 512 777	-16 418 343
Other own revenue	222 648 296	195 797 971	217 948 742	4 699 554	-22 150 771
<b>Operating Expenditure</b>	<b>596 709 849</b>	<b>606 299 841</b>	<b>559 709 827</b>	<b>37 000 022</b>	<b>46 590 014</b>
Employee related costs	207 840 721	219 047 481	200 562 534	8 286 604	19 493 364
Provision for working capital	59 604 886	60 385 084	57 010 549	2 594 337	3 374 535
Contracted services	40 964 150	47 079 488	35 239 678	5 724 472	11 839 811
Bulk purchases	141 337 303	141 363 303	141 118 373	218 930	244 930
Other expenditure	146 962 789	138 424 485	125 778 694	20 175 677	11 637 373
	<b>191 881 841</b>	<b>192 230 366</b>	<b>196 490 240</b>	<b>-4 608 399</b>	<b>-4 259 874</b>
Service charges: Electricity	187 273 818	187 273 818	191 356 419	-4 082 601	-4 082 601
Grants & subsidies: Electricity	4 500 000	4 848 525	4 756 375	-256 375	92 150
Other revenue: Electricity	108 023	108 023	377 446	-269 423	-269 423
	<b>182 844 053</b>	<b>183 672 940</b>	<b>174 060 711</b>	<b>8 783 342</b>	<b>9 612 229</b>
Employee related costs: Electricity	16 071 472	16 229 911	13 246 636	2 824 836	2 983 275
Provision for working capital: Electricity	6 361 655	6 556 705	967 337	5 394 318	5 589 368

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Contracted Services: Electricity	1 888 387	1 624 946	1 399 801	488 586	225 145
Bulk purchases: Electricity	141 337 303	141 363 303	141 118 373	218 930	244 930
Other expenditure: Electricity	17 185 236	17 898 075	17 328 564	-143 328	569 511
	<b>47 881 472</b>	<b>45 345 820</b>	<b>49 856 742</b>	<b>-1 975 270</b>	<b>-4 510 922</b>
Service charges: Water	44 548 678	44 548 678	48 521 948	-3 973 270	-3 973 270
Grants & subsidies: Water	3 244 702	709 050	710 456	2 534 246	-1 406
Other revenue: Water	88 092	88 092	624 338	-536 246	-536 246
	<b>39 338 958</b>	<b>38 713 869</b>	<b>38 483 650</b>	<b>855 308</b>	<b>230 219</b>
Employee related costs: Water	13 063 488	13 063 488	13 560 155	-496 667	-496 667
Provision for working capital: Water	2 506 079	2 747 939	3 877 874	-1 371 795	-1 129 935
Contracted Services: Water	2 021 305	1 970 372	1 645 582	375 724	324 791
Bulk purchases: Water	403 200	370 560	83 311	319 889	287 249
Other expenditure: Water	21 344 886	20 561 510	19 316 728	2 028 158	1 244 782

## 5.6.2 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2021/2022 financial year:

Capital Expenditure - Funding Sources 2020/21 to 2021/22						
R'000						
Details	2020/21	2021/22				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Variance Ori	Variance Adjustment
External loans	55 643	46 929			46 929	
Public contributions and donations	108			123	(123)	(123)
Grants and subsidies	20 025	48 495	75 288	72 527	(24 032)	2 761
Other / CRR	19 261	11 873	48 630	42 048	(30 175)	6 582
<b>Total</b>	<b>95 037</b>	<b>107 297</b>	<b>123 919</b>	<b>114 699</b>	<b>(7 401)</b>	<b>9 220</b>
Percentage of finance						
External loans	58,55%	43,74%	0,00%	0,00%	-637%	0%
Public contributions and donations	0,00%	0,00	0,00%	0,11%	0%	0%
Grants and subsidies	21,07%	45,20%	60,76%	63,25%	326%	30%
Other	20,27%	11,07%	39,24%	36,66%	408%	71%

Capital Expenditure - Funding Sources 2020/21 to 2021/22						
R'000						
Details	2020/21	2021/22				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Variance Ori	Variance Adjustment
Water and sanitation	32 034	37 948	35 737	34 328	3 620	1 409
Electricity	28 327	13 697	9 849	9 344	4 353	505
Housing		29 835	46 172	46 338	(16 503)	(166)
Roads and stormwater	15 556	9 287	11 419	9 619	(332)	1 800
Other	19 120	16 530	20 741	15 070	1 460	5 672
<b>Total</b>	<b>95 037</b>	<b>107 297</b>	<b>123 919</b>	<b>114 699</b>	<b>(7 402)</b>	<b>9 220</b>
Percentage of expenditure						
Water and sanitation	33,71%	35,37%	28,84%	29,93%	-48,91%	15,31%
Electricity	29,81%	12,77%	7,95%	8,15%	-58,81%	5,49%
Housing		27,81%	37,26%	40,40%	222,96%	-1,80%
Roads and stormwater	16,37%	8,66%	9,22%	8,39%	4,49%	19,54%
Other	20,12%	15,41%	16,73%	13,14%	-19,73%	61,47%

*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 2021/2022.

Name of Project*	Current Year: 2021/22		Variance Current Year: 2021/2
	Amended Budget	Actual Expenditure	Variance
	R'000	R'000	R'000
Upgrading of Roads in the Hessequa Municipal area.	7 979	7 631	308
Upgrading of the Riversdale Wastewater Treatment Works (Civil Works)	11 825	11 233	592
Refurbishment of Albertinia Wastewater Treatment Works (Civil Works)	5 077	4 645	432
Upgrading of Electrical Infrastructure in the Hessequa Municipal Area.	4 985	4 985	-
Streetlights Retrofitting	4 223	3 668	555

Name of Project	Upgrading of Roads in the Hessequa Municipal area
Objective of Project	The project was aimed to upgrade existing roads and to upgrade gravel road to paved roads in the Hessequa Municipal area.
Delays	None
Future Challenges	None

<b>Anticipated citizen benefits</b>	40 187 (Riversdale, Still Bay, Melkhoutfontein, Albertinia, Heidelberg, Slangrivier)
-------------------------------------	--------------------------------------------------------------------------------------

<b>Name of Project</b>	<b>Upgrading of the Riversdale Wastewater Treatment Works (Civil Works)</b>
<b>Objective of Project</b>	<p>The project was aimed to replace the existing Riversdale Wastewater Treatment Works with a new inlet works with an ultimate design capacity of 4 Mℓ/d to accommodate future growth and unblock operational bottlenecks.</p> <p>The objective of the upgrade is to provide:</p> <ul style="list-style-type: none"> <li>The linking of a splitter box and required yard piping to connect the new inlet works with a measuring flume allowing for nominal human intervention as well as improve monitoring and recording of inflows.</li> </ul> <p>Constructing and linking a new biological reactor (BNR) to the works.</p>
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	16 177 (Riversdale)

<b>Name of Project</b>	<b>Refurbishment of Albertinia Wastewater Treatment Works (Civil Works)</b>
<b>Objective of Project</b>	To refurbish the Albertinia WWTW by means of provision of a reinforced concrete inlet works, adapting the existing pumpstation, construction of an irrigation dam, irrigation pumpstation, vacuum tank, discharge area, pipelines, outfall sewers, manholes, fences and various structures.
<b>Delays</b>	Due to the lack of suitable clay material necessitated the construction of a geo-membrane to seal the irrigation dam. This caused a delay in the construction and the project was extended to 8 September 2022.
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	6 372 (Albertinia)

<b>Name of Project</b>	<b>Upgrading of Electrical Infrastructure in the Hessequa Municipal Area</b>
<b>Objective of Project</b>	Upgrading of existing electrical infrastructure, which includes mini substations, low voltage and high voltage cables
<b>Delays</b>	none
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	52642 (Hessequa)

<b>Name of Project</b>	<b>Streetlights Retrofitting</b>
<b>Objective of Project</b>	Supply and delivery of LED streetlights and are light luminaire (energy saving lights), to Hessequa Municipality which were installed by the Electrical Department
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	52642 (Hessequa)

## 5.6.4 MUNICIPAL INFRASTRUCTURE GRANT (MIG)\* EXPENDITURE 2021/22 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.

<b>Municipal Infrastructure Grant (MIG)* Expenditure 2021/22 on Service backlogs</b>			
<b>R0</b>			
<b>Details</b>	<b>Approved Budget</b>	<b>Actual</b>	<b>Variance from Approved Budget</b>
<b>Infrastructure - Road transport</b>	<b>2 544</b>	<b>2 544</b>	
<i>Storm water</i>			
<b>Sport development</b>			
<i>Street Lighting</i>			
<b>Infrastructure - Water</b>			
<i>Dams &amp; Reservoirs</i>			
<b>Infrastructure - Sanitation</b>	<b>10 928</b>	<b>10 335</b>	<b>593</b>
<i>Reticulation</i>			
<b>Other:</b>			
<b>Total</b>	<b>13 472</b>	<b>12 879</b>	<b>593</b>
<p><i>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure. Variances is the difference between actual and approved budget.</i></p> <p><i>The amount of R592 844 is the VAT.</i></p>			

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

### 5.7.1 CASH FLOW TABLE:

Cash Flow from Operating Activities	Note	2022/06/30	2021/06/30
		R Actual	R Actual
<b>Cash receipts</b>		<b>575 958 120</b>	<b>481 062 935</b>
Property Rates		111 418 663	102 385 674
Service Charges		279 088 353	247 277 937
Fines		15 448 692	10 852 729
Availability charge		8 868 830	5 244 260
Other Revenue		29 858 337	22 210 431
Government - Operating		57 248 559	72 881 099
Government - Capital		74 026 687	20 210 805
<b>Cash payments</b>		<b>-436 549 773</b>	<b>-364 229 489</b>
Employees		-196 933 165	-179 011 920
Suppliers		-236 171 717	-183 244 713
Transfers and Grants		-3 444 891	-1 972 856
<b>Cash generated from operations</b>	<b>37</b>	<b>139 408 348</b>	<b>116 833 445</b>
Interest received		21 752 363	16 187 343
Interest paid	<b>33</b>	-19 487 523	-14 924 766
<b>Net Cash from Operating Activities</b>		<b>141 673 187</b>	<b>118 096 023</b>
<b>Cash flows from Investing Activities</b>			
Purchase of Property, Plant and Equipment	<b>8</b>	-114 292 965	-94 821 563
Proceeds on Disposal of Fixed Assets		10 203 765	1 531 393
Purchase of Investment Properties		0	-427 260
Purchase of Intangible Assets		-190 120	0
Purchase of Heritage Assets		-93 000	0
Decrease/(Increase) in Non-Current Debtors		3 607	3 333
<b>Net Cash flows from Investing Activities</b>		<b>-104 368 713</b>	<b>-93 714 098</b>
<b>Cash flows from Financing Activities</b>			

Cash Flow from Operating Activities	Note	2022/06/30	2021/06/30
		R Actual	R Actual
Borrowing - Long term/Refinancing		0	90 000 000
Increase in Trust Funds		70 737	68 396
Repayment of Borrowing		-23 368 204	-21 413 119
<b>Net Cash from Financing Activities</b>		<b>-23 297 467</b>	<b>68 655 277</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>14 007 007</b>	<b>93 037 201</b>
Cash and cash equivalents at the beginning		348 669 253	255 632 052
Cash and cash equivalents at the end of the year	36	362 676 261	348 669 253
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>14 007 007</b>	<b>93 037 201</b>

