

2022/2023

Annual Report

Hessequa Municipality



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1 MAYOR'S FOREWORD & EXECUTIVE SUMMARY

1.1 EXECUTIVE MAYOR'S FOREWORD

To the residents of Hessequa and the reader of this Annual Report,

The Annual Report presents a mayor the opportunity to reflect on the efforts of the past financial year, its successes, challenges and most of all reflect on what we have learnt as an organisation. The Integrated Development Plan (IDP) confirms our vision of service delivery, growth and securing a future of sustainability within the context of the National Development Plan and Strategic Plan of the Western Cape.

We have reached objectives of good governance and financial management in a year that challenged revenue sources from sale of electricity and failures of the national energy grid to provide to the needs of the citizens of South Africa. Major energy cuts endangered the municipal service delivery networks and did we react through accurate investment in backup energy solutions to ensure sustainable service delivery. I cannot express my appreciation enough for the financial support the Western Cape government provided during these times of critical vulnerability.

With the appointment of a new Municipal Manager, we worked actively to ensure that good governance practices are improved and did the 10th "clean" audit outcome reflect the hard work that has been done not only to achieve the outcome, but to maintain it as well.

All operational indicators point to a growing number of residents, and at the time of writing this foreword, the national census confirmed that Hessequa is growing at an immense rate. We have actively invested in bulk infrastructure capacity. With challenges experienced in Heidelberg to provide clean drinking water, we have developed response plans to address the risk over the medium term. There is no quick solution to the Heidelberg water issue and Hessequa will work harder not to be dependent on other organs of state to provide this service. This will require major investments but planning and allocation of future resources will be considered to mitigate this risk.

I thank all residents who participated in the IDP and budget review cycle. We tasked ourselves to provide feedback to communities in terms of progress made with critical issues identified in past reviews and will we continue to have a "two-way" line of communication with our communities. We are committed to improve participation mechanisms in the short term.

It remains an honour to serve our residents and am I proud to say, "I am from Hessequa", because of our people, our administration and our leadership team.



Grant Riddles

Executive Mayor

1.2 MUNICIPAL MANAGER'S FOREWORD

Hessequa Municipality appointed me as their new Municipal Manager on the 1 July 2022. This afforded me the opportunity to be part of Hessequa Municipality for the full financial year contained in the 2022/2023 Annual Report.

There were no vacancies within the political or senior management levels for 2022/2023. Thus, allowing the Municipality the ability to serve the communities and give effect to the approved Integrated Development Plan (IDP) and budget without the use of municipal entities.

The services and functions of Hessequa Municipality are fully aligned to the Integrated Development Plan (IDP) and council priorities. These were also aligned with the approved Service Delivery and Budget Implementation Plan(SDBIP).

The IDP as adopted were implemented within the powers and functions as allocated and assigned to Hessequa Municipality per sections 155 and 156 of the Constitution of South-Africa. The municipality also complied with Chapter 3 of the Municipal Systems Act.

The Auditor- General gave Hessequa a clean audit opinion for the year ending 30 June 2023. Management, with the political leadership of the Executive Mayor, have developed a plan to address the shortcomings in the financial statements disclosures to mitigate potential repeat findings in future external audits.

Financial sustainability remains a critical focus with contributing factors such as the load shedding implemented by Eskom reached catastrophic levels with the highest levels of load shedding since 2018. This effectively constrained the local economy and placed enormous constraints on all local businesses and communities within Hessequa Municipality.

The Municipality with assistance from Provincial Government mitigated the immediate risk of service deliver collapse, with the emergency procurement of nine new generators to allow service delivery during extensive load shedding. In-year budget amendments were needed to make provision for the additional diesel expenditure.

The Municipality were still able to enhance service delivery, below is a reflection on some of the highlights during 2022/2023:

- Thusong Services provided to 3947 Clients
- E-centre's: 3211 Clients serviced
- Youth Café launched in Hessequa
- Melkhoutfontein Housing Project 150 units constructed
- Expansion of Law enforcement unit / Services
- Review and development of new Complaints Management System
- Heidelberg Sportsgrounds upgrade and development of Cricket field
- R9,7M spent on upgrading of roads
- Kwanokuthula Business Hub
- SDBIP, 87% of all performance targets were met or exceeded, with 10% almost met.



The following list reflects the ten major contracted services that were entered into through competitive bidding processes. More detail can be found in the Annual Report.

Bid number	Title of bid	Value of bid awarded (Vat Excl.) (R)
TENDER HES-FIN 03/2122	MANAGEMENT OF SHORTTERM INSURANCE PORTFOLIO FOR A PERIOD OF THREE (3) YEARS	R 8 195 621.00
TENDER HES-TECH 11/2223	ALBERTINIA WASTE WATER TREATMENT WORKS: REFURBISHMENT: MECHANICAL AND ELECTRICAL WORKS	R 7 867 868.18
TENDER HES-TECH 12/2223	UPGRADING OF A MULTI-PURPOSE RUGBY AND SOCCER FACILITY IN HEIDELBERG	R 7 826 086.96
DEVIATION: COLLAB 1671354	THE SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF VARIOUS STANDBY EMERGENCY GENERATORS AT VARIOUS SITES IN HESSEQUA MUNICIPALITY'S WATER AND WASTEWATER NETWORK	R 5 255 000.00
FRAMEWORK AGREEMENT APPOINTMENT: HES-TECH 14/2223	HES-TECH 14/2223: APPOINTMENT OF PANEL OF SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND INSTALLATION INCLUDING SERVICING OF EMERGENCY GENERATORS ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF THREE (3) YEARS	R 5 004 100.00
TENDER HES-FIN 04/2223	THE SUPPLY OF A PRE-PAID ELECTRICITY AND WATER VENDING SYSTEM AND SERVICES FOR A PERIOD OF THREE (3) YEARS	R 4 929 026.09
TENDER HES-CORP 03/2223	IMPLEMENTATION OF AN AUTONOMOUS EMAIL & NETWORK SECURITY AND PERFORMANCE MONITORING SOLUTION FOR A PERIOD OF THREE (3) YEARS	R 3 386 250.82
TENDER HES-TECH 16/2223	THE SUPPLY AND DELIVERY OF STREETLIGHTS - EEDSM	R 2 342 314.33
TENDER HES-TECH 15/2223	SUPPLY AND DELIVERY OF ONE (1) NEW MULTI PURPOSE LOADER	R 1 764 000.00
TENDER HES-TECH 18/2223	THE SUPPLY AND DELIVERY OF ONE (1) NEW THREE CUBIC METER DOUBLE CAB TIPPER TRUCK	R 796 963.49

Mr ASA de Klerk

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	
	Matric Pass Rate	84.7%	
	Retention Rate	69.0%	
	Learner-Teacher Ratio	26.9	

Poverty		2018	
	Gini Coefficient	0.564	
	Human Development Index	0.710	

Health				2018/19	
	Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies - Delivery rate to women U/18	
	9	79.8%	0	20.2	

Safety and Security						Actual number of reported cases in 2018/19					
	Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences						
	346	108	815	8	47						

Population

When the 2001 and 2011 Census datasets are used to consider population growth, the following table with official Stats SA was developed with projections for 5 year intervals.

Table 1 - Stats SA: Population & Growth Projections

Town	2001	2011	2015	2020	2025
Albertinia SP	1529	1406	1360	1304	1250
Theronsville	3163	4966	5948	7453	9339
Albertinia Total	4692	6372	7308	8757	10589
Gouritsmond SP	459	515	539	571	605
Groot-Jongensfontein SP	282	355	389	437	490
Heidelberg	7125	8259	8762	9433	10156
Melkhoutfontein	1479	2533	3141	4111	5380
Riversdale	11678	15292	17033	19492	22305
Riversdale Rural	1115	885	807	719	640
Slangrivier SP	2352	3011	3324	3761	4255
Stillbay	3012	3514	3737	4037	4360
Witsand	199	321	389	494	627
Rural	11741	11586	11525	11448	11372
Total	44134	52642	56488	61693	67378

From the projections a general growth in population is expected, which is also confirmed by other sources. The following extract from *IHS Markit Regional eXplorer version 2236* reflect comparative growth trends.

With 60 800 people, the Hessequa Local Municipality housed 0.1% of South Africa's total population in 2021. Between 2011 and 2021 the population growth averaged 1.40% per annum which is very similar than the growth rate of South Africa as a whole (1.50%). Compared to Garden Route's average annual growth rate (1.75%), the growth rate in Hessequa's population at 1.40% was slightly lower than that of the district municipality.

The population projection of Hessequa Local Municipality shows an estimated average annual growth rate of 1.2% between 2021 and 2026. The average annual growth rate in the population over the projection period for Garden Route District Municipality, Western Cape Province and South Africa is 1.4%, 1.4% and 1.3% respectively. The Western Cape Province is estimated to have an average growth rate of 1.4% which is very similar than that of the Hessequa Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Hessequa's projected growth rate.

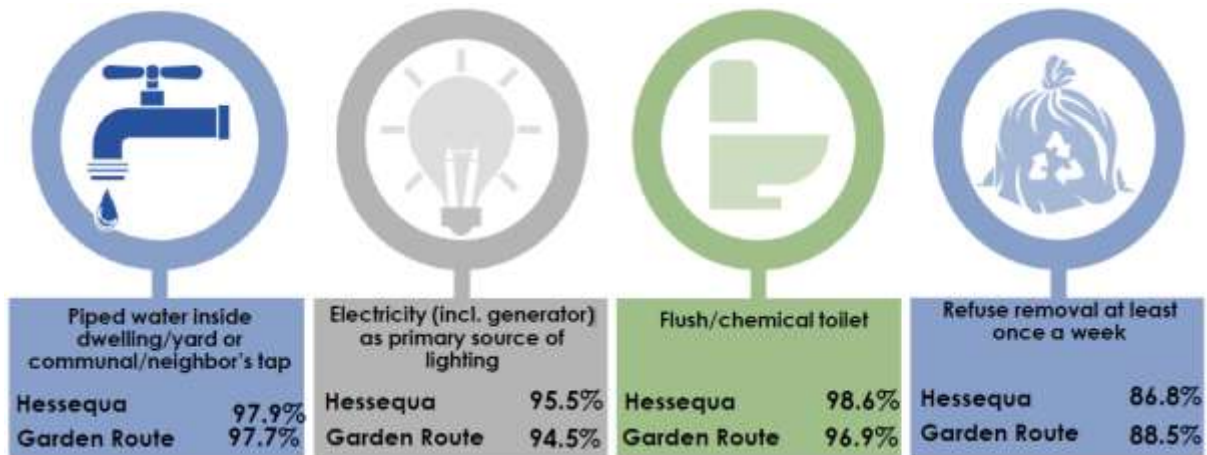
The key statistical findings from all sources that are relevant to the process of integrated development planning on a high level are the following:

- Population growth is steady, but certain

- Household growth is verified by recent back-yard dwelling survey
- Household growth is verified by land use changes

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.



Source: Socio-Economic Profile 2022 – DLG

1.3.1 GOVERNANCE OVERVIEW

The Hessequa Council was elected in the 2021 local elections.

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 10 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	2021/22	2022/23
		Audit outcome	Audit outcome
Current Ratio	Current assets/current liabilities	3,61	3,87
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3,33	3,59
Liquidity Ratio	Monetary Assets/Current Liabilities	3,57	3,84

Financial year	Total Assets	Total Liabilities	Ratio
	R'000	R'000	
2021/22	1 518 486 406	379 444 775	4.0:1
2022/23	1 618 307 134	395 349 729	4.1:1

IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	13,68	15,60
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11,08%	18,21%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12,78	12,76

Creditors Management

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Creditors System Efficiency	of Creditors Paid Within Terms (within MFMA' s 65(e))	80,04	68,68

Borrowing Management

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7,61%	6,95%

Employee costs

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	39,40%	33,05%

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

Refurbishment and reinstatement of Witsand Desalination Plant	R 527 108
Replacement of biofilter media – Adelpracht Still Bay	R 103 952
High Pressure Pump Valve Plate Kit Replacement- Witsand Desalination Plant	R 51 326

1.3.4 CAPITAL SPENDING ON THE 5 MOST EXPENSIVE PROJECTS

Name of Project*	Current Year: 2022/23		Variance Current Year: 2022/23
	Amended Budget	Actual Expenditure	Variance
	R'000	R'000	R'000
Upgrading of Roads in the Hessequa Municipal area.	9 711	9 695	16
Upgrading of a multi-purpose rugby- and soccer facility in Heidelberg	9 000	9 000	-
Electrical Infrastructure	5 077	4 645	432
Upgrading of Water Infrastructure in the Hessequa Municipal area	4 600	4 599	-
Streetlights Retrofitting	4 223	3 668	555

Name of Project	Upgrading of Roads in the Hessequa Municipal area.
Objective of Project	The project focused on two main objectives: upgrading existing roads and converting gravel roads into paved roads within the Hessequa Municipal area.
Delays	None
Future Challenges	None
Anticipated citizen benefits	60 970 (Riversdale, Still Bay, Melkhoutfontein, Albertinia, Gouritsmond, Heidelberg, Slangrivier, Witsand)

Name of Project	Upgrading of a multi-purpose rugby-and soccer facility in Heidelberg
Objective of Project	<p>In Heidelberg, there are currently four official sports clubs and one cultural organization. The sports clubs include Rugby, Cricket, Soccer, and Netball, while the cultural organization is a Christmas choir. Presently, the rugby, cricket, and netball clubs participate in the South-Western District sports leagues, while the soccer club competes in the SAFA Eden League, also within the South-Western District.</p> <p>However, the lack of proper facilities poses a significant challenge to the beneficiaries. The cricket club, lacking its own facilities, currently relies on using the cricket facilities at Kairos Secondary school for practices and league games. Similarly, the soccer clubs make use of open land adjacent to the rugby facility for their practice sessions and games.</p> <p>This scarcity of adequate facilities contributes to the sports codes competing in the lowest leagues within the region. Additionally, the local primary school lacks sporting facilities, although attempts are made to provide training in various sports. These limitations hinder the potential growth and performance of the sports clubs and cultural organization in Heidelberg.</p>
Delays	None
Future Challenges	None
Anticipated citizen benefits	8825 (Heidelberg)