### 5.7.2 GROSS OUTSTANDING DEBTORS PER SERVICE

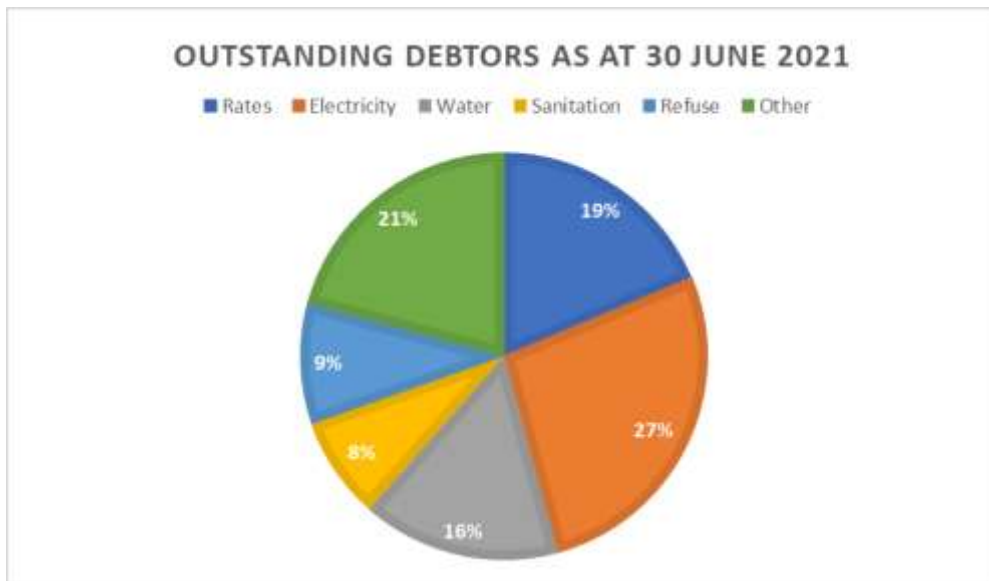
Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2020/21	14 180	35 596	15 767		10 350	<b>75 892</b>
2021/22	14 900	33 387	15 510		17 844	<b>81 641</b>
Difference	721	(2 209)	(257)		7 495	5 749
<b>% growth year on year</b>	<b>4,84%</b>	<b>-6,62%</b>	<b>-1,66%</b>		<b>42,00%</b>	<b>7,04%</b>

*Note: figures exclude provision for bad debts and outstanding fines*

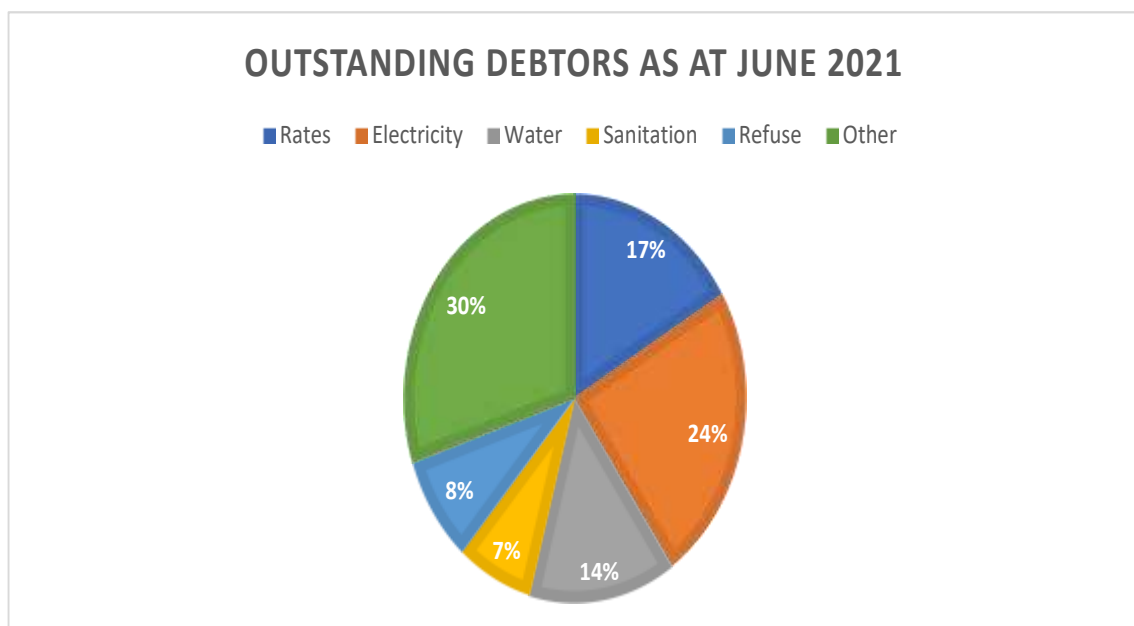
Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2020/21	14 180	32 481	13 445		25 890	<b>85 995</b>
2021/22	14 900	33 387	15 510		29 759	<b>93 556</b>
Difference	721	906	2 065		3 869	<b>7 561</b>
<b>% growth year on year</b>	<b>4,84%</b>	<b>2,71%</b>	<b>13,31%</b>		<b>13,00%</b>	<b>8,08%</b>

*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 2020/21 and 2021/22 excluding and including fines



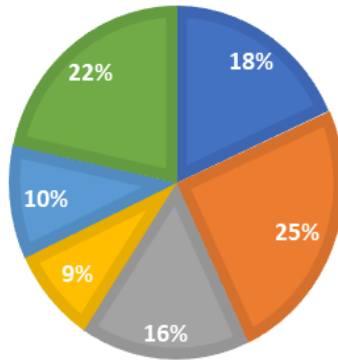
***Excluding fines***



***Including fines***

### OUTSTANDING AS AT JUNE 2022

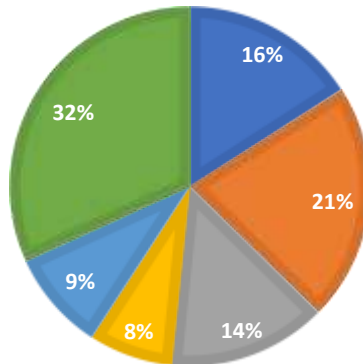
■ Rates ■ Electricity ■ Water ■ Sanitation ■ Refuse ■ Other



***Excluding fines***

### OUTSTANDING AS AT JUNE 2022

■ Rates ■ Electricity ■ Water ■ Sanitation ■ Refuse ■ Other



***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
2020/21	35 248	5 654	2 887	32 104	75 892
2021/22	38 327	5 840	3 296	34 178	81 641
Difference	3 079	187	409	2 074	5 749
<b>% growth year on year</b>	<b>8,03%</b>	<b>3,19%</b>	<b>12,41%</b>	<b>6,07%</b>	<b>7,04%</b>
<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
2020/21	35 248	5 654	2 887	42 207	85 995
2021/22	38 327	5 840	3 296	46 092	93 556
Difference	3 079	187	409	3 886	7 561
<b>% growth year on year</b>	<b>8,03%</b>	<b>3,19%</b>	<b>12,41%</b>	<b>8,43%</b>	<b>8,08%</b>
<i>Including fines</i>					

### 5.7.4 BORROWING AND INVESTMENTS

Actual Borrowings

R'000		
Instrument	2020/21	2021/22
Long-Term Loans	173 231	149 863
<b>Total</b>	<b>173 231</b>	<b>149 863</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.

### 5.8.3 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

In terms of Section 13G of the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013 (“the B-BBEE Act”), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statement and annual reports. The audited Annual Financial Statements for the year ended 30 June 2022 in note 63 determine that “Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information”. A compliance report required to be included annually in terms of section 13G(i) of the Act from a sphere of government, public entity or an organ of state must reflect the state of compliance in respect of (i) ownership where applicable; (ii) management control; (iii) skills development; (iv) enterprise and supplier development; (v) socio-economic development; and (vi) any other sector specific element. The following tables contain the required information applicable to Hessequa Municipality:

#### Management control

The table indicates the number of directors/managers information of Hessequa Municipality for 2021/22 financial year.

Categories	% Number for each category	Race classification (Indicate number in terms of A,C & I)	Gender (Indicate number in terms of F&M)	Age (Provide number in chronological order)	Location (Indicate number in each Province)	Disability (Indicate number in terms of F & M)
Board	N/A	N/A	N/A	N/A	N/A	N/A
Exec Directors	N/A	N/A	N/A	N/A	N/A	N/A
Non-Exec Directors	N/A	N/A	N/A	N/A	N/A	N/A
Senior Management (MM & Directors)	40%	CM - 2	F - 0 M - 2	CM – 41,50	Western Cape	N/A
Middle Management (T14 – T19)	49%	AM – 1 CF – 2 CM - 13	F - 2 M - 14	AM – 35 CF – 33,35 CM – 29, 30, 31, 38(2), 39, 40, 42, 44, 51, 52, 59, 60	Western Cape	N/A
Junior Management (T10-T13)	77%	AF – 3 AM – 5 CF – 18 CM - 39	F - 21 M - 44	AF – 28,36,37 AM – 31 ,38, 40, 43, 52 CF – 27(2), 28, 32, 33(2), 35, 37, 39, 40, 41(3), 43, 44(2), 45 ,47 CM – 25, 27 (3), 29(2), 30, 31(2), 34(2), 35, 36(4), 40,41,43(2), 44, 45(3), 46(3), 47(4), 49, 50(4), 52(2), 59	Western Cape	N/A
Dividends declared	166%	83	83	25 - 60	Western Cape	N/A

(NB: A – Africans and C – Coloureds)

## Skills Development

Total leviable amount and number of black persons trained in Hessequa Municipality for the 2021/22 financial year:

Total Leviable amount:							
Categories	Number of each category	Race classification (Indicate number in terms of A, C & I)	Gender (Indicate number in terms of F & M)	Age (Provide number in chronological order)	Location (Indicate number in each Province)	Disability (Indicate number in terms of F & M)	Total Amount Spent
Black Employees	265	A – 26 C - 239	AF – 6 AM – 20 CF – 6 CM - 233	25 - 62	Western Cape	CM - 1	R 595 614.51
Black non-employees	0	0	0	0	0	0	0
Black People on internships, apprenticeships, learnership	17	A – 3 C - 14	AM – 2 AF – 1 CF – 2 CM - 12	25 - 57	Western Cape	0	R 880 000 (Discretionary Grant Funding - LG Seta & FMG Grant)
Unemployed black people on any Programme under the learning Programme matrix	0	0	0	0	0	0	0

## Socio Economic Development

Total spend and number of black participants, race classification, gender, geographical indication and value thereof for the 2021/22 financial year:

SMME Kick-Start Funding 2021/22

Total Allocated Budget: R200 000

Number of Participants	RACE CLASSIFICATION (Indicate nr. In terms of A, C, W & I)	Gender (Indicate nr. In terms of F & M)	Geographical Indication
11	A – 1	F – 6	WC, HESSEQUA
	C – 9	M – 5	
	W – 1		
	I – 0		



## Enterprise and Supplier Development

Total procurement spend/budget and number of enterprise and supplier development beneficiaries and value thereof for the 2021/2022 financial year.

<b>TOTAL PROCUREMENT SPENT</b>							
<b>ACTIVE SUPPLIERS – 377</b>				<b>TOTAL VALUE SPENT – R87 495 180</b>			
<b>Total Number of Eme Suppliers</b>	264	<b>Total Value Spent</b>	R51 751 621	<b>% Black Ownership</b>	73.26	<b>% Black Woman Ownership</b>	40.68
<b>Total Number of Qse Suppliers</b>	68	<b>Total Value Spent</b>	R14 742 007	<b>% Black Ownership</b>	77.22	<b>% Black Woman Ownership</b>	43.04
<b>Total Number of Large Suppliers</b>	45	<b>Total Value Spent</b>	R21 001 552	<b>% Black Ownership</b>	60.80	<b>% Black Woman Ownership</b>	24
<b>TOTAL VALUE OF 2% NPAT OR 0.2% OF ALLOCATED BUDGET: N/A</b>							

## 6 AUDITOR GENERAL'S FINDINGS

### 6.1 COMPONENT A: AUDITOR-GENERAL OPINION 2020/2021

<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)

### 6.2 COMPONENT B: AUDITOR-GENERAL OPINION 2021/2022

<b>Auditor-General Report on Performance Information 2021/2022</b>	
I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected material performance indicators.	No findings
<b>Auditor-General Report on Non-Compliance Issues 2021/2022</b>	
I did not identify material findings on compliance with the selected legislative requirements.	No findings
<b>Auditor-General Report on Financial Performance 2021/2022</b>	
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), 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)

### Report of the auditor-general to the Western Cape Provincial Parliament and the council 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 115, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (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 matters

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

#### Material losses/impairment

7. As disclosed in note 9 to the financial statements, the municipality provided for the impairment of trade receivables from exchange transactions (consumer debtors) of R27,7 million (2020-21: R25,2 million).
8. As disclosed in note 10 to the financial statements, the municipality provided for impairment of trade receivables from non-exchange transactions of R70,1 million (202-21: R69,8 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 of R54,6 million during the year (2020-21: R50,8 million).

#### Restatement of corresponding figures

10. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

#### 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 116 to 122 do not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

#### 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 annual performance report**

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 material findings on the usefulness and reliability of the reported performance information against predetermined objectives presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I performed procedures to evaluate the usefulness and reliability of the reported performance information on selected performance indicators in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice.
20. I performed the procedures in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an opinion or an assurance conclusion.
21. My procedures address the usefulness and reliability of the reported performance information on the selected performance indicators, 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.
22. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the selected performance 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.

23. I selected the following material performance indicators contained in cost effective service delivery presented in the municipality's annual performance report for the year ended 30 June 2022 set out on pages 42 to 44. I selected the indicators that measure the municipality's performance on its primary mandated functions and which are of significant national, community or public interest.

<b>Performance indicators – Cost effective service delivery</b>
TL145 - 90% expenditure of the approved capital budget for the municipality by end of financial year
TL 149 - % provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical meeting
TL150 - % provision of refuse removal and solid waste disposal for residential account holders
TL 151 - % provision of sanitation/sewerage services to residential account holders
TL 152 - % provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering
TL 158 - The % of registered indigent account holders (poor households) with access to free basic services
TL 166 - Limit water losses to less than 30% for financial year
TL 173 - 90% expenditure of the approved capital budget of the technical department for the financial year
TL 184 - Limit electricity losses to 10% for financial year

24. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected material performance indicators.

#### **Other matter**

25. I draw attention to the matter below.

#### **Achievement of planned targets**

26. Refer to the annual performance report on pages 42 to 44 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

## Report on compliance with legislation

27. 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 applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
29. I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and adequately available to report in an understandable manner. The selection is done through an established AGSA process. The selected legislative requirements are included in the annexure to this auditor's report.
30. I did not identify any material findings on compliance with the selected legislative requirements.

## Other information

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported in this auditor's report.
32. My opinion on the financial statements and material 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.
33. 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 material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. 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

35. 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.
36. I did not identify any significant deficiencies in internal control.

### Other reports

37. I draw attention to the following engagement conducted by the municipality which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
38. The municipality is investigating an allegation of financial misconduct of one of its employees relating to the sale of prepaid electricity. This proceeding was in progress at the date of this auditor's report.

*Auditor General*

Cape Town

30 November 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

### Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs and the AGSA audit methodology, 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 performance indicators and on the municipality's compliance with selected requirements in key legislation.

### 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.

#### Compliance with legislation - selected legislative requirements

5. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	Section 1 (a), (b) & (d) of the definition: irregular expenditure Section 1 Definition of SDBIP Sections 11(1); 13(2); 14(1); 14(2)(a); 14(2)(b); 15 Sections 24(2)(c)(iv); 29(1); 29(2)(b); 32(2) Sections 32(2)(a); 32(2)(a)(i); 32(2)(a)(ii); 32(2)(b) Sections 32(6)(a); 32(7); 53(1)(c)(ii); 54(1)(c) Sections 62(1)(d); 62(1)(f)(i); 62(1)(f)(ii); 62(1)(f)(iii) Sections 63(2)(a); 63(2)(c); 64(2)(b); 64(2)(c); 64(2)(e) Sections 64(2)(f); 64(2)(g); 65(2)(a); 65(2)(b); 65(2)(e) Sections 72(1)(a)(ii); 95(a); 112(1)(iii); 112(1)(j) Sections 116(2)(b); 116(2)(c)(ii); 117; 122(1); 122(2) Sections 126(1)(a); 126(1)(b); 127(2); 127(5)(a)(i) Sections 127(5)(a)(ii); 129(1); 129(3); 133(1)(a) Sections 133(1)(c)(i); 133(1)(c)(ii); 170; 171(4)(a); 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1); 71(2); 72
Municipal investment regulations, 2005	Regulations 5(4); 6(8)(a); 6(8)(b); 10(1)
Municipal supply chain management (SCM) regulations, 2017	Regulations 5; 12(1)(b); 12(1)(c); 12(3); 13(b); 13(c); 13(c)(i) Regulations 16(a); 17(1)(a); 17(1)(b); 17(1)(c); 19(a) Regulations 21(b); 22(1)(b)(i); 22(2); 27(2)(a); 27(2)(e) Regulations 28(1)(a)(i); 28(1)(a)(ii); 29(1) (a) and (b) Regulations 29(5)(a)(ii); 29(5)(b)(ii); 32; 36(1) Regulations 38(1) (c); 38(1)(d)(ii); 38(1)(e); 38(1)(g)(i) Regulations 38(1)(g)(ii); 38(1)(g)(iii) Regualtions 43; 44; 46(2)(e); 46(2)(f)
Municipal Systems Act 32 of 2000 (MSA)	Sections 25(1); 26(a); 26(c); 26(i); 26(h); 29(1)(b)(ii) Sections 29(3)(b); 34(a); 34(b); 38(a) Sections 41(1)(a); 41(1)(b); 41(1)(c)(ii); 42; 43(2); Sections 56(a); 57(2)(a); 57(4B); 57(6)(a)

<b>Legislation</b>	<b>Sections or regulations</b>
	Sections 66(1)(a); 66(1)(b); 67(1)(d); 74(1) Sections 93B(a); 93B(b); 93C(a)(iv); 93C(a)(v); 96(b)
Municipal planning and performance management regulations, 2001	Regulations 2(1)(e); 2(3)(a); 3(3); 3(4)(b); 3(6)(a); 7(1); 8 Regulations 9(1)(a); 10(a); 12(1); 15(1)(a)(i); 15(1)(a)(ii)
Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006	Regulations 2(3)(a); 4(4)(b); 8(1); 8(2); 8(3)
Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 17(2); 36(1)(a)
Annual Division of Revenue Act (Dora)	Sections 11(6)(b); 12(5); 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2(1)(a); 2(1)(f)
Preferential Procurement regulations (PPR), 2011	Regulations 4(1); 4(3); 4(4); 4(5) Regulations 5(1); 5(2); 5(3); 5(5) Regualtions 6(1); 6(2); 6(3); 6(4); 6(5) Regulations 7(1); 10; 11(2); 11(4); 11(5); 11(8)
Preferential Procurement regulations (PPR), 2017	Regulations 5(1); 5(3); 5(6); 5(7) Regulations 6(1); 6(2); 6(3); 6(5); 6(6); 6(8) Regualtions 7(1); 7(2); 7(3); 7(5); 7(6); 7(8) Regulations 8(2); 8(5); 9(1); 10(1); 10(2); 11(1)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	PRECCA 34(1)



## 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 Any
- Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision – Not Applicable, for details of inputs received from communities relating to other spheres of government, please refer to the approved Integrated Development Plan which provides extensive insights into public participation outcomes.
- 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

No.	Name and Surname	Political Party	Seat Type
1	Cllr RG Davids	DA	Ward 1
2	Cllr HJ Saayman	DA	Ward 2
3	Cllr MC van den Berg (Deputy Mayor)	DA	Ward 3
4	Cllr GL Boezak	DA	Ward 4
5	Cllr AP Daniels	ANC	Ward 5
6	Cllr NA Joseph	ANC	Ward 6
7	Cllr B van Noordwyk	DA	Ward 7 /LC
8	Cllr CP Taute	ANC	Ward 8 /LC
9	Cllr S le Roux	DA	Ward 9
10	Cllr L Pieterse	ANC	PR
11	Cllr LC February	ANC	PR
12	Cllr G Riddles (Executive Mayor)	DA	PR
13	Cllr BD Smith	DA	PR
14	Cllr ME Dayimani	ANC	PR
15	Cllr A Stroebel (Speaker)	DA	PR
16	Cllr J Hartnick	VF±	PR
17	Cllr IT Mangaliso	PA	PR

## Councillors Allocated to Wards

Ward	Ward Councillor / Chairperson	PR Councillor	Default PR Councillor (VF+ / PA)
1	Cllr RG Davids	Cllr ME Dayimani	Cllr J Hartnick Cllr IT Mangaliso
2	Cllr HJ Saayman	Cllr L Pieterse	Cllr J Hartnick Cllr IT Mangaliso
3	Cllr MC van den Berg	Cllr L February	Cllr J Hartnick Cllr IT Mangaliso
4	Cllr GL Boezak	Cllr L February	Cllr J Hartnick Cllr IT Mangaliso
5	Cllr AP Daniëls	Cllr G Riddles	Cllr J Hartnick Cllr IT Mangaliso
6	Cllr NA Joseph	Cllr BD Smith	Cllr J Hartnick Cllr IT Mangaliso
7	Cllr B van Noordwyk	Cllr ME Dayimani	Cllr J Hartnick Cllr IT Mangaliso
8	Cllr CP Taute	Cllr A Stroebel	Cllr J Hartnick Cllr IT Mangaliso
9	Cllr S Le Roux	Cllr L Pieterse	Cllr J Hartnick Cllr IT Mangaliso

### 1. Whips from Parties represented in Council

ANC	Cllr ME Dayimani
DA	Cllr GL Boezak
VF+	Cllr J Hartnick
PA	Cllr IT Mangaliso

### 2. Committees

<p><b><u>CORPORATE MANAGEMENT</u></b></p> <p><b><u>MEMBERS:</u></b></p> <p>Cllr BD Smith – Chairperson</p> <p>Cllr GL Boezak</p> <p>Cllr RG Davids</p>	<p><b><u>FINANCIAL MANGEMENT</u></b></p> <p><b><u>MEMBERS:</u></b></p> <p>Cllr BD Smith – Chairperson</p> <p>Cllr MC van den Berg</p> <p>Cllr B van Noordwyk</p>
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<p>Cllr MC van den Berg Cllr IT Mangaliso Cllr J Hartnick Cllr L Pieterse Cllr NA Joseph</p>	<p>Cllr HJ Saayman Cllr IT Mangaliso Cllr J Hartnick Cllr ME Dayimani Cllr CP Taute</p>
<p><b><u>TECHNICAL SERVICES</u></b> <b><u>MEMBERS:</u></b> Cllr MC van den Berg – Chairperson Cllr B van Noordwyk Cllr S Le Roux Cllr GL Boezak Cllr IT Mangaliso Cllr ME Dayimani Cllr AP Daniëls Cllr LC February</p>	<p><b><u>DEVELOPMENT PLANNING</u></b> <b><u>MEMBERS:</u></b> Cllr HJ Saayman – Chairperson Cllr MC van den Berg Cllr BD Smith Cllr RG Davids Cllr IT Mangaliso Cllr L Pieterse Cllr AP Daniëls Cllr NA Joseph</p>
<p><b><u>COMMUNITY SERVICES AND HOUSING</u></b> <b><u>MEMBERS:</u></b> Cllr GL Boezak – Chairperson Cllr RG Davids Cllr HJ Saayman Cllr S Le Roux Cllr IT Mangaliso Cllr ME Dayimani Cllr LC February Cllr AP Daniëls</p>	<p><b><u>DISCIPLINARY COMMITTEE</u></b> <b><u>MEMBERS:</u></b> Cllr MC van den Berg – Chairperson Cllr BD Smith Cllr G Riddles Cllr J Hartnick Cllr L Pieterse</p>
<p><b><u>MPAC</u></b> <b><u>MEMBERS:</u></b> Cllr IT Mangaliso – Chairperson Cllr RG Davids Cllr B van Noordwyk Cllr S Le Roux Cllr L February</p>	<p><b><u>APPEALS COMMITTEE / SEC 62 COMMITTEE</u></b> <b><u>MEMBERS:</u></b> Cllr A Stroebel – Chairperson Cllr S Le Roux Cllr RG Davids Cllr AP Daniëls</p>
<p><b><u>SECTION 32 COMMITTEE</u></b> <b><u>MEMBERS:</u></b> Cllr B van Noordwyk – Chairperson Cllr RG Davids Cllr S Le Roux Cllr CP Taute</p>	<p><b><u>NAMING COMMITTEE</u></b> <b><u>MEMBERS:</u></b> Cllr A Stroebel – Chairperson Cllr MC van den Berg Cllr B van Noordwyk Cllr NA Joseph</p>
<p><b><u>LABOUR FORM (LLF) (5 Councillors)</u></b> <b><u>MEMBERS:</u></b></p>	<p><b><u>PERFORMANCE AUDIT COMMITTEE</u></b> <b><u>MEMBERS:</u></b></p>