Name of Project	Electrical Infrastructure
Objective of Project	To meet the rising demands and ensure improved reliability, the electrical infrastructure in the Hessequa Municipal area underwent significant upgrades. These enhancements were also aimed at embracing technological advancements, increasing resilience, supporting sustainable development, addressing safety concerns, and complying with government initiatives.
Delays	None
Future Challenges	None
Anticipated citizen benefits	61 467 (Hessequa)

Name of Project	Upgrading of Water Infrastructure in the Hessequa Municipal area
Objective of Project	The existing water infrastructure was upgraded to enhance the overall performance of the water distribution network.
Delays	None
Future Challenges	None
Anticipated citizen benefits	40813 (Riversdale, Still Bay, Heidelberg, Albertinia)

Name of Project	Streetlights Retrofitting
Objective of Project	Funded by the DMRE (Department of Mineral Resources and Energy), this project aimed to enhance the municipality's energy efficiency efforts. Its primary objective was to replace existing streetlights with more energy-efficient alternatives, leading to significant energy savings, cost reduction, CO2 emissions reduction, and a comprehensive promotion of sustainability.
Delays	None
Future Challenges	Transitioning away from old technologies like HPS (High-Pressure Sodium) and CFL (Compact Fluorescent Lamp) offers several advantages and will significantly reduce future challenges. The adoption of more advanced and energy-efficient lighting solutions paves the way for improved performance and benefits.
Anticipated citizen benefits	61 467 (Hessequa)

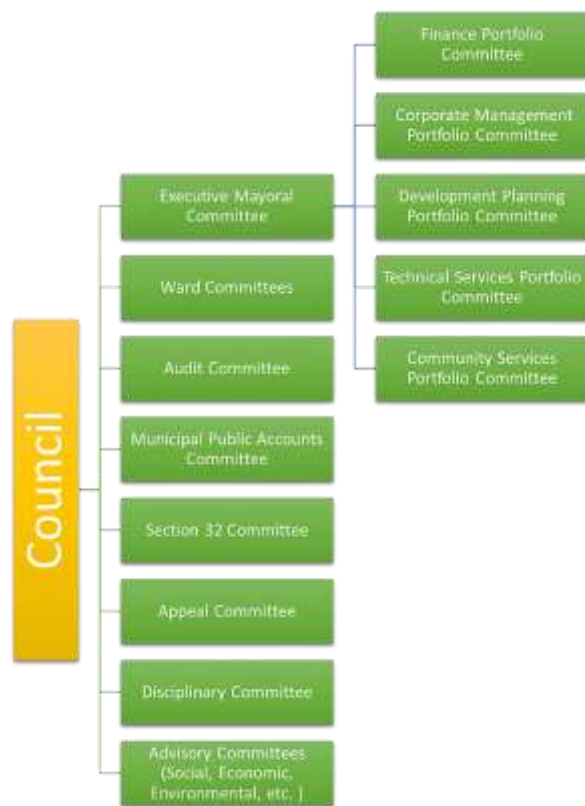
2 GOVERNANCE

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.

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

Advisory Committees:

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

Municipal Public Accounts Committee:

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

Audit Committee:

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

Section 32 Committee:

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

2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURES:

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

Senior Management Committee:

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

ICT Steering Committee:

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

Risk Management Committee:

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

Disaster Management Committee:

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

Supply Chain Management Committees:

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



2.2 INTERGOVERNMENTAL RELATIONS

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

Delegated Representative	IGR Platform	Frequency of Engagement
Municipal Manager	Premier's Coordinating Forum	Bi-Annually
Municipal Manager	MinMay	Quarterly
Municipal Manager	MinMayTech	Quarterly
Municipal Manager	ILGM	Annually
Municipal Manager	Western Cape Municipal Managers Forum	Quarterly
Municipal Manager	Garden Route District Municipal Managers Forum	Quarterly
Managers Finance Department	MAF	Quarterly
Director: Financial Services	Chief Financial Officer Forum	Quarterly
Director: Financial Services and Financial Managers	IMFO	Yearly
Manager: SCM, Asset and Insurance	Provincial SCM Forum	Quarterly
Manager: SCM, Asset and Insurance	COVID 19 - Key Challenges and Risk / JDA Required Meeting	Monthly
Manager: Income	MPRA	Quarterly
Manager: Civil Planning and Project Management	WC MIG PMM/LM Coordination Meeting	Monthly
Manager: Civil Planning and Project Management	EPWP District Forum	Quarterly
Manager: Civil Planning and Project Management	IMESA Meetings	Quarterly
Manager: Electrical and Mechanical Services	Green Energy Forum	Monthly
Manager: Electrical and Mechanical Services	AMEU Forum (Association of Municipal Electricity utilities)	Quarterly
Manager: Electrical and Mechanical Services	SSEG (Small Scale Embedded Generation) Forum	Monthly
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 2022/2023

- 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

Ward Committees held per month:

Ward	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023
Ward 1	-	1	-	1	1	-	-	1	1	1	1	1
Ward 2	-	-	-	1	1	-	-	No quorum	1	1	1	-
Ward 3	-	-	1	1	-	1	-	1	1	No quorum	1	1
Ward 4	-	1	1	No quorum	1	-	-	1	1	1	No quorum	1
Ward 5	-	1	-	1	1	-	-	1	1	-	1	No quorum
Ward 6	-	1	-	1	1	-	-	1	1	No quorum	1	1

Ward 7	-	No quorum	1	1	-	-	-	1	1	No quorum	1	No quorum
Ward 8	-	1	-	1	-	-	-	1	1	-	1	1
Ward 9	-	1	-	No quorum	No quorum	-	-	1	1	-	1	No quorum
TOTAL	0	6	3	7	6	1	0	8	9	3	8	4

- No Ward Committee meetings took place during July 2022 as Council was in recess.
- Ward Committee meeting for Ward 7 did not take place during August 2022 as they did not have a quorum.
- Ward Committee meeting for Ward 2 did not take place during August 2022 as no items were submitted for their consideration.
- Ward Committee meetings for Ward 3 take place two days after the other Ward Committee meetings and therefore their meeting took place on 01 September 2022 and not 30 August 2022 like the rest of the Ward Committees.
- Ward Committee meeting for Ward 5 for September 2022 was cancelled.
- Ward Committee meetings for Wards 1, 2, 6, 8 and 9 did not take place during September 2022 as no items were submitted for their consideration.
- Ward Committee meetings for Wards 4 and 9 did not take place during October 2022 as they did not have a quorum.
- Ward Committee meetings for Wards 7 and 8 did not take place during November 2022 as no items were submitted for their consideration.
- Ward Committee meeting for Ward 9 did not take place during November 2022 as they did not have a quorum.
- No Ward Committee meetings (except for Ward 3) were scheduled for December 2022.
- No Ward Committee meetings (except for Ward 3) were scheduled for January 2023.
- Ward Committee meeting for Ward 2 did not take place during February 2023 as they did not have a quorum.
- Ward Committee meetings for Wards 5, 8 and 9 did not take place during April 2023 as no items were submitted for their consideration.
- Ward Committee meetings for Wards 3, 6 and 7 did not take place during April 2023 as they did not have a quorum.
- Ward Committee meeting for Ward 4 did not take place during May 2023 as they did not have a quorum.
- Ward Committee meetings for Wards 5, 6, 7 and 9 did not take place during June 2023 as they did not have a quorum.
- Ward Committee meeting for Ward 2 did not take place during June 2023 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 table reflects the Inherent and Residual Risk Profile by Directorate and within the Risk Universe of Council.

Directorates & Departments	Inherent Rating	Residual Rating
Community Services	11.6	7.2
Community Development	8.0	8.0
Human Settlements	8.7	5.1
Protection Services	12.7	7.7
Corporate Management	11.1	5.7
Human Resource Management	12.5	7.2
Information Communication Technology	11.6	5.6
Legal and Administration Services	7.6	4.7
Library Services	12.1	5.7
Property Management	12.6	6.3
Development Planning	10.5	6.9
Building Control	12.5	8.6
Environmental Management	15.0	8.0
Municipal Planning	0.0	0.0
Finance	13.4	8.8
Budget & Financial Reports	12.0	7.1
Expenditure	12.5	8.1
Revenue	13.5	9.3
Supply Chain Management	13.7	9.0

Directorates & Departments	Inherent Rating	Residual Rating
Technical Services	11.0	7.9
Civil Infrastructure Services	11.5	8.5
Civil Planning & Project Management	11.0	8.9
Electrical Mechanical Services	6.5	3.8
Solid Waste & Amenities	14.8	9.9
Final Average Rating	11.5	7.1
Risk Category / Universe	Inherent Rating	Residual Rating
External Risk	12.3	8.0
Legislative Environment	8.8	8.8
Natural Environment	15.0	8.0
Social Environment	11.8	4.1
Technological Environment	13.1	11.4
Internal Risk	12.5	7.6
Assurance Risk	12.0	12.0
Compliance and Regulatory Risk	11.2	7.3
Disaster / Business Continuity Risk	12.0	12.0
Financial Risk	13.5	8.5
Fraud and Corruption Risk	15.2	11.0
Health and Safety Risk	12.6	11.1
Human Resource Risk	13.4	5.4
Information and Technology Risk	13.9	8.1
Litigation Risk	10.2	5.7
Loss and Theft of Assets	10.5	10.5
Reputational Risk	11.7	9.2
Service Delivery Risk	12.4	7.0
Third Party Performance Risk	9.0	4.5
Strategic Risk	13.7	10.8
Economic	16.0	10.4
Environmental	14.0	12.2
Tech / Infrastructure	12.0	8.9
Final Average Rating	12.6	7.8

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.

Hessequa Municipality invited bidders to submit quotations for the provision of an anti-fraud hotline for a period of twelve (12) months. The bid was awarded to Whistle Blowers (Pty) Ltd

from 11 November 2022 until 10 November 2023. Whistleblowers (employees of the municipality or members of the public) can report corruption, maladministration or unethical conduct as follows:



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 2022/23 financial year:

GOODS AND SERVICES		
Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
23	20	41
INFRASTRUCTUE		
Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
7	11	33

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), R. Erasmus (Manager: Budget and Financial Statements), J. Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management); L Windvogel (Clerk- Tender Management) and Project Managers from Directorates

Bid Evaluation Committee Members& Infrastructure Projects Members

A. M. Griesel (Director: Corporate Management), J. Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management); J. Booyesen (Accountant Expenditure), W. Joseph (Accountant Income), W. Gwinta (Senior Clerk: 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 Visser (Director: Planning), C Onrust (Director: Community Services),A de Lange (Practitioner: Tender Management) 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)) H.J. Pienaar (Snr SCM Practitioner- Contract; Risk and Performance) 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)
TENDER HES-FIN 03/2122	Management Of Short term Insurance Portfolio For A Period Of Three (3) Years	Financial Services	Opulentia Financial Services	R 8 195 621.00
TENDER HES-TECH 11/2223	Albertinia Wastewater Treatment Works: Refurbishment: Mechanical And Electrical Works	Technical Services	Hidro-Tech Systems (Pty) Ltd. Zutari Consulting Engineers	R 7 867 868.18
TENDER HES-TECH 12/2223	Upgrading Of A Multi-Purpose Rugby And Soccer Facility In Heidelberg	Technical Services	Meyer Beton Lyners Consulting Engineers	R 7 826 086.96
DEVIATION: COLLAB 1671354	The Supply, Delivery, Installation And Commissioning Of Various Standby Emergency Generators At Various Sites In Hessequa Municipality's Water And Wastewater Network	Technical Services	Sa Professional Group Of Companies	R 5 255 000.00
FRAMEWORK AGREEMENT APPOINTMENT: HES-TECH 14/2223	Hes-Tech 14/2223: Appointment Of Panel Of Service Providers For Supply, Delivery And Installation Including Servicing Of Emergency Generators On An As And When Required Basis For A Period Of Three (3) Years	Technical Services	Sa Professional Group Of Companies	R 5 004 100.00

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded (Vat Excl.) (R)
TENDER HES-FIN 04/2223	The Supply Of A Pre-Paid Electricity And Water Vending System And Services For A Period Of Three (3) Years	Financial Services	Ontec Systems (Pty) Ltd.	R 4 929 026.09
TENDER HES-CORP 03/2223	Implementation Of An Autonomous Email & Network Security And Performance Monitoring Solution For A Period Of Three (3) Years	Corporate Services	Business Connexion (Pty) Ltd.	R 3 386 250.82
TENDER HES-TECH 16/2223	The Supply And Delivery Of Streetlights - Eedsm	Technical Services	Ve Reticulation (Pty) Ltd. Clinkscales Maughan-Brown Consulting Mechanical & Electrical Engineers	R 2 342 314.33
TENDER HES-TECH 15/2223	Supply And Delivery Of One (1) New Multi Purpose Loader	Technical Services	Tumelo Fleet Solutions (Pty) Ltd.	R 1 764 000.00
TENDER HES-TECH 18/2223	The Supply And Delivery Of One (1) New Three Cubic Meter Double Cab Tipper Truck	Technical Services	Shorts Nissan Cc	R 796 963.49