Cllr G Riddles Cllr MC van den Berg Cllr J Hartnick Cllr GL Boezak Cllr BD Smith	Cllr G Riddles Cllr BD Smith
<b><u>LIQUOR LICENCE TRIBUNAL</u></b> <u>MEMBERS:</u> Cllr A Stroebel Cllr J Hartnick Cllr NA Joseph	<b><u>MONITORING COMMITTEE FOR SOLID WASTE</u></b> <u>MEMBERS:</u> Relevant Ward Councillor PR Councillor Chairperson Technical Services Portfolio Committee
<b><u>HESSEQUA DEVELOPMENT ADVICE COMMITTEE</u></b> All Councillors (ex-officio) as invited by Director: Development Planning	

## SALGA WORKING GROUPS

SALGA WESTERN CAPE: HESSEQUA MUNICIPALITY REPRESENTATIVES	
<b>CAPACITY BUILDING AND INSTITUTIONAL RESILIENCE</b>	Cllr BD Smith
<i>Secundi</i>	Cllr A Stroebel
<b>COMMUNITY DEVELOPMENT AND SOCIAL COHESION</b>	Cllr GL Boezak
<i>Secundi</i>	Cllr BD Smith
<b>ECONOMIC EMPOWERMENT AND EMPLOYMENT CREATION</b>	Cllr HJ Saayman
<i>Secundi</i>	Cllr MC van den Berg
<b>ENVIRONMENTAL PLANNING AND CLIMATE RESILIENCE</b>	Cllr HJ Saayman
<i>Secundi</i>	Cllr MC van den Berg
<b>GOVERNANCE AND INTER GOVERNMENTAL RELATIONS</b>	Cllr A Stroebel
<i>Secundi</i>	Cllr G Riddles
<b>HUMAN SETTLEMENTS AND MUNICIPAL PLANNING</b>	Cllr GL Boezak
<i>Secundi</i>	Cllr HJ Saayman
<b>MUNICIPAL FINANCE AND FISCAL POLICY</b>	Cllr BD Smith
<i>Secundi</i>	Cllr A Stroebel
<b>MUNICIPAL INNOVATIONS AND INFORMATION TECHNOLOGY</b>	Cllr A Stroebel
<i>Secundi</i>	Cllr BD Smith
<b>PUBLIC TRANSPORT AND ROADS</b>	Cllr MC van den Berg

<i>Secundi</i>	Cllr B van Noordwyk
<b>WATER SANITATION AND WASTE MANAGEMENT</b>	Cllr MC van den Berg
<i>Secundi</i>	Cllr B van Noordwyk
<b>SALGA WOMEN'S PROVINCIAL COMMISSION</b>	Cllr S Le Roux
<i>Secundi</i>	Cllr B van Noordwyk
<b>PROVINCIAL GENDER FORUM</b>	Cllr S Le Roux
<i>Secundi</i>	Cllr B van Noordwyk

## EXTERNAL INSTITUTIONS

### BUSINESS CHAMBERS / FORUMS

<b>RIVERSDALE</b>	Cllr B van Noordwyk
	Cllr NA Joseph (secundi)
<b>STILBAY</b>	Cllr MC van den Berg
	Cllr A Stroebel (secundi)
<b>HEIDELBERG</b>	Cllr S Le Roux
	Cllr G Riddles (secundi)
<b>ALBERTINIA</b>	Cllr HJ Saayman
	Cllr RG Davids (secundi)

## OTHER INSTITUTIONS

<b>INSTITUTION / BODY / COMMITTEE</b>	<b>REPRESENTATIVES</b>
<b>CONSOLIDATED PENSION FUND (CPF)</b> <b>LOCAL AUTHORITY RETIREMENT FUND (LARF)</b> <b>SALA PENSIONFUND</b> <b>PENSIONFUND FOR COUNCILLORS</b>	Cllr BD Smith Cllr IT Mangaliso (secundi)

<b>SAMWU FUND</b>	
<b>BONITAS, MUNIMED, HOSMED, SAMWU-MEDICAL AID, GLOBAL HEALTH</b>	Cllr BD Smith Cllr J Hartnick (secundi)
<b>TOURISM (INCLUDING EXISTING TOURISM BUREAUS)</b>	Cllr HJ Saayman Cllr S Le Roux (secundi)
<b>HEIDELBERG COMMUNITY HEALTH CENTRE</b>	Cllr S Le Roux Cllr GL Boezak (secundi)
<b>SAPS (PRIORITISING OF CRIME) SCTA &amp; GOKOK POLICING FORUM</b>	<b><u>Riversdale:</u></b> Cllr B van Noordwyk Cllr NA Joseph (secundi) <b><u>Stilbay:</u></b> Cllr RG Davids Cllr MC van den Berg (secundi) <b><u>Albertinia:</u></b> Cllr HJ Saayman Cllr IT Mangaliso (secundi) <b><u>Heidelberg/Witsand:</u></b> Cllr GL Boezak Cllr AP Daniëls (secundi)
<b>HESSEQUA VISSERS, MARIENE- EN KUSBEWARINGSFORUM</b>	Cllr RG Davids Cllr BD Smith (secundi)
<b>EDEN DISTRICT HEALTH FORUM</b>	Cllr B van Noordwyk Cllr CP Taute (secundi)
<b>LIBRARY AND MUSEUMS</b>	Cllr BD Smith Cllr MC van den Berg (secundi)
<b>BEHEERRAAD HUIS STILBAAI</b>	Cllr MC van den Berg Cllr BD Smith (secundi)
<b>STILBAY TOUCH RUGBY</b>	Cllr A Stroebel Cllr G Riddles (secundi)
<b>TRANS AGULAS</b>	Cllr MC van den Berg Cllr A Stroebel (secundi)
<b>ALBERTINIA VERSORGINGSDIENSTE</b>	Cllr HJ Saayman Cllr IT Mangaliso (secundi)

<b>GOURITSRIVIER BEWARINGSTRUST</b>	Cllr RG Davids Cllr BD Smith (secundi)
<b>LANGEBERG WATERVERBRUIKERSVERENIGING</b>	Cllr B van Noordwyk Cllr MC van den Berg (secundi)
<b>GOUKOU RIVIERFORUM</b>	Cllr RG Davids Cllr BD Smith (secundi)
<b>DISTRIKSASSESSERINGSKOMITEE</b>	Cllr B van Noordwyk Cllr CP Taute (secundi)
<b>GOURITZ BREËRIVIER CMA KOMITEES</b>	Cllr MC van den Berg Cllr GL Boezak (secundi)
<b>BEHEERRAAD VAN DROOM</b>	Cllr B van Noordwyk Cllr A Stroebel (secundi)
<b>HUIS ZENOBIA DU TOIT (BADISA)</b>	Cllr S Le Roux Cllr L Pieterse (secundi)
<b>MELKHOUTFONTEIN BOERE-IMPLEMENTERINGSKOMITEE</b>	Cllr RG Davids Cllr G Riddles (secundi)
<b>BEHEERRAAD VAN JAGERSBOSCH EN SOETERUS</b>	Cllr MC van den Berg Cllr RG Davids (secundi)
<b>TUIN OP DIE BRAK</b>	Cllr RG Davids Cllr BD Smith (secundi)
<b>KORENTE VETTERIVIER BESPROEIINGSRAAD</b>	Cllr B van Noordwyk Cllr MC van den Berg (secundi)
<b>JONGENSFONTEIN INWONERSVERENIGING</b>	Cllr MC van den Berg Cllr A Stroebel (secundi)
<b>INWONERSVERENIGINGS</b>	Ward Councillors
<b>RIVERSDALE HEALTH FORUM</b>	Cllr A Stroebel Cllr B van Noordwyk (secundi)
<b>LANDBOUSEKTOR</b>	Cllr B van Noordwyk Cllr MC van den Berg (secundi)

<b>GARDEN ROUTE DISTRICT MUNICIPLAITY</b>	Cllr B van Noordwyk Cllr CP Taute
<b>HESSEQUA SOSIALE ONTWIKKELING ADVIES FORUM (HSOAF)</b>	Cllr. GL Boezak Cllr. HJ Saayman (secundi)
<b>VERWYSINGSKOMITEE VAN DIE GEMEENSKAPSWERK PROGRAM</b>	Speaker- Cllr. A Stroebel

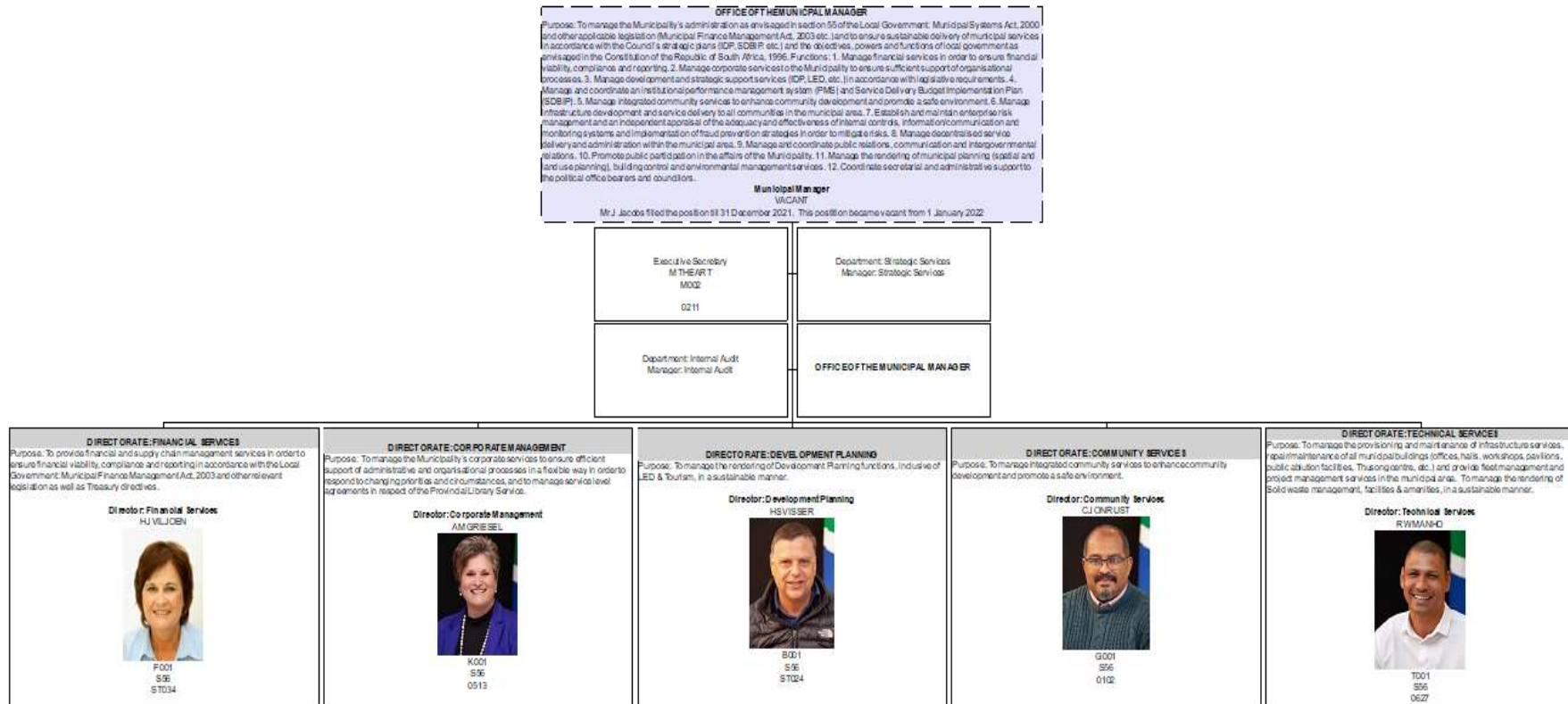
#### **PRIMARY HEALTH CARE FACILITIES COMMITTEES**

<b>TOWN</b>	<b>REPRESENTATIVES</b>
<b>RIVERSDALE</b>	Cllr B van Noordwyk Cllr NA Joseph (secundi)
<b>ALBERTINIA</b>	Cllr HJ Saayman Cllr IT Mangaliso (secundi)
<b>SLANGRIVIER</b>	Cllr GL Boezak Cllr LC February (secundi)
<b>HEIDELBERG</b>	Cllr AP Daniëls Cllr S Le Roux (secundi)
<b>MELKHOUTFONTEIN</b>	Cllr RG Davids Cllr BD Smith (secundi)

# Appendix C

The macro organogram of the administrative structure of the municipality

## Macro Structure

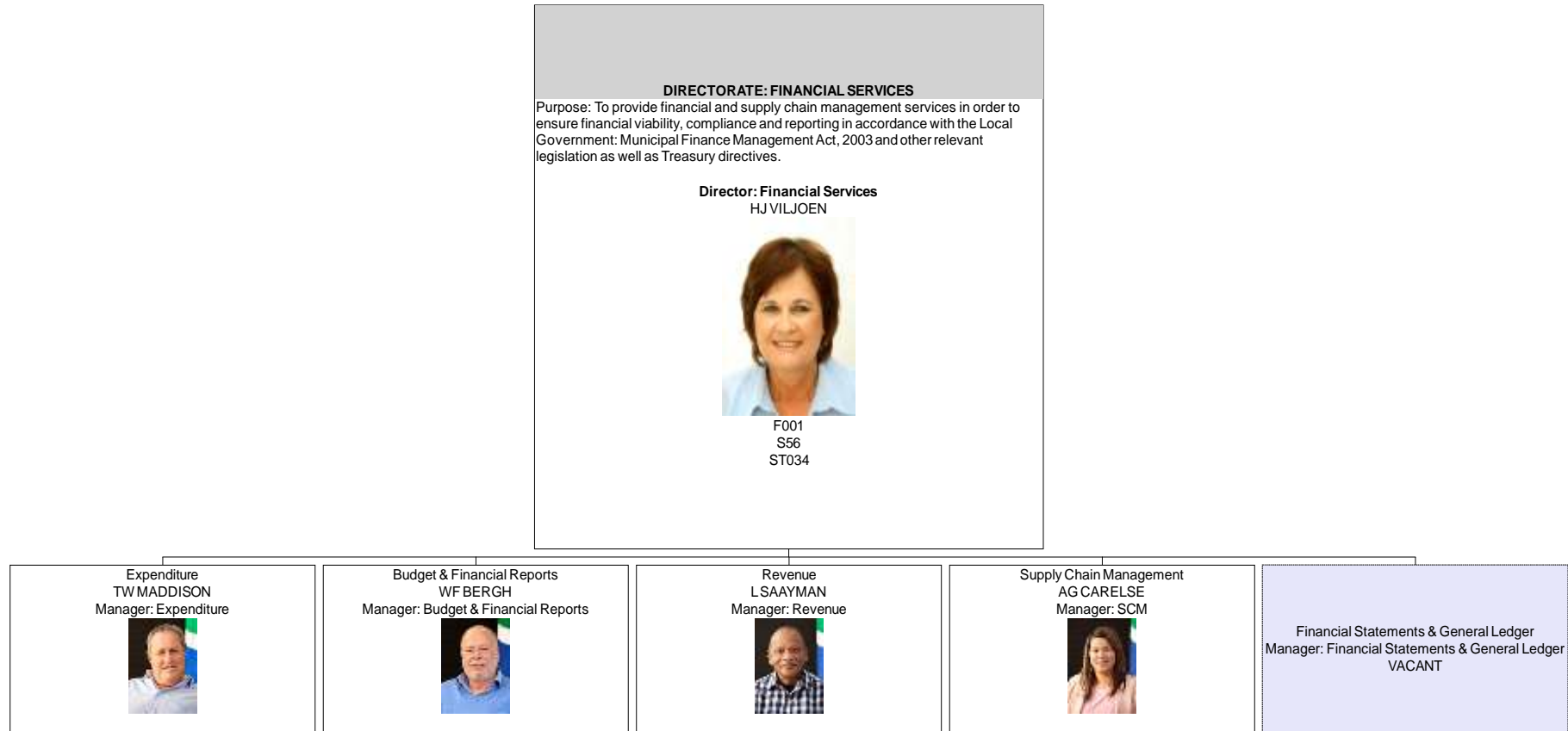




OFFICE OF THE MUNICIPAL MANAGER



Directorate: Financial Services



## 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  
UNOOSTHUIZEN  
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



## Directorate: Development Planning



## Directorate: Community Services



## Directorate: Technical Services

### DIRECTORATE: TECHNICAL SERVICES

Purpose: To manage the provisioning and maintenance of infrastructure services, repair/maintenance of all municipal buildings (offices, halls, workshops, pavilions, public ablution facilities, Thusong centre, etc.) and provide fleet management and project management services in the municipal area. To manage the rendering of Solid waste management, facilities & amenities, in a sustainable manner.

#### Director: Technical Services

RWMANHO



#### Electrical Mechanical Services

S CHIKAMHI

Manager: Electrical Mechanical Services



Civil Infrastructure Services  
Manager: Civil Infrastructure Services  
VACANT

#### Civil Planning & Project Management

SLKENNEDY

Manager: Civil Planning & Project Management



# Appendix D

The appendix covers what constitutes the municipal functions:

The municipal function areas for the 2021/22 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
Treatment of Dogs and Cats	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral 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 Function	Municipal Function Yes / No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

# 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
		Block - 2
		Block - 2
		Block - 3
		Block - 3
		Sector Representation
		Sector Representation
9	4	Block - 1
		Block - 2
		Sector Representation
		Sector Representation
		Sector Representation

### Ward Committee Meetings for 2021/2022

WARD	27/07/2021	24/08/2021	28/09/2021	29/03/2022	26/04/2022	24/05/2022	28/06/2022
Ward 1	Yes	Yes	(No items)	Yes	Yes	Yes	(No quorum)
Ward 2	(No items)	Yes	(No items)	Yes	No	Yes	Yes
Ward 3	Yes	Yes	(No items)	Yes	Yes	Yes	Yes
Ward 4	(No items)	Yes	Yes	Yes	Yes	Yes	Yes
Ward 5	Yes	Yes	(No items)	Yes	Yes	Yes	Yes
Ward 6	Yes	Yes	(No items)	Yes	Yes	Yes	Yes
Ward 7	(No items)	Yes	(No items)	Yes	Yes	Yes	Yes
Ward 8	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ward 9	Yes	Yes	(No items)	Yes	Yes	Yes	Yes

# Appendix F

This appendix relates to ward projects and implementation priorities.

No	Project description	Ward	Ref	Budget 2021/2022
1.1	Extension of cemetery - Still Bay	1,3	S/B	500,000
1.2	Mark of cemeteries : Graves - Hessequa	HQ	H/Q	
1.3	Upgrading of old Cemeteries - Hessequa	HQ	H/Q	200,000
1.4	New ablution Facilities cemeteries	HQ	H/Q	
1.5	Upgrading of fencing / entrance gates - Riversdale Cemetery	6,7,8	R/D	
	<b>TOTAL CEMETRIES</b>			<b>700,000</b>
2.1	Burglar Proofing - Duivenhoks Hall	4,5	H/B	35,000
2.2	Upgrading of Civic Hall - Theronville - A/B	2	A/B	
2.3	New Business HUB - Kwanokuthula	7	R/D	
	<b>TOTAL COMMUNITY HALLS</b>			<b>35,000</b>
3.1	Stairs - Aloeridge & Mōrestond	8	R/D	100,000
	<b>TOTAL OTHER</b>			<b>100,000</b>
4.1	Fencing of play parks - Hessequa	HQ	H/Q	70,000
4.2	Development "Tuin op die Brak" - S/B	1	S/B	30,000
4.3	Park Benches - Hessequa	HQ	H/Q	60,000
4.4	Upgrade of playparks - Hessequa	HQ	H/Q	100,000
4.5	Upgrading of day camp - Preekstoel	1	S/B	
4.6	Irrigation of parks & open spaces - HQ	HQ	H/Q	50,000
4.7	Upgrading of braai facilities at public places - HQ	HQ	H/Q	30,000
4.8	New Poliwood picnic table sets - Lappiesbaai	1,3	S/B	
4.9	New Playpark, Robinsonsingel - Heidelberg	4,5,9	H/B	80,000
4.10	Upgrading of nature park - Slangrivier	4	S/R	
4.11	Fencing of Jurisch Park - Riversdale	6,7,8	R/D	
	<b>TOTAL PARKS &amp; GARDENS</b>			<b>420,000</b>
5.1	Upgrading of Blueflag facilities - Hessequa	HQ	H/Q	120,000
5.2	Upgrading of Ablution Facilities - Middelkamp - W/S	4	W/S	
5.3	Upgrading of Ablution Facilities - Preekstoel	1	S/B	50,000
5.4	New gate for entrance- Ellensrust S/B	1	S/B	
5.5	Upgrading of Ablution facilities - Ellensrust S/B	1	S/B	
5.6	Additional Braai facilities at Preekstoel Day Camp	1	S/B	15,000
5.7	Replacing window frames with aluminium - JFTN	3	J/F	100,000
5.8	New thatch roof chalets - Jongensfontein	3	J/F	120,000
5.9	New stairs (recycled plastic) Lappiesbaai beach to Ellensrust	1	S/B	
5.10	Upgrading of chalets - Ellensrust	1	S/B	
5.11	Upgrading of chalets - Preekstoel	1	S/B	
5.12	New centralised Braai facilities - Ellensrust	1	S/B	

No	Project description	Ward	Ref	Budget 2021/2022
5.13	New Playpark - Jongensfontein	3	J/F	
5.14	New curtains - Ellensrust	1	S/B	40,000
5.15	New stairs Beach to Preekstoel	1	S/B	180,000
5.16	Road/Welcome Signs : Ellensrust, Jongensfontein & Preekstoel	1,3	S/B	30,000
5.17	New thatch roof at Blue Flag beach - Jongensfontein	3	J/F	65,000
	<b>TOTAL RECREATIONAL</b>			<b>720,000</b>
6.1	Development of Sportgronds - Slangrivier - Counter/Own Funding (Ref 271190)	4	S/R	2,000,000
6.2	Upgrading of Sportsfields - Melkhoutfontein - Counter/Own Funding (Ref 271051)	1	S/B	2,000,000
6.3	Refurbishment of Riverville Stadium - R/D	6	R/D	
6.4	Upgrading of Soccer field - Kwanokuthula - R/D	7	R/D	
	<b>TOTAL SPORTFIELDS &amp; STADIA</b>			<b>4,000,000</b>
7.1	Booster pumps - Swimming pools - Hessequa	HQ	H/Q	
	<b>TOTAL SWIMMING POOLS</b>			<b>0</b>
8.1	MS Middleton & MS Eike Street (MP 5.3.7)	9	H/B	
8.2	MV retic MS Krag Stasie & RMU Niekerk Str, incl RMU Markplein	4,5	H/B	1,420,000
8.3	Ringfeed PMT Kayelitsha, PMT A PMT B PMT van Niekerk, PMT King Str	4,5	H/B	
8.4	Replace OH line between RMU Uys Street & PMT Rugby Feld	4,5	H/B	560,000
8.5	MV retic between Barracouta St and Sub 7 (MP 5.3.1)	4	W/S	
8.6	RMU Bauhinia St (MP 5.2.5)	7	R/D	515,000
8.7	Retic RMU Takkieskloof RMU Bauhinia (MP 5.2.7)	7	R/D	240,000
8.8	RMU Slagkop (MP 5.3.6)	7	R/D	
8.9	Retic between SS Heese Str RMU Versveld (MP 5.3.7)	8	R/D	
8.10	Retic between SS Louwrens & RMU Osler (MP 5.3.11)	7	R/D	200,000
8.11	Retic between SS kragstasie & RMU Osler (MP 5.3.13)	7	R/D	910,000
8.12	Upgrading of network - Stilbaai - West/East	1,3	S/B	800,000
8.13	Replace MV OH Line in Bosbok Ave	1,3	S/B	
8.14	MS Gordon Slot to MS HH Steyn (MP 5.3.4)	1,3	S/B	
8.15	Undermilkwood ring (MP 5.3.14)	1,3	S/B	360,000
8.16	RMU Prinsloo, RMU Hoofweg Wes 4 (MP 5.3.15)	1,3	S/B	585,000
8.17	RMU Azalea Str (MP 5.3.21)	1,3	S/B	
8.18	MS Matoppo (MP 5.2.1) - A/B	2	A/B	470,000
8.19	MS Rowweklip 2 (MP 6.3.9) - JFHT	3	J/F	
8.20	MV kabel graansilos vervang - R/D	6,7,8	R/D	130,000
8.21	Transformators herstel kragstasie bystand masjiene	6,7,8	R/D	150,000
8.22	Telemetry - HQ	HQ	H/Q	500,000
8.23	Streetlights Retrofitting ( Energy Efficiency) - H/Q	HQ	H/Q	3,000,000
8.24	Supply & Install "RMU Tuin" - A/B	2	A/B	
8.25	Installation of RMU ZENOIB & new MV cable to MS Skoolkop - H/B	4,5,9	H/B	
8.26	95mm <sup>2</sup> Copper cable between RMU Haig str & MS Caltex - H/B	4,5,9	H/B	
8.27	Main intake Substation - H/B	4,5,9	H/B	