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)
TENDER HES-FIN 03/2223	TAKING UP OF AN EXTERNAL LOAN	FINANCE	STANDARD BANK	R 40 000 000.00 (INTEREST RATE OF 11.35%)
TENDER HES-TECH 10/2223	ELECTRICAL RATES FOR A PERIOD OF THREE YEARS	TECHNICAL SERVICES	VE RETICULATION	RATES BASED TENDER

2.5.3 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

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

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
<R2 000	82	R 93,511.35	0.664247
Sole Supplier	1	R 22,888.20	0.162584
Emergency	0	R 0.00	0

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
Exceptional Circumstances	81	R 70,623.15	0.501664
Impractical	0	R 0.00	0
R2 000 – R30 000	93	R 976,420.23	6.93589
Sole Supplier	8	R 161,192.08	1.14501
Emergency	9	R 118,594.10	0.84242
Exceptional Circumstances	76	R 696,634.05	4.948461
Impractical	0	R 0.00	0
R30 000 – R200 000	40	R 3,472,140.51	24.66396
Sole Supplier	2	R 160,944.80	1.143253
Emergency	1	R 222,300.19	1.579084
Exceptional Circumstances	37	R 3,088,895.52	21.94162
Impractical	0	R 0.00	0
>R200 000	8	R 9,535,720.44	67.73591
Sole Supplier	1	R 606,175.24	4.305897
Emergency	0	R 0.00	0
Exceptional Circumstances	7	R 8,929,545.20	63.43001
Impractical	0	R 0.00	0

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	Fencing and Fences
Air Pollution	Fire Safety
Cemeteries and Crematoria	Fire Works
Commonage	Heritage Resources and Cultural Institutions
Customer Care & Revenue Management	Impoundment of Animals
Disposal of Solid Waste	Irrigation Water
Electricity Supply	Keeping and Treatment of Dogs and Cats
Events	

Liquor Trading Hours and Days
Management and Use of Rivers
Municipal Land Use Planning
Outdoor Advertising
Public Amenities
Public Busses and Taxi's
Prevention of Public Nuisance and Public
Nuisance arising from the Keeping of
Animals

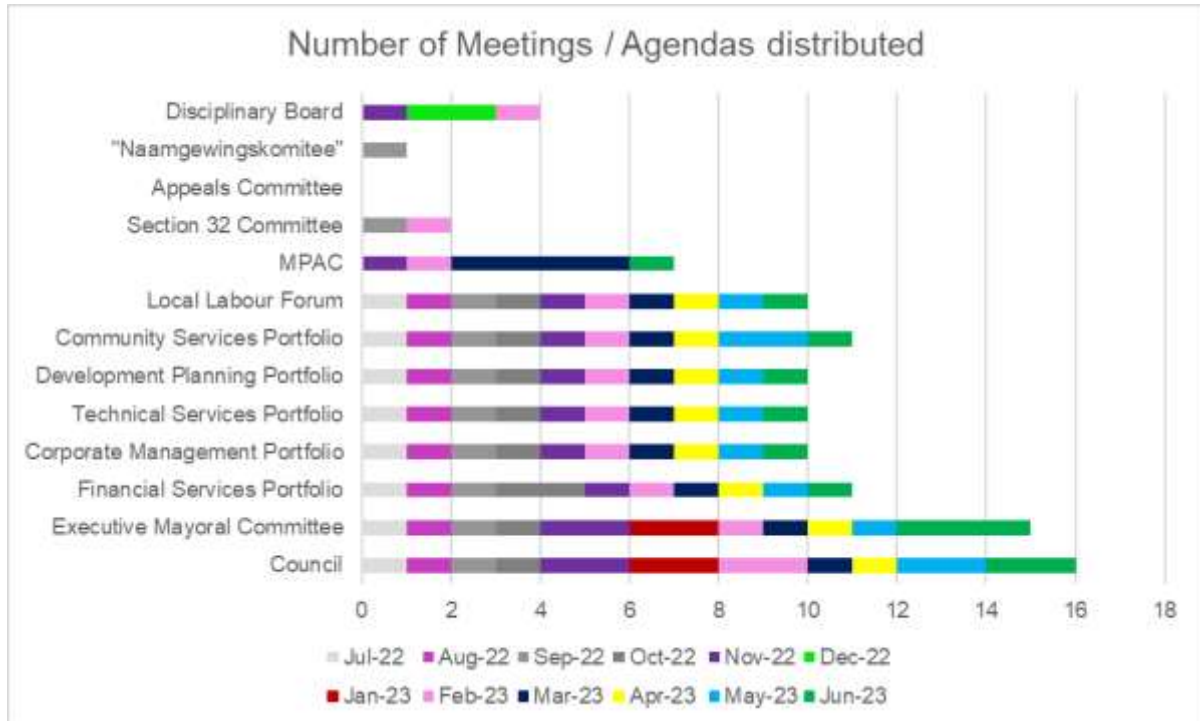
Rates
Rules for the Conduct of Meetings
Roads and Streets
Street Trading
Storm Water Management
Sporting Facilities
Tariffs
Water Supply, Sanitation and Industrial
Effluent

The municipal code was reviewed and approved by Council on 31 May 2023. No new by-laws were approved by Council.

2.6.1 ADMINISTRATION:

DISTRIBUTE AGENDAS WITHIN 4 CALENDAR DAYS BEFORE SCHEDULED MEETING

Number of agendas distributed:



DISTRIBUTE RESOLUTIONS WITHIN 5 WORKING DAYS AFTER MEETING WAS HELD

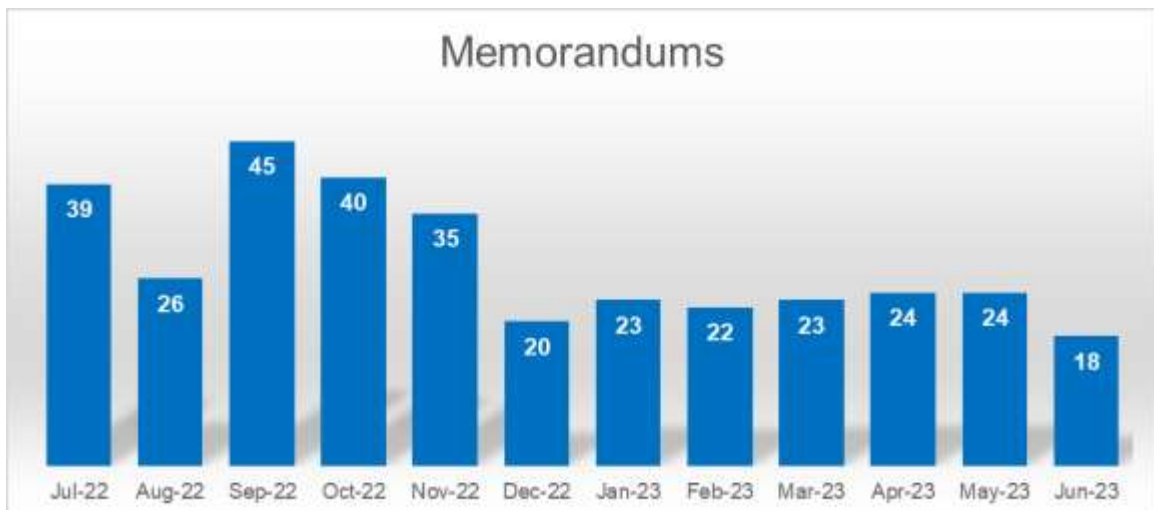
Number of resolutions distributed via the Collaborator system:

Month	Number
July 2022	82
August 2022	123
September 2022	104
October 2022	88
November 2022	167
December 2022	4
January 2023	46
February 2023	116
March 2023	112
April 2023	49
May 2023	113
June 2023	78
TOTAL	1,082

MONTHLY PROGRESS REPORTS REGARDING COUNCIL RESOLUTIONS

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

RECORDS COUNT





PROMOTION OF ACCESS TO INFORMATION ACT (PAIA) REQUESTS RECEIVED

Month	Requests Received	Approved in full	Partially approved	In process	Declined
July 2022	1	1	0	0	0
August 2022	0	0	0	0	0
September 2022	2	0	2	0	0
October 2022	1	0	0	0	1
November 2022	0	0	0	0	0
December 2022	0	0	0	0	0
January 2023	0	0	0	0	0
February 2023	0	0	0	0	0
March 2023	0	0	0	0	0
April 2023	1	1	0	0	0
May 2023	4	3	0	0	1
June 2023	6	2	2	2	0

POLICIES APPROVED

The following policies have been approved:

Month	Number
July 2022	1. Municipal Staff Regulations – Bursary Policy 2. Revision of Sextual harassment policy 3. Revision of Article 5.2 of the Property tax policy in line with the Local Government Property Tas regulation, 2004.
August 2022	0
September 2022	1. Revision of Petty Cash policy 2. Revision of Supply Chain Management Policy
October 2022	0
November 2022	0
December 2022	0
January 2023	0
February 2023	0
March 2023	1. Indigent Burial policy
April 2023	0
May 2023	1. New Budget Policy 2. Review of ICT Policy 3. Salary Deduction policy
June 2023	1. Overtime and standby policy

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 finalised
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	01/12/2022 – 30/11/2025	Yes	Finalised

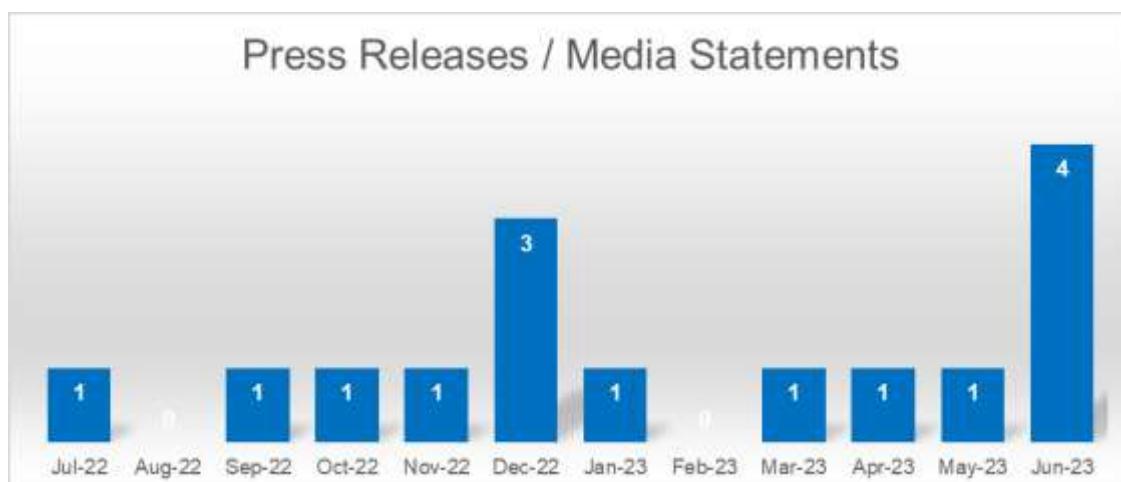
NO.	SERVICE PROVIDER	PERIOD OF CONTRACT	WRITTEN AGREEMENT IN PLACE	PLAN OF ACTION
6.	Courier Services	01/10/2022 – 30/09/2023	Yes	Finalised
7.	Business Connection BCX (Telkom) Analogue Data Line	01/07/2022 – 30/06/2023	Yes	Approved and finalised on 04 April 2022
8.	Translation and Advertisement Services	01/10/2023 – 30/09/2026	Yes	Formal tender process

2.7 PUBLIC RELATIONS

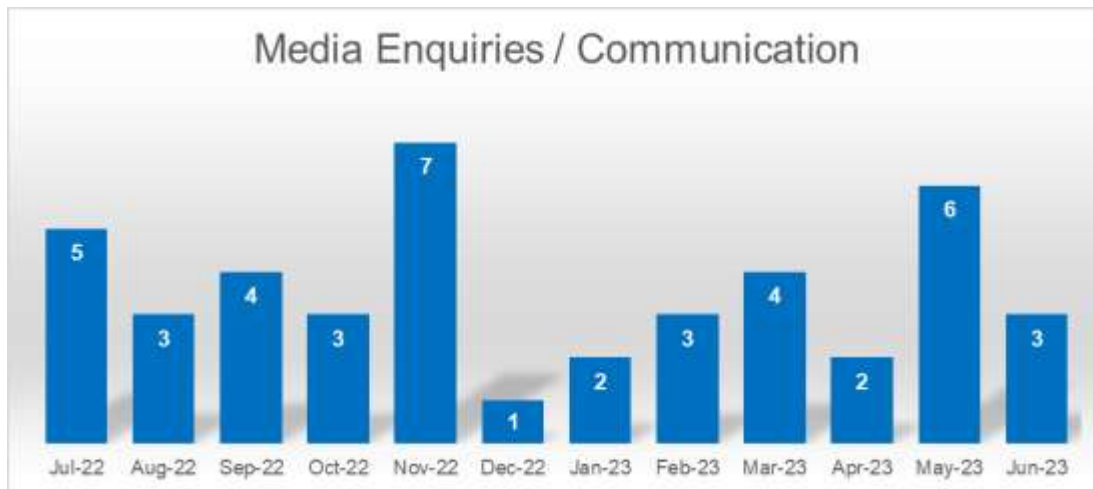
2.7.1 PUBLISH ALL WEB REQUESTS AS RECEIVED