No	Project description	Ward	Ref	Budget 2021/2022
8.28	SS Hospital - Replace overhead line - R/D	6,7,8	R/D	
8.29	Replace 35mm <sup>2</sup> CU cable between "SS Hospital & SS Kragstasie - R/D	6,7,8	R/D	
8.30	Upgrade RMU Heide str & Install a 70mm <sup>2</sup> CU - R/D	6,7,8	R/D	
8.31	Install circuit breaker panel in SS Heese str - R/D	6,7,8	R/D	
8.32	MV cable between MS-SS-2 & MS-SS-3 - W/S	4	W/S	
8.33	SS Bosbokduin - S/B	1,3	S/B	
8.34	MS 9 to MS10 - S/B	1,3	S/B	
8.35	"LV" Stillwaters - Overhead line - S/B	1,3	S/B	
8.36	"LV" Steadfried avenue - S/B	1,3	S/B	
8.37	"LV" Market Str & Van Riebeeck - H/B	4,5,9	H/B	
8.38	"LV" Stasie str, Sydney str, Matoppo str - A/B	2	A/B	
8.39	"LV" Control boxes - S/B	1,3	S/B	
8.40	"LV" LV Kiosk - W/S	4	W/S	
8.41	Streetlighting project - Buitekant str & Keurboom str - S/B	1,3	S/B	
8.42	Streetlighting project - Daytona ave & Hoofweg - JFNT - S/B	3	J/F	
8.43	Streetlighting project - Rooipitjie str - S/B	1,3	S/B	
8.44	Streetlighting project - 4 Way Stop - W/S	4	W/S	
8.45	Streetlighting project - Town Entrance & Industrial area - A/B	2	A/B	
8.46	Streetlighting project - Voortrekker Main road - G/M	1	G/M	
8.47	Streetlighting project - Asla Park - S/R	4	S/R	
8.48	Project 1: BILL 5.0: S/B: RMU Paling str	1,3	S/B	
8.49	Project 1: BILL 6.0: S/B: MV Cable between MS SS 7B (Palingkloof) & MS SS 11	1,3	S/B	
8.50	Project 1: BILL 7.0: S/B: LV Distribution kioks	1,3	S/B	
8.51	Project 1: BILL 11.0: A/B: MV Overhead connection between PMT N & PMT L	2	A/B	
8.52	Project 1: BILL 16.0: G/M: Upgrade MV Reticulation in Voortrekker str, Incl. Ring main unit	1	G/M	
8.53	Project 2: BILL 9.0: R/D: Streetlight fittings - R/D	6,7,8	R/D	
8.54	Project 2: BILL 19.0: H/B: MV cable between MS Kragstasie & SS Markplein, incl. Ring main unites	4,5,9	H/B	
8.55	Project 2: BILL 20.0: H/B: Streetlight fittings	4,5,9	H/B	
8.56	Project 2: BILL 24.0: W/S: Streetlight fittings	4	W/S	
8.57	Overhead line - Stilbay to Jongensfontein	3	S/B	
8.58	Service of 4 Stands in MHFT	1	S/B	
8.59	Service of Business Stands in MHFT	1	S/B	
8.60	Medium Voltage Network Upgrade - Low cost housing - H/Q	HQ	H/Q	
	<b>TOTAL ELECTRICITY</b>			<b>9,840,000</b>
9.1	Rural Refuse Containers / Depots - H/Q	9	H/Q	100,000
9.2	Refuse Containers - public facilities - HQ	HQ	H/Q	
9.3	Skip Containers	HQ	H/Q	
	<b>TOTAL SOLID WASTE</b>			<b>100,000</b>

No	Project description	Ward	Ref	Budget 2021/2022
10.1	Westly road bypas (Development) - S/B	1,3	S/B	1,500,000
10.2	Upgrading of Roads - H/Q	HQ	H/Q	5,000,000
10.3	Traffic Calming Techniques - H/Q	HQ	H/Q	150,000
10.4	Bus shelter- Witsand	4	W/S	
10.5	Parking bays (Taxis) - HB	4,5,9	H/B	
10.6	Upgrading of Roads & stormwater - Kwanokhutula - R/D (Ref 365257)	7	R/D	
10.7	Upgrading of Roads & stormwater -Theronville - A/B (Ref 383442)	2	A/B	
	<b>TOTAL ROAD TRANSPORT</b>			<b>6,650,000</b>
11.1	Upgrading of existing Sewerage Infrastructure ( GLS) - Albertinia	2	A/B	750,000
11.2	Bulk Sewer Upgrade phase 1 ( GLS) - Stilbaai	1,3	S/B	
11.3	Upgrading of Sewerage works - Phase 2 - R/D - Counter Funding (Ref 313781)	6,7,8	R/D	7,708,705
11.4	Upgrading of sewerage system - H/B	9	H/B	500,000
11.5	Upgrade Existing Gravity - S/B	1,3	S/B	720,000
11.6	New Gravity Distribution - GLS Development - S/B	1,3	S/B	
11.7	Laboratory Equipment - H/Q	HQ	H/Q	
11.8	Upgrading of Waste Water Treatment Works - GM	1	G/M	
11.9	Upgrading WWTW - Jongensfontein	3	J/F	
11.10	New Mulcher (Pumpstation)- JFT	3	J/F	
11.11	HAS-1.5 - 390m x 160dia New gravity sewer line -AB	2	A/B	
11.12	HAS-1.6 -2758m x 160dia New gravity sewer line - AB	2	A/B	
11.13	Refurbish & Upgrading of WWTW - A/B - Counter Funding (Ref 383441)	2	A/B	
11.14	HHS (1.1) - 270m x 400dia Upgrade gravity sewer system -HB	4,5,9	H/B	
11.15	HHS (2.3) - 6347m x 160dia New gravity sewer system-HB	4,5,9	H/B	
11.16	Bulk Sewer Upgrade phase 1 ( GLS) - Stilbaai	1,3	S/B	
11.17	Upgrade of Sewerage inlet works - Still Bay	1,3	S/B	
11.18	Upgrading Pumpstation 5 -SB East	1	S/B	
11.19	HRS(1.1) - 398m x 250dia Gravity System	6,7,8	R/D	
11.20	HRS(1.7) - 549m x 250dia Upgrade of existing gravity system	6,7,8	R/D	
11.21	HRS(2.1) - 99m x 600dia Upgrade of existing gravity system	6,7,8	R/D	
11.22	HRS( 2.2) - Upgrade existing flow diversion	6,7,8	R/D	
11.23	HRS(3.1) - 191m x 675dia Upgrade of existing gravity system	6,7,8	R/D	
11.24	Upgrade of existing gravity system - Morestond	6,7,8	R/D	
11.25	Replace sand in sludge drying bed at WWTW (Hessequa)	HQ	H/Q	
11.26	Refurbish & Upgrading of WWTW - A/B - (Ref 383441)	2	A/B	
	<b>TOTAL SANITATION</b>			<b>9,678,705</b>
12.1	Water meters - Hessequa	HQ	H/Q	250,000
12.2	Replacement of Water Infrastructure - GLS Report - H/B	9	H/B	500,000
12.3	Upgrading of Main Water Supply (GLS REPORT) - Witsand	4	W/S	250,000
12.4	New Reservoir & Pumps - GLS - Stilbaai West	1,3	S/B	
12.5	Water Network Reinforcement GLS - Riversdale	6,7,8	R/D	500,000



No	Project description	Ward	Ref	Budget 2021/2022
12.6	Upgrading of Irrigation /Channel (leiwatersloot) - H/B	4,5	H/B	
12.7	Network reinforcement (phase 1) - GLS - W/S	4	W/S	
12.8	New Water Networks Distribution - GLS - S/B	1,3	S/B	1,000,000
12.9	Water Security Measures - H/Q	HQ	H/Q	1,000,000
12.10	Laboratory Equipment - Water	HQ	H/Q	150,000
12.11	Upgrading of water purification works - JFTN	3	J/F	50,000
12.12	PRJ-HHW-002: Network reinforcement - Reservoir zone - H/B	4,5,9	H/B	
12.13	Reservoir rehabilitation - HQ	HQ	H/Q	
12.14	PRJ-HAW-001: Network reinforcement (phase 1) - A/B	2	A/B	
12.15	Upgrading of Bulk Water network of new 585 low cost housing - MHFT (Ref 385015)	1	S/B	
12.16	Refurbishment of Water Treatment works - A/B (Ref_____)	2	A/B	
12.17	Connection of Boreholes to water network - H/Q (Ref_____)	HQ	H/Q	
12.18	Refurbishment of Water Treatment works - A/B (Ref_____ ) - Counter Funding	2	A/B	
12.19	Connection of Boreholes to water network - H/Q (Ref_____ ) - Counter Funding	HQ	H/Q	
	<b>TOTAL WATER</b>			<b>3,700,000</b>
13.1	Upgrading of Toilet & Ablution facilities: Julie se Baai - S/B	1	S/B	
13.2	Upgrade UPS Server Room - ICT - R/D	HQ	R/D	
13.3	Fencing of Locomotive - Riversdal	6,7,8	R/D	75,000
13.4	Upgrading of Garages - Fire	HQ	H/Q	
13.5	Fence Wall - Fire	HQ	H/Q	
13.6	Fencing old Council Hall - Slangrivier	4	S/R	
13.7	Garage door - Civic Centre Riversdal	HQ	H/Q	
13.8	Redesign & Construction of Entrance & Offices - Community Serv. - RD	HQ	H/Q	
13.9	Fencing of Civic Centre Building - Riversdale	6,7,8	R/D	
13.10	Upgrade of Fire Station (Airfield) - Riversdale - Fire	HQ	H/Q	
13.11	Upgrade Fire Station - Still Bay - Fire	HQ	H/Q	50,000
13.12	Upgrade of Boat Store - Environm. - Planning - R/D	HQ	R/D	
13.13	Fish cleaning facilities at Slipway - Environm. - Planning - G/M	1	G/M	
13.14	Purchase & Upgrading of office Space -R/D	HQ	H/Q	
13.15	Upgrading of toilet facilities Burgersentrum - R/D	HQ	H/Q	
13.16	Upgrading Market Plain fence - H/B	4,5,9	H/B	
13.17	Refurbishment of Buildings - H/Q	HQ	H/Q	
	<b>TOTAL CIVIC LAND &amp; BUILDINGS</b>			<b>125,000</b>
14.1	2 X Desktop computers - online vending - Income - Finance	HQ	H/Q	23,000
14.2	2 X LX300 printers - Income - Finance	HQ	H/Q	6,500
14.3	Desktop Computer - Income - Finance	HQ	H/Q	
14.4	Routemaster Handheld - Income - Finance	HQ	H/Q	36,000
14.5	Token Reader - Income - Finance	HQ	H/Q	12,000
14.6	Receipt Printer - Income - Finance	HQ	H/Q	16,000

No	Project description	Ward	Ref	Budget 2021/2022
14.7	4 x Thermal Token Printers - Income - Finance	HQ	H/Q	
14.8	Main Frame Computer System - Finance	HQ	H/Q	10,000,000
14.9	Laptop - Joanne - Income - Finance	HQ	H/Q	15,000
14.10	Laptop - Desire - Income - Finance	HQ	H/Q	15,000
14.11	Laptop - MMO	HQ	H/Q	18,000
14.12	17 X Laptops - MMO - Councillors	HQ	H/Q	350,000
14.13	Laptop - IDP	HQ	H/Q	15,000
14.14	Desktop computer - Public Works - Witsand	HQ	W/S	10,000
14.15	Desktop computer - Public Works - Slangrivier	HQ	S/R	10,000
14.16	Laptops (New Posts Technical Services) - R/D	HQ	H/Q	
14.17	Storage Area Network - ICT DR Site	HQ	H/Q	
14.18	4 x Managed switches -ICT - Store Item	HQ	H/Q	
14.19	LCD Screens - ICT - Store Items	HQ	H/Q	
14.20	Laptop - Corporate - ICT	HQ	H/Q	
14.21	UPS solution Serv. Room - ICT	HQ	H/Q	
14.22	Hyper Converge Server - ICT	HQ	H/Q	320,000
14.23	Laptop - Corporate - HR Recruitment	HQ	H/Q	17,300
14.24	Laptop Manager - HR	HQ	H/Q	18,000
14.25	Laptop - HR	HQ	H/Q	
14.26	2 x Laptops - Admin Committee Clerks - Corporate	HQ	H/Q	
14.27	Laptop - Ellensrust	1	S/B	15,000
14.28	Laptop - Preekstoel	1	S/B	15,000
14.29	Desk Computer - Library - Stilbay	1,3	S/B	
14.30	Printer - Library - Stilbay	1,3	S/B	
14.31	Desk Computer - Library - Riversdale	6,7,8	R/D	
14.32	Printer - Library - Riversdale	6,7,8	R/D	
14.33	Computer Monitor - Town Planning	HQ	H/Q	
14.34	4 X Laptops - Town Planning	HQ	H/Q	16,000
14.35	Desktop Computer - Tourism	HQ	H/Q	10,000
14.36	Laptops - LED	HQ	H/Q	
14.37	Laptop - Community Service/Traffic	HQ	H/Q	
14.38	Desktop Computers - Traffic	HQ	H/Q	10,000
14.39	Desktop computer Public Works, Riversdale	HQ	R/D	
14.40	Video Conference solution - ITC	HQ	R/D	
14.41	Projector - Public Works	HQ	R/D	
14.42	24" LCD Screens - Technical	HQ	R/D	
14.43	Computer Screen 55" - Technical	HQ	R/D	
14.44	Computer Screen 23" - Technical	HQ	R/D	
14.45	Desktop computers - Electrical - RD	HQ	R/D	
14.46	Desktop with Flat screen - MPCC - Community Serv. - RD	HQ	R/D	
14.47	Projector Screen - Housing/Community Service - RD	HQ	R/D	
14.48	Laptop - Corporate/Comms Official - Riversdal	HQ	R/D	
14.49	Laptop - Corporate/Comms Official - ICT	HQ	H/Q	
14.50	Laptop - Elmarie - Expen - Finance	HQ	H/Q	

No	Project description	Ward	Ref	Budget 2021/2022
14.51	Laptop -Leanne - SCM - Finance	HQ	H/Q	
14.52	Laptop - Zanette - CFO -Finance	HQ	H/Q	
14.53	Laptop - Martha - MM	HQ	H/Q	
14.54	Laptop - Lucinda - Com	HQ	H/Q	
14.55	Laptop - Adele - HR	HQ	H/Q	
14.56	Laptop - Jaco - Prop - Corp	HQ	H/Q	
14.57	Laptop - Frikkie - Traffic	HQ	H/Q	
14.58	Laptop - Werner - DTC	HQ	H/Q	
14.59	1 x Tablet - Environm. - Planning	HQ	H/Q	
14.60	1 x Handheld/portable GPS - Environm. - Planning	HQ	H/Q	
14.61	47 x Face Recognition Time & Attendance devices - H/Q	HQ	H/Q	
	<b>TOTAL IT</b>			<b>10,947,800</b>
15.1	1 x Stove - Sport fields - Riverville	6	R/D	
15.2	3 X Fridges - Halls - Hessequa	HQ	H/Q	18,000
15.3	Bed and Base sets - Chalets Jongensfontein	3	J/F	30,000
15.4	Occupational Safety Equipment - HR-HQ	HQ	H/Q	23,000
15.5	2 X Visitors chairs - Legal Services	HQ	H/Q	
15.6	2 x Office Chairs - Admin	HQ	H/Q	
15.7	6 x Communication / Marketing Banners - Admin (Media)	HQ	H/Q	
15.8	Fridges - Jongensfontein	3	J/F	20,000
15.9	Stoves - Jongensfontein	3	J/F	
15.10	Microwaves - Jongensfontein	3	J/F	5,000
15.11	Fridges - Ellensrust	1,3	S/B	12,000
15.12	Stoves - Ellensrust	1,3	S/B	15,000
15.13	Microwaves- Ellensrust	1,3	S/B	
15.14	Matrasses, Beds & matrass covers - Ellensrust	1,3	S/B	
15.15	Fridges - Preekstoel	1,3	S/B	8,000
15.16	Stoves - Preekstoel	1,3	S/B	
15.17	Mattresses & Beds - Preekstoel	1,3	S/B	
15.18	Notices boards - Library - Stilbay	1,3	S/B	
15.19	1 X Desk with drawers - Animal Pound - LE	HQ	H/Q	3,000
15.20	Matrasses - Disaster Management	HQ	H/Q	20,000
15.21	Blankets - Disaster Management	HQ	H/Q	20,000
15.22	1 x Office chair- SCM - Finance	HQ	H/Q	2,500
15.23	1 x High Back chair- Assets - Finance	HQ	H/Q	3,800
15.24	Visitor Chair - Assets - Finance	HQ	H/Q	1,200
15.25	2 X Calculators Financial - Budget - Finance	HQ	H/Q	
15.26	3 x High Back chairs - Admin / Switchboard Operators & Committees	HQ	H/Q	
15.27	2 X Hinged Door System Cupboard - Admin/Committees	HQ	H/Q	
15.28	1 X Conference Table - Admin / Media	HQ	H/Q	
15.29	8 X Visitors Chairs ( Admin / Committees)	HQ	H/Q	
15.30	1 X 90 degree link (veneer classic) - Admin / Committees	HQ	H/Q	
15.31	1 X Roller Door Credenza - Admin / Committees	HQ	H/Q	

No	Project description	Ward	Ref	Budget 2021/2022
15.32	Coated Metal Steel Shelves (HR Archives)	HQ	H/Q	
15.33	Curtains for Duivenhoks Community Hall - Heidelberg	4	H/B	25,000
15.34	2 x Cordless microphones Community Halls - Hessequa	HQ	H/Q	
15.35	1 x Vacuum Cleaner Municipal office - Heidelberg	4,5,9	H/B	6,000
15.36	1 x Microwave oven Municipal office - Heidelberg	4,5,9	H/B	1,800
15.37	1 x Microwave oven Theronville Community Hall - Albertinia	2	A/B	1,800
15.38	25 x Wooden tables - steel frame Melkhoutfontein Community Hall - SB	1	S/B	50,000
15.39	Curtains - Melkhoutfontein Community Hall - SB	1	S/B	
15.40	Tiling of floor - Melkhoutfontein Community Hall - SB	1	S/B	
15.41	1 x Vacuum Cleaner Municipal office - Stilbaai	1,3	S/B	6,500
15.42	Curtains - Community Hall - Stilbaai	1,3	S/B	
15.43	Chairs without arm rest & with steel frame Community Hall - Stilbaai	1,3	S/B	
15.44	Stage Curtains Community Hall- Stilbaai	1,3	S/B	
15.45	1 x Industrial Fridge - Melkhoutfontein Community Hall - SB	1	S/B	
15.46	Stage curtains and rail - Burgersentrum - Riversdal	6,7,8	R/D	
15.47	550 Plastic chairs - Burgersentrum- Riversdal	6,7,8	R/D	45,000
15.48	3 X Office Chair - Public Works - RD	HQ	H/Q	
15.49	Replacement of blinds - Community Services - RD	HQ	H/Q	
15.50	3 X Voice Recorders (Housing/Protection Serv/Community Dev) - RD	HQ	H/Q	3,000
15.51	Curtains - De Duine Community Hall - Witsand	4	W/S	30,000
15.52	Blinds Board/Training Room - HR Building	HQ	H/Q	
15.53	1 X Paper Shedder - Community Services - RD	HQ	H/Q	
15.54	2 X Cashiers Chair - Traffic	HQ	H/Q	
15.55	1 X Office Chair - Animal Pound - LE	HQ	H/Q	
15.56	Heavy Duty Chair - Louw - Income - Finance	HQ	H/Q	
15.57	Paper Shredder - Heavy duty - Louw - Income - Finance	HQ	H/Q	
15.58	High back chair - Joanne - Income - Finance	HQ	H/Q	
15.59	Visitors Chair - Ronell - Income - Finance	HQ	H/Q	
15.60	Big Punch - Ronell - Income - Finance	HQ	H/Q	
15.61	4 X Money Counting Machines - Cashiers - Income - Finance	HQ	H/Q	
15.62	High back chair - MHFT - Income - Finance	1	S/B	
15.63	3 X High back Chairs - Sonja/Cashier/Meter reader - Income - Finance	1	S/B	
15.64	Book Case - Madelein - Income - Finance	1	S/B	
15.65	Money Draw - Income - Finance	2	A/B	
15.66	2 X Visitor chairs - Income - Finance	2	A/B	
15.67	High back Chair - Marshe-Lee - Income - Finance	2	A/B	
15.68	2 X Visitor Chairs - Marshe-Lee - Income - Finance	2	A/B	
15.69	Fridges - Hanlie - Income - Finance	1	G/M	
15.70	Paper Shredder - Heavy duty - Lidia- Income - Finance	4,5,9	H/B	
15.71	Financial Calculator - Allison - Expen - Finance	HQ	H/Q	
15.72	Heavy Duty Chair - Allison - Expen - Finance	HQ	H/Q	
15.73	Paper Schedder - Heavy duty - Allison - Expenditure - Finance	HQ	H/Q	
15.74	4 X High back Office Chairs - HR	HQ	H/Q	
15.75	Heavy Duty Industrial Shredder - HR	HQ	H/Q	

No	Project description	Ward	Ref	Budget 2021/2022
15.76	Hinged door system Cupboard/4 shelves - HR	HQ	H/Q	
15.77	Wood cupboard - Mayors Office	HQ	H/Q	
15.78	1 x Office chair- Internal Audit	HQ	H/Q	
	<b>TOTAL FURNITURE AND OTHER OFFICE EQUIPMENT</b>			<b>350,600</b>
16.1	LDV - Public Works - A/B	2	A/B	
16.2	LDV - Sewerage - H/B	4,5	H/B	
16.3	1 X Sedan vehicle - IT	HQ	H/Q	
16.4	Suction Tanker - Sewerage - W/S	4	W/S	
16.5	Suction Tanker - Sewerage - S/R	4	S/R	1,100,000
16.6	Dozer D6 Landfill site - HQ	HQ	H/Q	
16.8	Multi-purpose Loader - Public Works - H/B	4,5	H/B	1,400,000
16.9	Ride-on Broom - H/Q	HQ	H/Q	
16.10	Tractor - Parks - S/B	1,3	S/B	650,000
16.11	LDV - Water - S/B	1,3	S/B	
16.12	LDV - Water - R/D	6,7,8	R/D	
16.13	4 X 2 LDV - Environmental Management - H/Q	HQ	H/Q	550,000
16.14	Double Cab Truck Tipper - Public Works - JFN	3	J/F	
16.15	4 X 4 LDV - Water - A/B	2	A/B	450,000
16.16	1 X LDV - SCM/Technical - Finance - RD	HQ	R/D	
16.18	1 X Water tank mounted on trailer - Fire	HQ	H/Q	
16.19	Cherry Picker - Electricity - S/B	1,3	S/B	
16.20	LDV Meter reader - Income - Finance	1,3	S/B	
	<b>TOTAL VEHICLES</b>			<b>4,150,000</b>
17.1	Crockery & Cutlery - Preekstoel	1,3	S/B	
17.2	Crockery & Cutlery - Witsand Middel Kamp	4	W/S	
	<b>TOTAL OTHER ASSETS</b>			<b>0</b>
18.1	Upgrading of Playpark Lukhanyo Creche - Riversdale	7	R/D	
18.2	Upgrading of Neskuikentjie - Heidelberg	4	H/B	
18.3	Burglar proofing at S.A.P.S Municipal building - Stilbaai	1,3	S/B	30,000
18.4	Upgrading of SAPS Offices - S/B	1,3	S/B	
	<b>TOTAL OTHER BUILDINGS</b>			<b>30,000</b>
19.1	Infrastructure Low Cost Housing - MHFN (Ref 349707)	1	S/B	7,644,096
	<b>TOTAL OTHER LAND</b>			<b>7,644,096</b>
20.1	Walk behind lawn mower - Parks - R/D	6,7,8	R/D	
20.2	Walk behind lawn mower - Parks - S/B	1,3	S/B	
20.3	Walk behind lawn mower - Parks - MHFT	1	S/B	
20.4	Walk behind lawn mower - Parks - A/B	2	A/B	
20.5	Walk behind lawn mower - Parks - H/B	4,5	H/B	
20.6	Weedeaters - Parks - A/B	2	A/B	8,300
20.7	Weedeaters - Parks - Heidelberg	4,5	H/B	8,300
20.8	Weedeaters - Parks - Riversdale	6,7,8	R/D	
20.9	Weedeaters - Parks - S/B	1,3	S/B	8,300