2.7.2 PRESS RELEASES



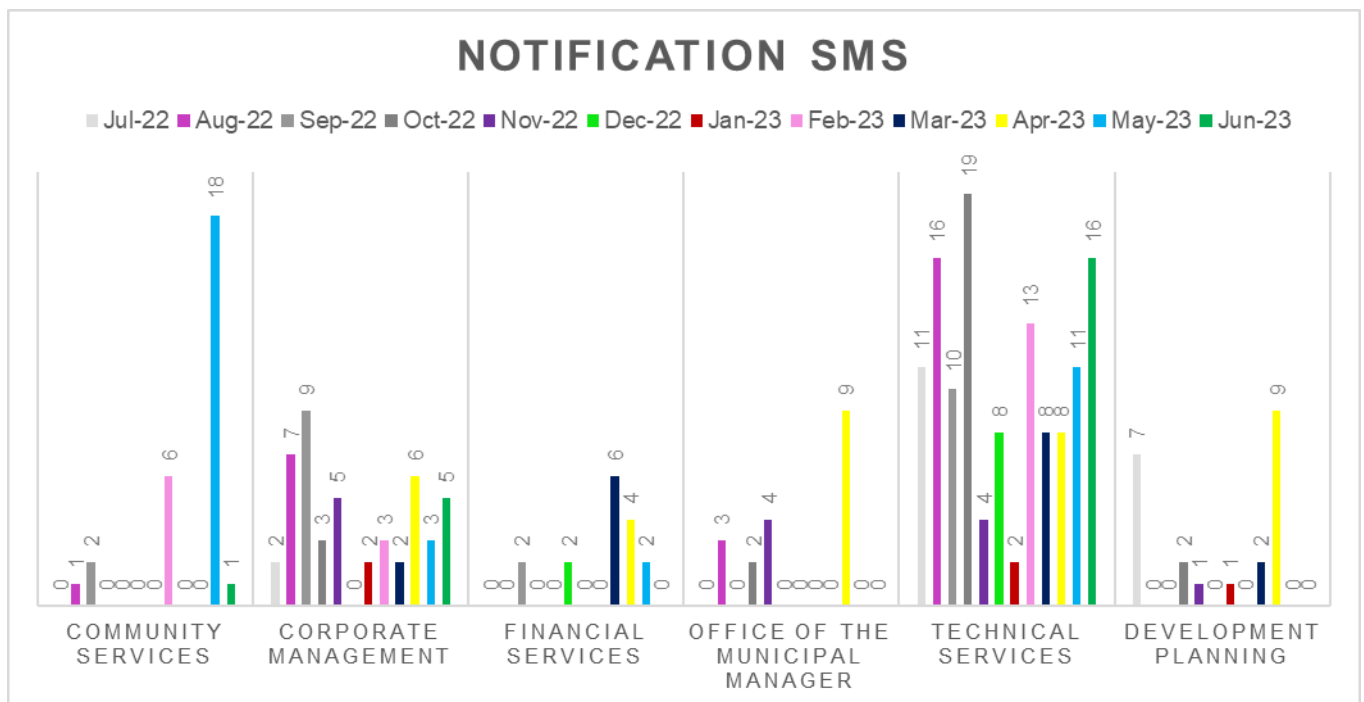
2.7.3 MEDIA ENQUIRIES / COMMUNICATION



2.7.4 SMS SYSTEM

Currently, there are 3449 members registered on the SMS database.

Number of Notification SMSs sent:



2.7.5 FACEBOOK STATISTICS

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.

9,156 people follow Hessequa Municipality's Facebook page.

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.

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, which prescribes the roles and responsibilities of the committee.

Committee	Members	Meeting Frequency
Audit Committee	Prof JA Döckel (Chairperson) Ms A Hartnick Ms I Lorenz Mr J Kok Prof JAA Lazenby	Quarterly
Municipal Public Accounts Committee	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
8/09/2022	Irregular	Non-compliance with Petty Cash Policy	R45.89	Certified as irrecoverable Write-Off – No person liable	Has been put in place	28/08/2022
8/09/2022	Irregular	Non-compliance with Petty Cash Policy	R311.83	Certified as irrecoverable Write-Off – No person liable	Has been put in place	28/02/2022
17/02/2023	Irregular	Late payment of invoices	R63,740.50	Certified as irrecoverable Write-Off – No person liable	Has been put in place	28/02/2023

3 SERVICE DELIVERY PERFORMANCE

3.1 PERFORMANCE HIGHLIGHTS AND CHALLENGES

3.1.1 COMMUNITY DEVELOPMENT HIGHLIGHTS AND PERFORMANCE CHALLENGES

OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Summary																						
Hessequa Thusong Mobile Programme:	<p>The Hessequa Thusong Mobile programme is an attempt by Hessequa Municipality to bring government to the people, especially to the rural areas. During the first Provincial “Jamboree” held in Heidelberg in 2008, the need for service delivery was identified by Hessequa Municipality. Since then, outreach programmes were held in the Hessequa region every quarter which started in Riversdale. Because most of the Sector Departments are situated in the bigger Towns like George and Mosselbay, people have to travel long distances to access services. Currently programs are conducted on a monthly basis.</p> <table border="1"> <thead> <tr> <th>VENUE</th> <th>Number of Beneficiaries reached</th> </tr> </thead> <tbody> <tr> <td>Theronsville Community Hall</td> <td>924</td> </tr> <tr> <td>Gouritsmond Community Hall</td> <td>120</td> </tr> <tr> <td>Slangrivier Community Hall</td> <td>174</td> </tr> <tr> <td>Duivenhoks Community Hall</td> <td>831</td> </tr> <tr> <td>Melkhoufontein Community Hall</td> <td>419</td> </tr> <tr> <td>Riversdale Thusong Centre</td> <td>374</td> </tr> <tr> <td>Theronsville Community Hall</td> <td>375</td> </tr> <tr> <td>Gouritsmond Community Hall</td> <td>233</td> </tr> <tr> <td>Slangrivier Community Hall</td> <td>497</td> </tr> <tr> <td>Total</td> <td>3947</td> </tr> </tbody> </table>	VENUE	Number of Beneficiaries reached	Theronsville Community Hall	924	Gouritsmond Community Hall	120	Slangrivier Community Hall	174	Duivenhoks Community Hall	831	Melkhoufontein Community Hall	419	Riversdale Thusong Centre	374	Theronsville Community Hall	375	Gouritsmond Community Hall	233	Slangrivier Community Hall	497	Total	3947
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Riversdale Thusong Centre	374																						
Theronsville Community Hall	375																						
Gouritsmond Community Hall	233																						
Slangrivier Community Hall	497																						
Total	3947																						
Sport development Programmes	<p>Sport has a major impact on communities. It is an essential part of community life. Sport, more than anything else, brings people together. It promotes community enthusiasm and provides an important avenue for social development, particularly amongst the young, as well as the ability to educate the youth about health and social issues. It empowers people and teaches leadership and citizenship skills and the importance of co-operation towards shared goals. It challenges inequalities in gender, race, and disability. This is why the Municipality (Thusong Program) are utilizing sport as a vehicle to address the different social ills that exist within our communities.</p>																						

Social Development Programmes	Programs are aimed at the youth, the aged, disabled persons, and the empowerment of the vulnerable groups.																																
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: 3211.																																
Hessequa Youth Café Program	<p>The Youth Café which was established between Western Cape Social Development in partnership with Hessequa Municipality aims to provide youth with a platform where they can access skills and training for personal development, economic and social development opportunities. Had a number of training progr</p> <p>It is an exciting program that provides support, services and opportunities for the youth who do not have a job, education, or training opportunities, and are 14 - 35 years old.</p> <p>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.</p> <p>The following programmes was provided.</p> <table border="1" data-bbox="384 1115 1390 1621"> <thead> <tr> <th colspan="4">GRDM SKILLS TRAINING PROGRAMMES IN HESSEQUA</th> </tr> <tr> <th></th> <th>Project/ Programme</th> <th>Learners</th> <th>Duration</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Skills Mecca Technician</td> <td>1</td> <td>2022 - 2024</td> </tr> <tr> <td>2</td> <td>Home Based Care Personal Assistant</td> <td>20</td> <td>2022 - 2023</td> </tr> <tr> <td>3</td> <td>ICT Data Intern</td> <td>1</td> <td>2023 - 2024</td> </tr> <tr> <td>4</td> <td>Patrol Officers</td> <td>18</td> <td>2023 - 2024</td> </tr> <tr> <td>5</td> <td>Fire fighters</td> <td>2</td> <td>2022 - 2024</td> </tr> <tr> <td colspan="2">Total beneficiaries</td> <td>42</td> <td></td> </tr> </tbody> </table>	GRDM SKILLS TRAINING PROGRAMMES IN HESSEQUA					Project/ Programme	Learners	Duration	1	Skills Mecca Technician	1	2022 - 2024	2	Home Based Care Personal Assistant	20	2022 - 2023	3	ICT Data Intern	1	2023 - 2024	4	Patrol Officers	18	2023 - 2024	5	Fire fighters	2	2022 - 2024	Total beneficiaries		42	
GRDM SKILLS TRAINING PROGRAMMES IN HESSEQUA																																	
	Project/ Programme	Learners	Duration																														
1	Skills Mecca Technician	1	2022 - 2024																														
2	Home Based Care Personal Assistant	20	2022 - 2023																														
3	ICT Data Intern	1	2023 - 2024																														
4	Patrol Officers	18	2023 - 2024																														
5	Fire fighters	2	2022 - 2024																														
Total beneficiaries		42																															

PERFORMANCE CHALLENGES

Performance Challenge	Description
	<ul style="list-style-type: none"> •
	<ul style="list-style-type: none"> • The synchronization of programs because each sector department provides services according to their mandate.

- Service Delivery challenges because most of the Sector Departments are situated in the bigger Towns like George and Mosselbay community members must drive long distances to access services.
- The establishment of a permanent Home Affairs Office within the Hessequa Region is essential because of a limited mobile program.
- 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; The access to funding and the buy inn of the private sector is still a challenge.
- Initiation of sustainable programs: No buy-in from private sector.
- Political influence.

Hessequa Thusong Mobile Programme:



Albertinia and Riversdale Thusong Mobile Program

Sport Development programmes:



Hessequa Hosting the Garden Route Cross Country Championships



Official Opening of the Netball Courts at the Riverville Stadium

Social Development Programmes: s.



School Holiday Programs



Senior Citizens Active ageing programs

E-Centre Programme:



Hessequa E-Centre Program

Hessequa Youth Café Program



3.1.2 HUMAN SETTLEMENTS HIGHLIGHTS AND CHALLENGES

OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Summary
Housing Education consumer	19 Housing Consumer Education Sessions were held in Albertinia, Heidelberg, Melkhoutfontein, Riversdale and Slangrivier. During the presentations information was disseminated regarding properties, the roles and responsibilities of being a homeowner, wills, etc.
Updating of Housing Demand Database	19 Housing Consumer Education Sessions were held in Albertinia, Heidelberg, Melkhoutfontein, Riversdale and Slangrivier. During the presentations information was disseminated regarding properties, the roles and responsibilities of being a homeowner, wills, etc.
Melkhoutfontein Housing Project	The housing waiting list was updated during 17 Outreaches 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. Members of the different communities also visit the municipal facilities in Albertinia, Gouritsmond, Melkhoutfontein, Heidelberg and Slangrivier to update their Particulars on the waiting list.
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. These houses have all been completed and will be handed over to the beneficiaries as soon as the electricity has been installed.

PERFORMANCE CHALLENGES

Performance Challenge	Description
Title Deed Transfers	Some registered owners did not collect their Title Deeds due to old age, poor health, relocation, etc. Unable to reach registered owners.
Updating of Housing Demand Database	A lot of clients on the waiting list does not qualify for housing subsidy's due to various reasons. Data cleansing is needed to ensure that waiting list is up to date. .
Vandalism	Vandalism of finished of semi finished housing projects is a big problem



3.1.3 PROTECTION SERVICES HIGHLIGHTS AND CHALLENGES

OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Summary
Road safety awareness	During 2023 road safety interventions were conducted throughout the Hessequa Region. The road safety mascot has proved to be a great friend and very popular amongst residents. From entertaining creche to assisting wherever he is needed. Road safety interventions were held at pre-primary, primary and exhibitions at a local Agricultural show. Road safety forms an integral part of Community safety and it is important to provide ongoing road safety education among residents and youngsters. Joint ventures at the N2 in conjunction with GRDM were conducted to establish vehicle smoke emissions.

PERFORMANCE CHALLENGES

Performance Challenge	Description
Personnel shortages	The Head of Motor vehicle Registration and licensing is responsible for road safety within Hessequa Municipal area. Daily challenges are faced due to the lack of dedicated personnel to assist in road safety awareness. Personnel from other departments are used to assist as it is not their core function.
	



3.1.4 LAW ENFORCEMENT HIGHLIGHTS AND CHALLENGES

OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Summary
Appointed three law enforcement officers	Appointment of three permanent law enforcement officers in Hessequa municipality
Vehicle	New vehicle purchased for the law enforcement department
Peace officer & traffic warden	Seventeen students from Hessequa municipality took part in the Peace officer and traffic warden training provided by the Provincial department. All students successfully completed the course and are now employed by EPWP a one year contract and is doing service at various points within Hessequa municipality.

PERFORMANCE CHALLENGES

Performance Challenge	Description
Safety equipment shortage	The PPE is a challenge as personal does not have firearms or bulletproof vests for personal protection
Vehicle shortage	Not enough vehicles make it difficult to attend to all complaints
Staff shortage	Difficult to attend to complaints from the public in all towns of Hessequa Municipality with very few permanent staff members.

3.1.5 LEGAL AND ADMINISTRATION PERFORMANCE HIGHLIGHTS AND CHALLENGES :

OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Summary
Implementation of the Block System for customer complaints	<p>As part of the continuous effort to improve customer service and communication with the public, Hessequa Municipality has created, in addition to the current official channels, a dedicated WhatsApp number that enables the individual/organization to report complaints/faults and direct queries regarding municipal operations and services to the municipality.</p> <p>The public is requested to provide full details when reporting a complaint/fault.</p> <p>Since Hessequa Municipality serves several towns, it is important that residents indicate which town is involved.</p>

	<p>The official channels for reporting complaints are as follows:</p> <ul style="list-style-type: none"> • WhatsApp number 071 598 3175. • Telephonically Tel: 028 713 8000 : During office hours Tel: 028 713 7917 : After hours (Control Room) • 24-hour Emergency Numbers (Tel: 084 014 1828 or 028 713 2222) should only be used for reporting accidents, fires and disasters and not for reporting complaints/faults after hours. • In Person. • Correspondence: • Online: <p>Residents can use the municipality's online "Report it" by visiting the official municipal website at www.hessequa.gov.za.</p>
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PERFORMANCE CHALLENGES

Performance Challenge	Description
Budgetary Constraints	Legal fees budgeted are not sufficient due to an Increase in litigation matters.
Clients not following procedure	Sufficient details are not given when reporting complaints to the municipality through the various complaint's mechanisms.

3.1.6 PROPERTY MANAGEMENT HIGHLIGHTS AND CHALLENGES: OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Project Value	Summary
Best Tourism Destination award	N/a	The Hessequa Municipal area have been awarded the best Tourism destination in South Africa award. 6 of the Municipalities caravan parks is in the Hessequa municipal area.
Income generated from Caravan Parks	R14 484 342.49	Through marketing and upkeep of the facilities within our caravan parks, we remain a popular choice for visitors and managed to generate income to the value of R 14 484 342.49 in tough economic times.
Appointment of various service providers for a period of three years	N.A	Service providers have been appointed by way of a tender process for a period of three years for the following services: <ul style="list-style-type: none"> • Cleaning services at caravan parks • Gate guard services at caravan parks • The provision of maintenance services at municipal buildings • The supply and delivery of fuel



HIGHLIGHTS: PROJECTS / CAPITAL EXPENDITURE

Project Name	Project Value	Summary
Spending of maintenance budget	R1 323 063.39	95% of the maintenance budget allocated to caravan parks were spend at 30 June 2023
Upgrading of window frames at Jongensfontein caravan park	R60 000.00	The wooden window frames at Jongensfontein caravan park were replaced with aluminium window frames.

Leasing of new office space at Riversdale	R1 548 282.00 for a period of three years	The municipality cancelled a lease agreement due to the lessor not complying with the provisions of the lease agreement and subsequently entered into a new lease agreement with rental saving implications
Refurbishment of municipal properties	R221 950.00	Rethatch of Melkhoutfontein municipal office and bus shelter/info sign in Riversdale.
Installation of new carpets and curtains	R206 337.00	New curtains and carpets were installed in various municipal buildings

PERFORMANCE CHALLENGES

Performance Challenge	Description
Budget constraints	Due to the increase in the cost of fuel and building materials in excess of inflation all of the identified projects could not be completed and were prioritised for the 2023/2024 financial year.

3.1.7 LIBRARY SERVICE HIGHLIGHTS:

OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Summary
Mandela Day	All libraries participated in presenting different outreach activities. These activities ranged from donating warm clothing to old age homes and schools, soup kitchen, donating hygienic products to teenage girls, and fixing broken windows at an elderly lady's house.
HSQA Art Competition	Hessequa Library Service in conjunction with the Hessequa Art Route presented for the second year the junior art competition. In total 246 children participated, painting the theme "Met 'n lied in my Hart".
ATKV Reading Competition	Ten schools in Hessequa participated in the ATKV reading competition. In total 503 read and voted for their favourite writer and illustrator. The voted winners received the "AKTV Veertjie" award.
Women's Day	To celebrate women, activities which includes talks, book discussions and art projects were presented. Heidelberg Library had a flower demonstration arrangement for a few selected ladies and at the end each lady took home their own flower arrangement.

Literacy Day	Displays, talks and storytelling were presented to raise awareness on the importance of reading.
Book launch	A book discussion led by author Danville Willemse new book "Die ding tussen ons" was presented at Riversdal Library.
Book launch	Johan Oosthuizen presented a talk on his latest book, "Taaitoffiestories" at Riversdal Library.
Opening Kwanokuthula Satellite Library	A satellite library was opened for the community of Kwanokuthula. This info hub is open Tuesday and Thursday for patrons to use the computers and take out books.
Literacy Day	Display, talks, and storytelling sessions were presented to raise awareness on the issues surrounding adult and child literacy
Arbor Day	Library staff down their books and pick up gardening gloves. In total 26 trees were planted in support for Arbor Day.
Heritage Day	Discussions, storytelling, and visits to schools were presented to encourage people to celebrate their culture and diversity of their beliefs and traditions.
16 Days of Activism for No Violence Against Women and Children	Displays and discussions were presented to raise awareness of the negative impact that violence has on our community.
Christmas events	Riversdal, Slangrivier, Duivenhoks and Protea Libraries all presented Christmas parties. Give bags was given out to the children.
Read Aloud Day	Different activities, e.g., performances, talks, competitions and were presented to celebrate literacy and the power of reading.
Oral History Project	This project was between DCAS and Hessequa Library Service which resulted in the recording of local history so as to safe keep the stories for future generations.
Library Week	South Africa Week was celebrated from 20-24 March 2023 in all Hessequa Libraries. A two-week fine free project allowed users with fines to be waived. A wide range of activities were presented to enhance literacy and the importance of reading.
World Book Day	World Book Day is a Global celebration of books and reading, observed annually. Hessequa Libraries participates each year to encourage reading and a love for books through presenting various activities.
Africa Day	Library Staff celebrates this day by promoting various cultures and traditions. Slangriver and Heidelberg Libraries served a tradition dish to patrons.

Youth Day	Displays and discussions were held in remembrance of the Youth of 1976 and what transpired on the day.
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PERFORMANCE HIGHLIGHTS: PROJECTS / CAPITAL EXPENDITURE

Project Name	Project Value	Summary
Kwanokuthula Satellite Library	R250 000.00	Two mobile units were donated by the Department of Agriculture. One unit house three computers and the other unit has several different book selections for uses to take out. The satellite library is open Tuesday and Thursday from 14h00-16h00.
Bookshelves Still Bay Library	R150 000.00	15 Shelves were purchases for the new library addition.
Installed bathroom, Riversdal Library	R60 000.00	New bathroom addition was built at Riversdal Library.
Replace windows and handrailing at Gouritsmond Library	R23 000.00	New windows and handrailing was installed to ensure the safety of the library and its patrons.
Delivery and supply of air conditioners	R64 000.00	Install of new air conditioning units at Riversdal and Still Bay Library's.
Paint and repair of Albertinia Library and Library Hall	R78 000.00	The Albertinia Library and Hall were repaired and painted.

PERFORMANCE CHALLENGES

Performance Challenge	Description
Staff shortage	Staff retiring or relocating to other libraries results in a shortage of skilled and trained staff. Filling these vacancies are challenging especially when requiring qualified staff.
Vandalism and theft	A burglary at Albertinia Library resulted in the library being damaged. No assets were stolen.



3.1.8 TECHNICAL SERVICES HIGHLIGHTS AND CHALLENGES

Project Name	Project Value	Summary
Refurbishment and reinstatement of Witsand Desalination Plant	527 108	The works carried out includes the following: <ul style="list-style-type: none"> • 1 x Refurbishment of Water Equipment • 1 x Installation & Commissioning • 1 x First-fill chemicals • 1 x Reinstatement of Intake System • 1 x Reinstatement of Solar Farm • 1 x Transport & Logistics
Replacement of biofilter media – Adelpracht Still Bay	103 952	The works carried out includes the following: <ul style="list-style-type: none"> • Remove Duct Assembly & Vessel Lid • Flush/Clean Biofilter Media • Flush/Clean Vessel Sump • Remove Biotrickler Lwe Media (With Honeysucker, Provided By Client) • Install New Biotrickler Puf Media • Peplace Duct Assembly & Vessel Lid • Run/Test System Operation
Hp Pump Valve Plate Kit Replacement- Witsand Desalination Plant	51 326	The works carried out includes the following: <ul style="list-style-type: none"> • 1 X Hp Pump Valve Plant Kit Replacement

PERFORMANCE HIGHLIGHTS: PROJECTS / CAPITAL EXPENDITURE

Project Name	Project Value	Summary
Upgrading of a multi-purpose rugby-and soccer facility in Heidelberg	9 000 000	The work carried out mainly consists of the following: <ul style="list-style-type: none"> • Two strip Cricket Concrete practice nets (including mats) • Upgrade existing ablution facility; • Boundary wall; • Construction of rugby and soccer field with grass surface, subsoil drainage and irrigation system; • Soccer and rugby combination poles; • Netball court (x1)

Streetlights Retrofitting	5 077 000	<p>The DMRE (Department of Mineral Resources and Energy) funded this project to enhance the municipality's energy efficiency efforts.</p> <p>Its primary objective was to replace existing streetlights and more energy-efficient alternatives, leading to significant energy savings, cost reduction, CO2 emissions reduction, and a comprehensive promotion of sustainability.</p>
Upgrading of Roads in the Hessequa Municipal area.	9 711 685	<p>The project aimed to upgrade existing roads and convert gravel roads into paved roads in the Hessequa Municipal area.</p>

PERFORMANCE CHALLENGES

Performance Challenge	Description
Aging infrastructure	<p>Due to wear and tear caused by heavy traffic and weather conditions, many roads require urgent repair or replacement. This situation poses significant safety risks and also impacts the smooth flow of traffic.</p> <p>The brittleness and fragility of old asbestos-cement pipes make them more susceptible to cracks, leaks, and breaks, resulting in water losses. This increased vulnerability necessitates more frequent maintenance, which puts a strain on operational and maintenance budgets and could potentially impact service fees.</p>
Limited funding	<p>Due to limited funding, only the most critical components can receive priority and attention, while the remaining infrastructure is left to deteriorate even further.</p>

3.1.9 DEVELOPMENT PLANNING HIGHLIGHTS AND CHALLENGES

3.2 Performance Overview: Directorate Development Planning

3.2.1 OPERATIONAL PERFORMANCE HIGHLIGHTS

Project Name	Project Value	Summary
Compilation of new SDF	R 700 000	The compilation of a new SDF is in progress and the Status Quo Report was approved by Council during March 2023. Funding has been obtained from DALLRD to complete the development proposals for the Spatial Development Framework for Hessequa Municipality. The purpose of an MSDF is to set out a long-term vision statement and plan for spatial development in the municipality and provide the spatial expression of the municipal Integrated Development Plan (IDP). An MSDF must integrate and represent the trade-offs of all relevant sector policies and plans in space, guiding planning and development decisions across all sectors and spheres of government in the Hessequa Municipality to contribute to a coherent and planned approach to spatial development. The MSDF must lead the municipality's land use management system, guiding decisions and discretion exercised in spatial planning and land use management. It must also give leadership to spatial budgeting in the municipality's budget or Medium-Term Expenditure Framework, using the Capital Expenditure Framework to support this process.
Business Hub: Kwanokuthula	R 2 600 000	Funds were received from DEDAT for the erection of a business Hub in Kwanokuthula, Riversdale and four local beneficiaries are currently leasing the units and they are females and residing in Kwanokuthula. Business support interventions are provided to the Business Hub Tenants. The project was completed within six months.
Driving School yard	R 760 000	Funds were received from DEDAT for the erection of a driving school yard in Kwanokuthula, Riversdale. The site is currently being leased by two driving schools, VanZyl Driving School and Vrolik Driving School as they are the only local driving schools in Riversdale.
LED Strategy	R 60 000	A LED strategy and approved by the Council during the 2022/ 2023 Financial year and Council is in process to establish a Local Economic Development Forum who will support the implementation thereof. Local government must promote social and

		<p>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 <i>socially based infrastructure investment to a holistic sustainable local and social economic investment, including infrastructure investment.</i> 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.</p>
Compilation of a CEF	R 600 000	<p>The Hessequa Local Municipality (HLM) wishes to appoint a Service Provider (SP) to undertake the compilation of the Hessequa Municipality Capital Expenditure Framework in terms of the Spatial Planning & Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA). The CEF is a planning tool that aims to ensure that capital infrastructure planning and municipal budgeting is aligned to the spatial strategies and proposals set out in the MSDF. Specifically, the outcome of a CEF process will be a 10-year capital portfolio of infrastructure investments that are prioritised according to the municipality's spatial, engineering, and financial objectives; affordable to the municipality; and spatially aligned to the MSDF. The implementation of this portfolio of infrastructure investments will assist the municipality in achieving the implementation of the MSDF, inclusive of spatial transformation.</p>

3.2.2 PERFORMANCE HIGHLIGHTS: PROJECTS / CAPITAL EXPENDITURE

Project Name	Project Value	Summary
Land Use Applications	R 962 883,34	A total of 169 Land Use applications were received. With limited resources available, the amount of Land Use Applications that were

		approved within the required time frame, is still above average.
Building Plan approvals	R 2 425 531, 92	With limited resources available, the amount of Building Plans and Permits that were approved within the required time frame, is still above average. The appointment of two Interns within the Department of Building Control resulted in the fast tracking of the administration processes.

3.2.3 PERFORMANCE CHALLENGES

Performance Challenge	Description
Shortage of Building Inspectors	Due to the drastic increase in the submission of Building Plans and Building Permits during the year, a shortage of Building Inspectors arose. This was addressed by the approval of an additional Building Inspector position for the 2023/2024 Financial year.
Shortage of Town Planners	Due to the drastic increase in the submission land use applications during the past year, a shortage of Town Planners arose. A vacancy for a Town Planner exists on the Organogram but it is not funded.
Red Tape reduction for Building Plan approvals	A Building Plan Portal has been implemented to assist with the approval of plans. This is an electronic procedure to assist officials by fast tracking the approval process.
GIS System	Although progress has been made to implement a fully operational GIS System, there are still challenges regarding the implementation thereof and funding shortages.
Infrastructure Development	The development of new infrastructure for further developments within the town of Stilbaai remains a challenge.