No	Project description	Ward	Ref	Budget 2021/2022
20.10	Weedeaters - Preekstoel	1	S/B	8,500
20.11	Weedeaters - Ellensrust	1	S/B	
20.12	Weedeaters - Public Works - S/R	4	S/R	8,300
20.13	Weedeaters - Public Works - W/S	4	W/S	
20.14	Weedeaters - Public Works - G/M	1	G/M	
20.15	Sewerage Rods - H/Q	HQ	H/Q	18,000
20.16	Double Drum pavement roller - Public Works - H/Q	HQ	H/Q	
20.17	Wacker - Electricity - R/D	6,7,8	R/D	
20.18	WAP - Public Works - R/D	6,7,8	R/D	25,000
20.19	Jackhammers - Public Works - R/D	6,7,8	R/D	25,000
20.20	Tools - Mechanical - H/Q	HQ	H/Q	10,000
20.21	Grinder - Petrol - Public Works - S/B	1,3	S/B	9,000
20.22	1.8 m Ladders - Electricity - R/D	6,7,8	R/D	
20.23	2.4 m Ladders - Electricity - R/D	6,7,8	R/D	
20.24	5.4 m Extension Ladders - Electricity - H/B	4,5	H/B	
20.25	Fibre Ladders - Electricity - H/B	4,5	H/B	
20.26	Link Stick clamps DISP head - Electricity - R/D	6,7,8	R/D	3,000
20.27	Banded Strapping Tools - - Electricity - R/D	6,7,8	R/D	
20.28	Brush Cutters 1,5m - Public Works - H/Q	HQ	H/Q	38,000
20.29	Walkie-Talkie Radios - Electricity - Hessequa	HQ	H/Q	55,000
20.30	New Road, info and street Signs - Traffic	HQ	H/Q	150,000
20.31	Cable & Fault detector - Low & High tension - Electr.	HQ	H/Q	
20.32	Hoses - Fire	HQ	H/Q	20,000
20.33	5 x Breathing Apparatus with back plate - Fire	HQ	H/Q	
20.34	10 x Cylinders - Fire	HQ	H/Q	
20.35	5 x Hose Ramps - Fire	HQ	H/Q	
20.36	5 x Halligan Tool - Fire	HQ	H/Q	
20.37	1 x Stand, Gas Cylinder and Cutting Torch - Fire	HQ	H/Q	12,000
20.38	Fire Hydrants - Riversdale - Fire	6,7,8	R/D	50,000
20.39	Fire Hydrants - Heidelberg - Fire	4,5	H/B	50,000
20.40	Fire Hydrants - Stillbaai/JFTN - Fire	1,3	S/B	50,000
20.41	Fire Hydrants - Albertinia - Fire	2	A/B	50,000
20.42	Fire Hydrants -Slangrivier - Fire	4	S/R	50,000
20.43	Fire Hydrants - Gouritsmond - Fire	1	G/M	30,000
20.44	Fire Hydrants - Witsand - Fire	4	W/S	30,000
20.45	1 x Motor Boat - Environmental - Town Planning	HQ	H/Q	
20.46	1 x Brush Cutter - Environmental - Town Planning	HQ	H/Q	
20.47	1 x Chainsaw - Environmental - Town Planning	HQ	H/Q	
20.48	1 x Industrial Blower - Ellensrust & Preekstoel	1	S/B	
20.49	1 x Trailer for compact tractor Ellensrust & Preekstoel	1	S/B	35,000
20.50	Emergency Generators for critical plants - Electricity - HQ	HQ	H/Q	
20.51	30 X Fire extinguishers - vehicles - HQ	HQ	H/Q	
20.52	First aid kits -Vehicles - HQ	HQ	H/Q	

No	Project description	Ward	Ref	Budget 2021/2022
20.53	1 X Jackhammer Cemetery - AB	2	A/B	40,000
20.54	Storage Container Thusong Centre - RD	6	R/D	
20.55	Sound Level Meter for Noise Metering - Community Services - RD	HQ	H/Q	
20.56	1 x Positive Pressor Smoke Ventilator(Blower) - Fire	HQ	H/Q	15,000
20.57	5 x 10lb Hammer - Fire	HQ	H/Q	2,000
20.58	5 x 4lb Hammer - Fire	HQ	H/Q	2,200
20.59	5 x Tommy Bar - Fire	HQ	H/Q	1,000
20.60	5 x Hazmat Spades - Fire	HQ	H/Q	5,000
20.61	5 x Spades - Fire	HQ	H/Q	1,000
20.62	1 x Floating Suction Pump - Fire	HQ	H/Q	
20.63	1 x Generator - Fire	HQ	H/Q	6,000
20.64	1 x Blower - Fire	HQ	H/Q	8,000
20.65	1 x Brush Cutter - Fire	HQ	H/Q	
20.66	5 x Nap Sack - Fire	HQ	H/Q	5,500
20.67	5 x Hazmat Squeegee, 610mm Rubber Blade - Fire	HQ	H/Q	1,000
20.68	5 x Rake Hoe - Fire	HQ	H/Q	1,000
20.69	5 x Fire Beaters - wooden handle - Fire	HQ	H/Q	1,000
20.70	1 x low Pressure Strike unit - Fire	HQ	H/Q	
20.71	1 x High Angle Rescue Set - Fire	HQ	H/Q	
20.72	2 x Microwaves - Fire	HQ	H/Q	1,500
20.73	2 x Air conditioners - Fire	HQ	H/Q	
20.74	2 x Stoves - Fire	HQ	H/Q	5,000
20.75	2 x Refrigerator - Fire	HQ	H/Q	3,000
20.76	1 x Farmers Jack - Fire	HQ	H/Q	
20.77	Radio Network - Fire	HQ	H/Q	
20.78	Rake Hoe - Environm. - Planning	HQ	H/Q	
20.79	Fire Beaters - wooden handle - Environm. - Planning	HQ	H/Q	
20.80	High Pressure Spout - Public Works - S/B	1,3	S/B	
20.81	Tools - Public Works - H/Q	HQ	H/Q	
	<b>TOTAL PLANT &amp; EQUIPMENT</b>			<b>849,900</b>
21.1	Refuse Compacter - H/Q	HQ	H/Q	
<b>TOTAL SPECIALISED VEHICLES</b>				<b>0</b>
				<b>60,041,101</b>

# Appendix G

Recommendations of the Municipal Audit Committee

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





**AUDIT- AND PERFORMANCE  
AUDIT COMMITTEE**

**ANNUAL REPORT**

**2021/2022**

## Audit- and Performance Audit Committee

### Report to the Council on activities during the 2021/2022 financial year

#### **1. Purpose of the report**

To report to Council on the activities of the Audit- and Performance Audit Committee (APAC) during the year 1 July 2021 to 30 June 2022 as required in clause 1.6.1 of the APAC Charter.

#### **2. Members of the APAC**

Members of the APAC during the financial year were as follows:

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

Qualifications of members are as follows:

- Prof JA Döckel  
B.Sc. (Agric)  
PhD
- Ms A Hartnick  
Educational Diploma 3
- Ms I Lorenz  
Professional Accountant (SA) SAIPA
- Mr J Kok  
Professional Accountant (SA) SAIPA
- Prof JAA Lazenby  
B.A. Honours  
M.A.  
B.Comm. Honours  
M.B.A.  
D.Phil.

### **3. Meetings, attendance and participation**

During the financial year 2021/2022 the APAC held four scheduled meetings on the following dates:

- 19 August 2021
- 18 November 2021
- 17 February 2022 and
- 19 May 2022

In addition, a special meeting to discuss the financial statements for the year ended 30 June 2021 was held on 10 September 2021. A further special meeting to discuss the draft 2022/2023 budget was held on 14 April 2022.

The external audit report was discussed with the Auditor General during the meeting held on 18 November 2021.

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

- |                                |   |   |
|--------------------------------|---|---|
| • Prof JA Döckel (Chairperson) | 4 |   |
| • Ms A Hartnick                |   | 3 |
| • 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. Minutes of each meeting and recommendations are retained and submitted to the Council on a regular basis.

### **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, must advise the municipal council, the political office bearers,

the accounting officer, and the management staff of the municipality on a wide range of financial, legal and management matters. The responsibilities and powers assigned to the Committee under this Act are as follow:

- 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 highlighted:

- Compliance with legal requirements
- Audit planning for 2022/23, 2023/24 and 2024/25
- 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 reasonably 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 made in this department, which was communicated to the APAC by the risk manager Mr. L de Villiers.

3. Execution of Audit Plan

The implementation of the approved Audit Plan is monitored and discussed quarterly by the APAC. The 2021/2022 plan has been fully implemented.

4. Covid-19

Concern was expressed on the influence of the pandemic 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 18 November 2021 to discuss the audit

strategy. 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.

During this meeting the final Management report as well as the draft Audit report was discussed.

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.

## **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. Although the current Intern in the department is of great assistance an additional post in the department will enhance its effectiveness considerably.

The approved Audit Plan for 2021/2022 was carried out satisfactorily. The Committee however strongly supports the request for additional staff

### **7.3 *Opinion on the Annual Financial Statements of 2021/2022***

The opinion of the committee on the Annual Financial statements for the year ended 30 June 2022 is as follows:

Although the available financial statements were reviewed, it is difficult to express an authoritative and credible view of the financial position of the municipality because there was still too much unfinished work at the time of the scheduled meeting.

Comments were made and answers received from the Director: Finance.

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

- The opinion of the committee on Performance Management for the year ended 30 June 2022 is as follows:
  - a. Of a total of 64 KPI's, 57 were met and 7 not met (5 out of the 7 was almost met)
  - b. Reasons for not achieving the performance targets are clearly motivated.
- 2. Attention in the new year should be given that the
  - a) correct actuals be reported, and that the unit of measurement is consistent with the criteria
  - b) SMART principles be continuously enforced
  - c) general formatting/layout of POE be updated to ensure ease of verification.

## **8. Shortcomings**

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

The risk management process is not at the required level yet. There was progress during the year and further 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 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 when evaluating the effectiveness of internal control systems.
- 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, while the recent charter was approved at a meeting held on 19 May 2022.



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

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

Brief reports on general aspects are:

- a. Internal control systems are 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 previous year and there is quarterly report back on the progress on the implementation of its recommendations.

#### **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 attend such meetings.

The Council and staff of the Hessequa Municipality are congratulated on a clean audit report for 2020/21, the eighth in a row.



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

# Appendix H&I

Not applicable as no PPP's or Municipal Entity exists. Also refer to Section 2.5 within the Annual Report

# 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 2021/22 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:

Section 56 Employee	Submitted Quarterly Disclosure Form for 2021/22
<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