Kwanokuthula Business Hub



1 November 2022 – Kwanokuthula Business Hub in progress



9 December 2022 – Kwanokuthula Business Hub completed



Opening with Mayor Grant Riddles on 24 January 2023 & Fiona Mabuya (DEDAT), Speaker Stroebel, Cynthia Hans (Tenant) and Mayor Riddles

Driving School Yard



12 May 2022 – The first trenches for the Driving Test Range



15 July 2022 – Opening of Driving School Yard and signing of contracts with Tenants

3.3 ORGANISATIONAL PERFORMANCE PER IDP OBJECTIVE

Performance Rating Description

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

3.3.1 COST EFFECTIVE SERVICE DELIVERY

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023 Actual	Rating	Comment
TL97	90% Expenditure of Approved budget for maintenance of Municipal camps sites by end of Financial year	97%	90%	96%	G2	Target Achieved
TL 204	90% Expenditure of the Approved Capital Budget for the Municipality by end of financial year	93%	90%	82.18%	O	In summary the under expenditure was caused by delayed delivery of procured equipment for major infrastructure upgrades or purchases. R5,7M were affected by bulk equipment for the Albertina Waste Water Treatment Works and five new generators that were ordered to the amount of R5,2M, but could not be delivered in time before the closure of the financial year. All funds have been applied for to be rolled over for spending when fully completed / received in good order.
TL205	90% Expenditure of the Approved Operational Budget for the Municipality by end of financial year	92%	90%	94%	G2	Target Achieved

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL210	% Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering	88%	90%	97%	G2	Target Achieved
TL213	% Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering	85%	90%	90%	G	Target Achieved
TL211	% Provision of refuse removal and solid waste disposal for residential account holders	93%	90%	95%	G2	Target Achieved
TL212	% Provision of sanitation/sewerage services to residential account holders	88%	90%	90%	G	Target Achieved
TL218	The % of registered indigent account holders (poor households) with access to free basic services	98%	90%	95%	G2	Target Achieved
TL266	90% Expenditure of the approved Capital Budget of the Technical Department for financial year	94%	90%	97%	G2	Target Achieved
TL267	90% Expenditure of the approved Operational Budget of the Technical Department for financial year	94%	90%	94%	G2	Target Achieved
TL 277	Limit electricity losses to 10% for financial year	9%	10%	7%	G2	Target Achieved
TL276	90% Expenditure of National Electrification Grant spent for financial year	97%	90%	100%	G2	Target Achieved
TL251	90% Expenditure of Municipal Infrastructure Grant (MIG) for financial year	100%	90%	100%	G2	Target Achieved
TL241	Limit water losses to less than 30% for financial year	14%	30%	9%	G2	Target Achieved
TL234	90% of Municipal Buildings operational budget spent	New KPI	90%	100%	G2	Target Achieved
TL235	90% of parks and amenities maintenance budget spent	New KPI	90%	97%	G2	Target Achieved
TL236	90% of sewerage maintenance budget spent	New KPI	90%	99%	G2	Target Achieved
TL237	90% of solid waste maintenance budget spent	New KPI	90%	99%	G2	Target Achieved
Ti238	90% of streets and storm water maintenance budget spent annually (actual /expenditure/budget)	New KPI	90%	99%	G2	Target Achieved
Ti239	90% of the cemetery operational budget spent - General Expenses	New KPI	90%	97%	G2	Target Achieved
Ti240	90% of water maintenance budget spent	New KPI	90%	100%	G2	Target Achieved
TL253	Upgrading of Albertinia Waste Water Treatment Works	New KPI	90%	26%	R	This was a multi - year project of which the last portion of the funds

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
						to complete the project was allocated in the 2022/23 financial year. It should be noted that the project is completed. The project was completed within the allocated project budget.
TI254	Upgrading of roads in Hessequa	New KPI	90%	100%	G2	Target Achieved
TL255	Upgrading of sewerage and water Infrastructure: Heidelberg and Witsand	New KPI	90%	100%	G2	Target Achieved
TL256	Upgrading of sewerage and water Infrastructure: Riversdale	New KPI	90%	100%	G2	Target Achieved
TL257	Upgrading of sewerage and water Infrastructure: Stilbay	New KPI	90%	100%	G2	Target Achieved
TL258	Upgrading of sewerage Infrastructure and main water supply: Albertinia & Gouritsmond	New KPI	90%	93%	G2	Target Achieved
TL260	Upgrading of Waste Water Treatment Works in Riversdale	New KPI	90%	74.35%	O	This was a multi - year project of which the last portion of the funds to complete the project was allocated in the 2022/23 financial year. It should be noted that the project is completed. The project was completed within the allocated project budget.
TL274	90% Expenditure of Electrical Capital Budget	New KPI	90%	96.7%	G2	Target Achieved
TL275	90% of electricity maintenance budget spent	New KPI	90%	81.7%	O	81.7% of the operational budget was spent. A portion of the operation budget caters for contingencies , which are used on an ad-hoc basis in the event of unforeseen failures, breakages, or emergency repair works before financial year end. The unspent funds were linked directly to the abovementioned contingencies.
TL259	Upgrading of the link water network for the new 585 Low Cost housing : Melkhoutfontein	New KPI	90%	100%	G2	Target Achieved

3.3.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL60	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	63%	66%	61%	O	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)
TL59	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	G	Target Achieved
TL66	Maintain an average vacancy rate of less than 10% of budgeted staff establishment	5%	10%	5%	G2	Target Achieved
TL67	Progress Report on Succession Planning Initiatives	1	2	2	B	Target Achieved
TL53	Revision of Delegation Register by September annually	1	1	2	B	Target Achieved
TL84	Revision of Municipal code annually	1	1	1	G	Target Achieved
TL18	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	G	Target Achieved
TL117	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	G	Target Achieved
TL156	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	G	Target Achieved
TL214	Development of an Integrated IDP Process Plan submitted to Portfolio Committee by August annually	1	1	1	G	Target Achieved
TL217	Submission of Final IDP submitted to Council by May annually	1	1	1	G	Target Achieved
TL215	Review of the Municipal Risk Register and submitted to the Risk Committee by September annually	1	1	1	G	Target Achieved
TL216	Submission of Draft IDP by March Annually	New KPI	1	1	G	Target Achieved
TL199	Report quarterly on the implementation of Internal Audit Reports to the Audit committee	New KPI	4	4	G	Target Achieved
TL268	Review of Risk Register of Directorate and Submission to Chief Risk Officer	1	1	1	G	Target Achieved

3.3.3 SOCIAL AND ECONOMIC DEVELOPMENT

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL91	Hold Library exhibitions in Hessequa annually	1381	672	1373	B	Target Achieved
TL16	Progress Report on initiatives to improve collection rate of Traffic Fines	3	4	4	G	Target Achieved
TL14	90% expenditure of funds allocated for Eradication of Title Deed Transfer Backlogs	1%	90%	1%	R	Expenditure was hampered by delayed transfer processes.
TL27	Review the housing Pipeline in Collaboration with the Department of Human Settlements by March annually and submit reviewed pipeline to Portfolio Committee	1	1	1	G	Target Achieved
TL28	Scheduled outreach programs for all towns in Hessequa to update housing waiting lists	7	10	17	B	Target Achieved
TL296	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	2	2	3	G2	Target Achieved
TL30	Transfer of 50 Pre 1994 housing scheme title deeds.	2	50	48	O	Transfers where done from previous processes, however the year on year performance has improved.
TL29	Transfer of 100 Post 1994 housing scheme title deeds.	44	100	136	B	Target Achieved
TL4	Implementation of Social development initiatives in Hessequa for financial year	20	8	17	B	Target Achieved
TL5	Implementation of Sport Development Initiatives in Hessequa for financial year	13	8	19	B	Target Achieved
TL3	Implement Thusong Outreach Programmes for financial year	5	9	20	B	Target Achieved
TL44	Receive a performance of not less than 80% for the formal Provincial Audits on the Licensing Agency Services	92%	80%	89%	G2	Target Achieved
TL41	Conduct integrated vehicle checkpoints for Financial year	60	24	39	B	Target Achieved
TL40	At least 300 Traffic Law Enforcement contraventions issued by Municipal Traffic Law Enforcement Officers for road traffic infractions per month	6116	3600	5545	B	Target Achieved

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL42	Enhancing of Fire Fighting Service by the procurement of Equipment by 90% of the capital budget spent for financial year	87%	90%	94%	G2	Target Achieved
TL45	Review of the Disaster Management Plan	1	1	1	G	Target Achieved
TL6	Procurement of water tanks within approved budgeted amount	New KPI	90%	100%	G2	Target Achieved
TL13	% of EPWP funding spent for the financial year	New KPI	90%	90%	O	Due to rounding the target displays as met, but it was missed with 0.06%. The target is considered as met.
TL1	90% Expenditure of Operational Budget for Social Development Programmes within Department	New KPI	90%	79%	O	Target not met due some projects being cancelled.
TL2	90% Expenditure of Operational Budget for Sport Development Programmes within Department	New KPI	90%	93%	G2	Target Achieved
TL15	Development of Heidelberg Sport Facilities: Capital Project 6.5 – Community Services	New KPI	90%	86%	O	Project completed successfully, the expenditure is excluding of VAT, but with VAT appropriation the total is almost 100%
TL17	Report monthly to Department of Cultural Affairs and Sport regarding the Heidelberg Sport Facilities: Project 6.5	New KPI	12	7	R	The reports were not submitted due to the project being completed within the full year and reporting was not needed anymore.

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL24	200 Top Structures or housing opportunities Melkhoutfontein Project	New KPI	200	204	G2	Target Achieved
TL25	Completion of Slangrivier Consolidation Project of 33 Top Structures	New KPI	33	35	G2	Target Achieved
TL43	Provide a service for the inspection of vehicles (roadworthiness) and for the collection of motor registration & licensing fees	New KPI	240	247	G2	Target Achieved
TL294	Percentage of speed camera infringements processed and issued to registered owner	New KPI	80%	66%	O	This is a new KPI that aims to improve the revenue from speed camera infringements and steps have been taken to improve service provider performance which will only reflect in the new financial year.
TL295	Report on progress made in the Protection Services Department to improve the departmental functionality	New KPI	1	1	G	Target Achieved
TL115	Quarterly report on Development Trends to Portfolio Committee	4	4	4	G	Target Achieved
TL142	Evaluate land use applications within 120 days by the Planning Tribunal, after receipt of all relevant information and documents in terms of SPLUMA	37,31	120	26	B	Target Achieved
TL143	Evaluate land use applications within 60 days by the delegated official, after receipt of all relevant information and documents in terms of SPLUMA	23,29	>60	28	G2	Target Achieved
TL116	Report to Portfolio Committee regarding Harbour Development in Stilbaai	2	2	2	G	Target Achieved
TL114	Progress Report to Portfolio Committee with regards to development of Erf 22, Riversdale and Riversdale CBD development at Church square	4	4	4	G	Target Achieved
TL106	Approve/reject building plans within 20 days for buildings less than 500m ² after all information required is correctly submitted	5,67	>20	3	B	Target Achieved
TL107	Approve/reject building plans within 40 days for buildings larger than 500m ² after all information required is correctly submitted	3,33	>40	2,2	B	Target Achieved
TL108	Finalise occupancy certification within 14 days after receipt of all applicable information	5,92	>14	6	G2	Target Achieved

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL134	Submit a quarterly report indicating progress in terms of Economic Development Programmes to Portfolio Committee	4	4	4	G	Target Achieved
TL135	Submit a quarterly report indicating Progress in terms of Tourism Programmes to Portfolio Committee	4	4	4	G	Target Achieved
TL133	Submit a progress report on the Slangrivier Transformation Process bi-annually to Portfolio Committee	3	2	2	G	Target Achieved
TL109	Inspect illegal Building use activities and issue a notice within 10 working days after receipt of a formal, written complaint	New KPI	10	3	B	Target Achieved
TL130	90% expenditure of Tourism Budget	New KPI	90%	95%	G2	Target Achieved
TL132	Host Entrepreneurs and business start-up events / outreaches/Awareness Initiatives	New KPI	8	11	B	Target Achieved
TL144	Inspect illegal land uses and issue a notice within 10 working days after receipt of a formal complaint	New KPI	10	2	B	Target Achieved
TL145	Process land use applications within 14 working days	New KPI	14	5	G2	Target Achieved
TL293	Report on progress made in the Protection Services Department to improve the departmental functionality	New KPI	1	1	G	Target Achieved
TL296	Percentage of speed camera infringements processed and issued to registered owner	New KPI	80%	66%	O	This is a new KPI that aims to improve the revenue from speed camera infringements and steps have been taken to improve service provider performance which will only reflect in the new financial year.
TL252	Number of work opportunities created through EPWP	210	210	268	G2	Target Achieved
TL284	Upgrading of cemeteries in Hessequa	New KPI	90%	100%	G2	Target Achieved
TL292	Development of Heidelberg Sport Facilities: Capital Project 6.5 – Technical Services	New KPI	90%	99%	G2	Target Achieved

3.3.4 FINANCIAL MANAGEMENT

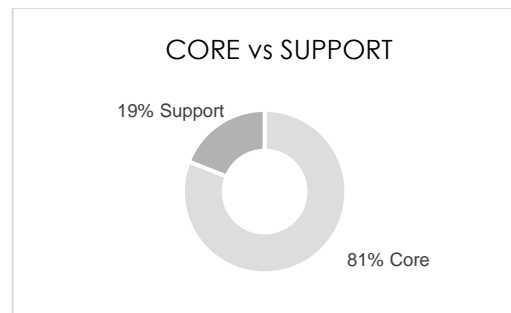
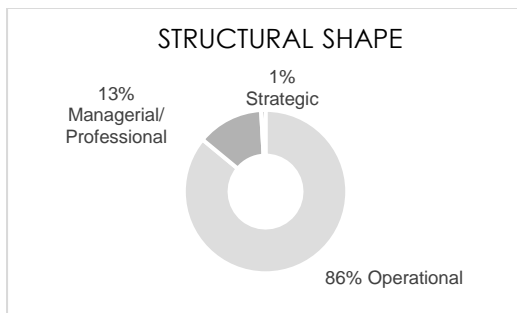
TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL90	90% Spending of Municipal Replacement fund (Grant) and Community Library Services Grant by end of June of the financial year	100%	90%	97%	G2	Target Achieved
TL158	Submit a report on Borrowing Funds and Reserves to the Financial Portfolio committee by February annually	1	1	1	G	Target Achieved
TL157	Submit a liquidity report of the Municipality to the Finance Portfolio Committee by end February annually	1	1	1	G	Target Achieved
TL159	Unqualified Financial Audit as reported by Auditor General	1	1	1	G	Target Achieved
TL177	Management of Income annual payment rate of thresholds higher than 95% for financial year	97%	95%	98%	G2	Target Achieved
TL178	Submit a detailed report on the status of handed over accounts	4	2	1	O	Report was not submitted to PC as required by indicator. Reconciliations are completed as monthly routine and presented to Chief Financial Officer for review.
TL186	Compile an annual procurement plan to facilitate the procurement of goods and services for the municipality	New KPI	1	1	G	Target Achieved
TL187	Report monthly on the monitoring and evaluation of service provider performance against agreed terms and conditions pertaining to the procurement of goods, services and works	New KPI	10	10	G	Target Achieved
TL150	Submission of Draft Budget documentation to Council by 20 March	New KPI		1	G	Target Achieved
TL149	Submission of Final Budget documentation to Council by 20 May	New KPI	1	1	G	Target Achieved
TL155	Report Bi-annually on the progress made on the Audit Outcomes report	New KPI	2	2	G	Target Achieved
TL166	Complete the annual stock take to ensure that all inventory is accounted for by the end of June and report to Council by the end of August	New KPI	1	1	G	Target Achieved
TL176	% of meters read monthly by the 25th each month	New KPI	95	98%	G2	Target Achieved
TL165	90% Spending of Municipal Financial Management Grant by end of June annually	94%	90%	100%	G2	Target Achieved

3.3.5 ENVIRONMENTAL MANAGEMENT

TL Ref	KPI	2021/2022 Actual	2022/2023 Annual target	2022/2023	Rating	Comment
				Actual		
TL122	Plan and Manage Environmental Awareness initiatives	17	10	16	B	Target Achieved
TL124	Manage Municipal Nature reserves	New KPI	22	34	B	Target Achieved
TL123	Operational budget spent for Environmental Management Department	New KPI	90%	100%	G2	Target Achieved

4 MUNICIPAL WORKFORCE AND ORGANISATIONAL DEVELOPMENT

At the end of the reporting period the Municipality employed 586 employees 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.



The structural shape of the organisation is 1% strategic, 13% managerial/professional and 86% operational staff. This is within the norms and standards and shows a good balance and distribution of human capital. The same balance is maintained when comparing the core vs support functions in the organisation with a 19% support compared to 81% core. The structural layers of the organisation are in isolated cases 8 layers deep. These are exceptions due to the widely dispersed geographic area that is serviced. Apart from these exceptions the rest of the organisation does not exceed 7 reporting layers.

4.1 Vacancy Rate And Staff Establishment

The staff establishment (posts on paper) is 688 posts. However, not all these posts are funded. 616 posts are funded. At the end of this period there were 30 vacant and funded posts with the recruitment and selection process underway. 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 4.8% was maintained. This is an increase of 0,5% from the previous year. The increase is minimal. The mobility of employees to move between jobs have liberated with the passing of the COVID pandemic and there should be more activity in the job market.

In addition to the full staff complement, during this period 223 short-term temporary employment opportunities were created. Appointments were made by making use of the “Shake-Shake” process as well as advertising and selection.

The fixed-term contract appointments will decrease as additional funding from the Western Cape Province now allows library personnel that are funded by grants to be permanently appointed and with service benefits.

MONTH	Perm	Out	In	F-T Con	% Funded	% Total	Con/Season
June 2023	541	3	2	45	*4.7%	**14.6%	46
May 2023	543	2	5	46	4.3%	14.3%	26
April 2023	540	1	7	46	4.7%	14.8%	67
March 2023	535	2	1	45	5.6%	15.3%	56
February 2023	537	3	1	45	5.3%	14.9%	81
January 2023	539	5	4	45	4.8%	14.6%	78
December 2022	541	8	5	45	4.5%	14.3%	149
November 2022	544	1	5	45	4,0%	13,8%	134
October 2022	542	0	5	44	4,8%	14,3%	142
September 2022	537	2	3	45	5,5%	15,0%	43
August 2022	540	4	1	44	5,0%	14,6%	44
July 2022	544	5	1	37	4,7%	15,0%	45

* 30 vacant and funded + 586 filled = 616 thus 30/616 x 100 = 4.7% (Funded and vacant)

** 688 total posts – 586 filled posts = 102/688 x 100 = 14.6% (Total)

4.2 Turnover Rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery. To recruit, select and train new employees is a costly exercise and impacts directly on service delivery. This is especially true when an organisation loses experienced and skilled staff. Aside from the institutional memory that gets lost there are change management issues that can impact negatively on staff morale and productivity. The staff turnover is determined with the following formula and is well within in the norm of 10%:

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

The turnover rate for 2022/23 is 6.6%.

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%
2022/23	40	36	6.6%

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 418 days compared to the previous fiscal year.

The table below indicates the total number sick leave days taken within the different directorates this equates to an average of 6 days/person/.

Directorates	2018/19	2019/20	2020/21	2021/22	2022/23
Office of the MM	12	15	26	10	36
Corporate Management	741	390	787	680	472
Technical Services	2 659	1 835	2507	2578	2089
Community Services	313	216	345	231	406
Financial Services	497	234	460	367	458
Development Planning	175	79	107	136	123
Total	4 398	2 778	4 232	4 002	3 584

4.4 Performance Rewards - Directors

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

This was the second year of the three-year Salary and Wage collective agreement that was reached in the South African Local Government Bargaining Council (SALGBC) at national level. The agreement terminates on 30 June 2024.

The Conditions of Service for the Western Cape Division of the Bargaining Council is negotiated from time to time. The South African Local Government Association (SALGA) and the Trade Unions are still negotiating amendments. These collective agreements conditions are complied with.

To rationalize the pension fund dispensation in the local government sector a Retirement Fund Collective Agreement was reached between the parties to the SALGBC. However, some funds objected to the agreement and litigated successfully. The employer and trade unions have agreed to seek leave to appeal the judgement. The national pension reform that will allow a portion of accumulated funds to be withdrawn will become effective in 2024.

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 Salary Deductions Policy, the Overtime and Standby Policy, as well as the Sexual Harassment Policy were approved.

The Municipal Staff Regulations were promulgated in the Government Gazette of 20 September 2021 and 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 replaces 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 Minister has granted extension to municipalities with regards to the Staff Establishment and Performance Management sections.

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 Municipal Manager is the first reporting level and the Directors are the second level and together they are referred to as Top Management. The third reporting level is the Managers that report to the Directors, referred to as Senior Management. Combined these levels represent the scope of the top-level Key Performance Indicator (KPI) of the Employment Equity Manager. Table 1 reflects

the status as it was in July 2022. Table 2 indicates the status at the end of the reporting period. The Municipal Manager was appointed 1 July 2022.

Table 1: As at July 2022

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	2	0	2	0	0	0	2	6
%	0	33.3	0	33.3	0	0	0	33.3	100
Snr Management	1	7	0	8	0	2	0	1	19
%	5.3	36.8	0	42.1	0	10.5	0	5.3	100

Table 2: As at June 2023

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	2	0	2	0	0	0	2	6
%	0	33.3	0	33.3	0	0	0	33.3	100
Snr Management	1	6	0	7	0	3	0	1	18
%	5.6	33.3	0	38.9	0	16.7	0	5.5	100

The current profile comprises 2 white males, 2 white females and 2 coloured males in the top management team of 6.

Description	African	Coloured	Indian	White	Total
Economically Active Population (Western Cape)	36%	48.7%	0.5%	14.8%	100%
Number for positions filled	49	483	0	57	589
% For Positions filled	8.3%	82%	0%	9.7%	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)

Hessequa Municipality lodged an Intergovernmental dispute on 7 March 2023 against the Department of Labour for unpaid Temporary Disability claims to the amount of approximately R 219 880. To date no payments have been received.

The Municipality experiences a major challenge regarding Injuries on Duty (IOD's). There is currently no medical practitioner or chemist in Albertinia. No doctor in Stilbaai is willing to attend to officials for IODs due to non-payment by the Department of Labour. No pharmacy within the Hessequa area is willing to provide medication to staff for IODs due to non-payment by the Department of Labour. Therefor employees from Albertinia, Gouritsmond and Stilbaai needs to be transported to Riversdale for medical attention, when an injury on duty occurs, as well as follow-up visits. This has a negative effect on productivity due to staff that need to be transported to Riversdale.

The other challenge is the issuing of Certificates of Compliance (COC's) for all municipal buildings. The Municipality appointed a Contractor to issue Certificates of Compliance for buildings, but the Contractor has not started. A new Contractor will be appointed in the new financial year. All Municipal buildings should have a valid COC, should an Inspector from the Department of Labour conduct and inspection. If not in place they can issue the Municipality with a fine or close the building. Twenty-Eight (28) workplaces do not have COC's. This is a significant risk.

Directorates	2021/22	2022/23
Office of the Municipal Manager	0	0
Corporate Management	3	4
Technical Services	63	31
Community Services	0	2
Financial Services	0	0
Development Planning	1	1
Total	67	38

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 reported hereunder is for the LGSETA Workplace Skills Plan period May 2022 to April 2023.

The table below indicates that a total amount of R 610 000 was allocated towards the implementation of the workplace skills plan and that 71% of the total amount was spent from 1 July 2022 to 30 June 2023. The planned Water Reticulation NQF 3 learnership could not start due to challenges experienced in appointing a service provider. This learnership formed a big part of the training budget and could not be spent.

Total personnel budget	Total Allocated	Total Spent	% of allocation spent
R 231 209 139.12	R610 000	R 435 240.09	71%

The table below shows the training interventions per occupational categories for the WSP Period 1 May 2022 to 30 April 2023.

Category	Gender	Target	Actual
Managers	Female	2	2
	Male	7	7
Professionals	Female	2	3
	Male	5	4
Technicians and Associate Professionals	Female	4	5
	Male	42	40
Clerical Support Workers	Female	7	8
	Male	3	4
Service Workers	Female	1	1
	Male	11	12
Skilled Workers	Female	0	0
	Male	11	11
Plant and Machine Operators	Female	5	5
	Male	85	84
Elementary Occupations	Female	17	17
	Male	151	129
Sub total	Female	38	41
	Male	315	291
Total		353	332

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 six (6) external bursaries were offered to students from the local community. Funding for this is from the Municipality and the Western Cape Provincial Government.

The revision of Personal Development Plans started in April 2022 and is currently underway.

DIRECTORATE	PDPS COMPLETED	EMPLOYEES	PERCENTAGE
CORPORATE MANAGEMENT	0	72	0%
COMMUNITY SERVICES	48	52	92%
FINANCIAL SERVICES	0	66	0%
DEVELOPMENT PLANNING	19	20	95%
TECHNICAL SERVICES	290	327	88%
OFFICE OF THE MM	4	6	67%
TOTAL PDPS COMPLETED			57%

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%	100%
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	
2021/22	204 200	573 007	35,64%
2022/23	218 840	623 967	35,07%

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

Financial year	2021/22		2022/23	
	Description	Actual	Approved Budget	Actual
		R'000	R'000	R'000
Councillors				
	Basic Salary	R5 854 820	R6 901 809	R6 290 005
	UIF, Medical and Pension Fund	R572 992	R563 125	R592 655
	Vehicle	R782 181	R713 238	R750 446
	Cellphone Allowance	R719 977	R792 540	R779 868
	Housing	R0	R0	R0
	Performance	R0	R0	R0
	Other Benefits And Allowances	R0	R0	R0
	Benefits	R0	R0	R0
	Sub Total	R7 929 971	R8 970 712	R8 412 974
	% increase/(decrease)			
Senior Managers of the Municipality				
	Salary	R5 738 014	R6 550 381	R6 512 900
	UIF, Medical Aid- and Pension Contributions	R1 129 870	R1 415 752	R1 364 812
	Motor Vehicle Allowance	R565 767	R586 115	R709 705
	Cellphone Allowance	R54 774	R50 400	R50 400
	Housing allowance	R0	R0	R12 101
	Performance Bonus	R1 037 041	R1 221 991	R1 180 880
	Other Benefits and Allowances	R297 984	R247 733	-R46 757

Financial year	2021/22	2022/23	
Description	Actual	Approved Budget	Actual
	R'000	R'000	R'000
Benefits	R0	R0	R0
Sub Total	R8 823 450	R10 072 372	R9 784 041
% increase/(decrease)			
Other Municipal Staff			
Basic Salaries and Wages	R130 944 481	R142 181 341	R138 619 421
UIF, Medical Aid- and Pension Contributions	R28 212 684	R32 216 400	R29 951 344
Motor Vehicle Allowance	R4 222 613	R4 441 406	R4 391 588
Cellphone Allowance	R342 833	R470 038	R375 087
Housing Allowances	R720 780	R891 202	R722 452
Overtime	R7 090 200	R6 297 054	R7 430 853
Other Benefits And Allowances	R6 154 641	R7 274 292	R7 881 473
Post-retirement	R9 758 000	R9 099 937	R11 270 738
Sub Total	R187 446 232	R202 871 670	R200 642 955
% increase/ (decrease)			R0
Total Municipality	R204 199 653	R221 914 754	R218 839 970
% increase/ (decrease)			

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 COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2023

Statement of Financial Performance

Figures in Rand

Revenue	Original Budget	Budget Adjustments	Final Adjustment Budget	Virement	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reference
						512 204 618				Note 56
Property Rates	118 023	2 000	120 023		120 023	119 965	(58)	99,95%	101,65%	
Service Charges	310 679	(8 389)	302 290		302 290	296 734	(5 557)	98,16%	95,51%	
Rental of Facilities and Equipment	3 425		3 425		3 425	3 533	108	103,16%	103,16%	
Interest Earned - External Investments	16 500	5 500	22 000		22 000	29 341	7 341	133,37%	177,82%	
Interest Earned - Outstanding Debtors	771	1 100	1 871		1 871	3 109	1 239	166,21%	403,42%	
Dividends Received								0,00%	0,00%	
Fines, Penalties and Forfeits	56 693		56 693		56 693	54 440	(2 253)	96,03%	96,03%	
Licences and Permits	2 001		2 001		2 001	2 020	18	100,91%	100,91%	
Agency Services	2 668		2 668		2 668	3 062	394	114,78%	114,78%	
Transfers and Subsidies	105 036	5 028	110 064		110 064	68 493	(41 571)	62,23%	65,21%	
Surcharges and Taxes								0,00%	0,00%	
Other Revenue	20 777	274	21 051		21 051	81 549	60 498	387,39%	392,50%	
Gains on Disposal of Property, Plant and Equipment	800		800		800		(800)	0,00%	0,00%	
Total Revenue	637 373	5 513	642 886		642 886	662 247	19 361	103,01%	103,90%	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2023

Statement of Financial Performance

Figures in Rand

Revenue	Original Budget	Budget Adjustments	Final Adjustment Budget	Virement	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reference
Expenditure										
Employee Related Costs	214 852	(3 620)	211 232	(132)	211 100	210 427	(673)	99,68%	97,94%	Exp 5
Remuneration of Councillors	9 068	(97)	8 971		8 971	8 413	(558)	93,78%	92,78%	
Debt Impairment	59 411		59 411		59 411	49 343	(10 068)	83,05%	83,05%	
Depreciation and Asset Impairment	39 231		39 231		39 231	43 190	3 958	110,09%	110,09%	Exp 1
Finance Charges	21 169	(4 000)	17 169		17 169	20 630	3 460	120,15%	97,45%	Exp 2
Bulk Purchases	154 948	(2 289)	152 659		152 659	139 141	(13 518)	91,14%	89,80%	Exp6
Other Materials	36 293	11 264	47 557	(445)	47 112	42 312	(4 800)	89,81%	116,58%	
Contracted Services	75 894	4 373	80 268	1 189	81 457	63 942	(17 515)	78,50%	84,25%	
Transfers and Subsidies	2 368	(452)	1 916		1 916	1 849	(67)	96,52%	78,09%	Exp 3
Other Expenditure	43 241	1 660	44 901	(613)	44 289	34 555	(9 734)	78,02%	79,91%	Exp 4
Loss on Disposal of Property, Plant and Equipment						(659)	(659)	0,00%	0,00%	
Total Expenditure	656 476	6 839	663 315		663 315	613 142	(50 173)	92,44%	93,40%	
Surplus/(Deficit)	(19 103)	(1 326)	(20 429)		(20 429)	49 104	69 534	-240,36%	-257,05%	
Transfers Recognised - Capital	32 765	7 176	39 942		39 942	34 812	(5 130)	87,16%	106,25%	
Surplus/(Deficit) for the year	13 662	5 850	19 512		19 512	83 916	64 404	430,07%	614,23%	

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

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R
FINANCIAL POSITION							
Current Assets							
Cash and Cash Equivalents	3 463	(16 181)	(16 181)	6 177	22 358	-138,18%	78,39%
Call Investment Deposits	336 317	340 817	340 817	408 736	67 919	19,93%	21,53%
Consumer Debtors	37 456	38 436	38 436	35 005	(3 432)	-8,93%	-6,55%
Other Debtors	20 986	20 986	20 986	24 675	3 689	17,58%	17,58%
Current Portion of Long-term Receivables	651	651	651	709	58	8,96%	8,96%
Inventory	3 302	3 302	3 302	4 028	726	21,99%	21,99%
Non Current Assets							
Long-term Receivables	4	4	4		(4)	-100,00%	-100,00%
Investment Property	73 606	73 606	73 606	91 796	18 189	24,71%	24,71%
Property, Plant and Equipment	1 011 147	1 023 301	1 023 301	1 038 523	15 221	1,49%	2,71%
Intangible	283	283	283	207	(76)	-26,93%	-26,93%
Other Non-current Assets	8 322	8 322	8 322	8 452	130	1,56%	1,56%
Total Assets	1 495 537	1 493 528	1 493 528	1 618 307	124 779	8,35%	8,21%
Current Liabilities							
Borrowing	21 782	21 782	21 782	23 707	1 925	8,84%	8,84%
Consumer Deposits	9 627	9 627	9 627	12 995	3 368	34,98%	34,98%
Trade and Other Payables	72 057	68 198	68 198	62 702	(5 496)	-8,06%	-12,98%
Provisions	22 300	22 300	22 300	24 473	2 173	9,75%	9,75%
Non Current Liabilities							
Borrowing	160 178	160 178	160 178	144 425	(15 752)	-9,83%	-9,83%
Provisions	112 483	108 483	108 483	127 047	18 565	17,11%	12,95%

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

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
Total Liabilities	398 426	390 567	390 567	395 350	4 783	150,53%	179,73%
Total Assets and Liabilities	1 097 110	1 102 961	1 102 961	1 222 957	119 997	95,54%	88,22%
Net Assets (Equity)							
Accumulated Surplus / (Deficit)	1 096 562	1 102 412	1 102 412	1 219 879	117 466	95,54%	88,22%
Reserves	549	549	549	3 079	2 530		
Total Net Assets	1 097 110	1 102 961	1 102 961	1 222 957	119 997	95,54%	88,22%

The table below indicates the summary of the financial performance for the 2022/2023 financial year:

Financial Summary						
R'000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	112 850	118 023	120 023	119 965	1 942	(58)
Service charges	288 791	310 679	302 290	286 263	(24 416)	(16 027)
Investment revenue	19 380	16 500	22 000	29 341	12 841	7 341
Transfers recognised - operational	65 117	105 036	110 064	68 493	(36 543)	(41 571)
Other own revenue	145 731	87 135	88 509	158 184	71 049	69 675
Total Revenue (excluding capital transfers and contributions)	631 870	637 373	642 886	662 247	24 874	19 361
Employee costs	196 270	214 852	211 100	210 427	(4 425)	(673)
Remuneration of councillors	7 930	9 068	8 971	8 413	(655)	(558)
Depreciation & asset impairment	28 611	39 231	39 231	43 190	3 958	3 958
Finance charges	19 488	21 169	17 169	20 630	(540)	3 460
Inventory consumed and bulk purchases	173 364	191 241	199 771	181 453	(9 788)	(18 318)
Transfers and grants	3 445	2 368	1 916	1 849	(519)	(67)
Other expenditure	143 900	178 547	185 157	147 181	(31 366)	(37 976)
Total Expenditure	573 007	656 476	663 315	613 142	(43 334)	(50 173)
Surplus/(Deficit)	58 863	(19 103)	(20 429)	49 104	68 207	69 534
Transfers recognised - capital	73 923	32 765	39 942	34 812	2 046	(5 130)
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	132 786	13 662	19 512	83 916	70 254	64 404
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	132 786	13 662	19 512	83 916	70 254	64 404

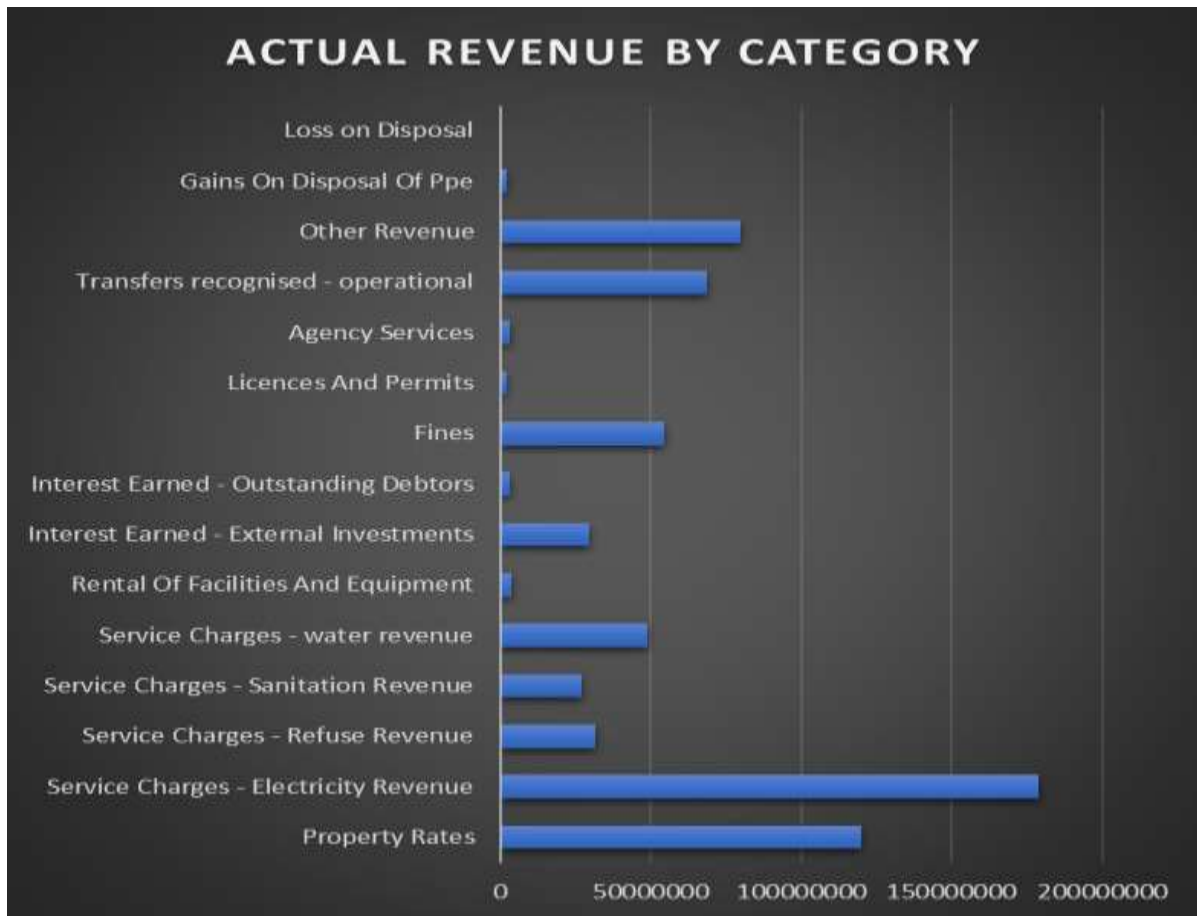
Financial Summary						
R'000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<u>Capital expenditure & funds sources</u>						
Capital expenditure						
Transfers recognised - capital	72 527	32 765	39 942	32 329	(437)	(7 613)
Public contributions & donations	123			1 117	1 117	1 117
Borrowing		43 648	43 538	34 605	(9 043)	(8 933)
Internally generated funds	42 018	13 825	18 912	16 100	2 275	(2 813)
Total sources of capital funds	114 669	90 237	102 392	84 150	(6 088)	(18 242)
<u>Financial position</u>						
Total current assets	424 503	402 175	388 011	479 330	77 156	91 319
Total non-current assets	1 093 984	1 093 362	1 105 517	1 138 977	45 615	33 460
Total current liabilities	117 692	125 766	121 906	123 877	(1 889)	1 971
Total non current liabilities	261 753	272 661	268 661	271 473	(1 188)	2 812
Community wealth/Equity	1 139 042	1 097 110	1 102 961	1 222 957	125 847	119 997
<u>Cash flows</u>						
Net cash from (used) operating	135 155	58 493	48 006	114 511	56 018	66 505
Net cash from (used) investing	(97 770)	(89 437)	(101 592)	(80 507)	8 931	21 085
Net cash from (used) financing	(23 378)	22 054	21 866	18 233	(3 822)	(3 633)
Cash/cash equivalents at the year end	362 676	339 780	330 956	414 914	61 127	(70)
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	362 676	339 780	259 495	414 914	75 134	155 419
Application of cash and investments	(4 346)	19 966	22 035	(7 539)	(27 505)	(29 574)
Balance - surplus (shortfall)	367 023	319 813	237 459	422 452	102 639	184 993
<u>Asset management</u>						
Asset register summary (WDV)	1 093 984	1 093 358	1 105 513	1 138 977	45 619	33 464
Depreciation & asset impairment	28 611	39 231	39 231	43 190	3 958	3 958

Financial Summary						
R'000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Renewal of Existing Assets	2 875	52 217	55 731	4 250	(47 966)	(51 480)
Repairs and Maintenance	87 489	98 658	96 241	93 807	(4 851)	(2 434)
Free services						
Cost of Free Basic Services provided	6 613	7 344	6 942	7 103	(241)	161
Revenue cost of free services provided	43 949	40 050	40 650	48 253	8 202	7 602
<i>Variances are equal to actual minus original- and adjusted budget</i>						

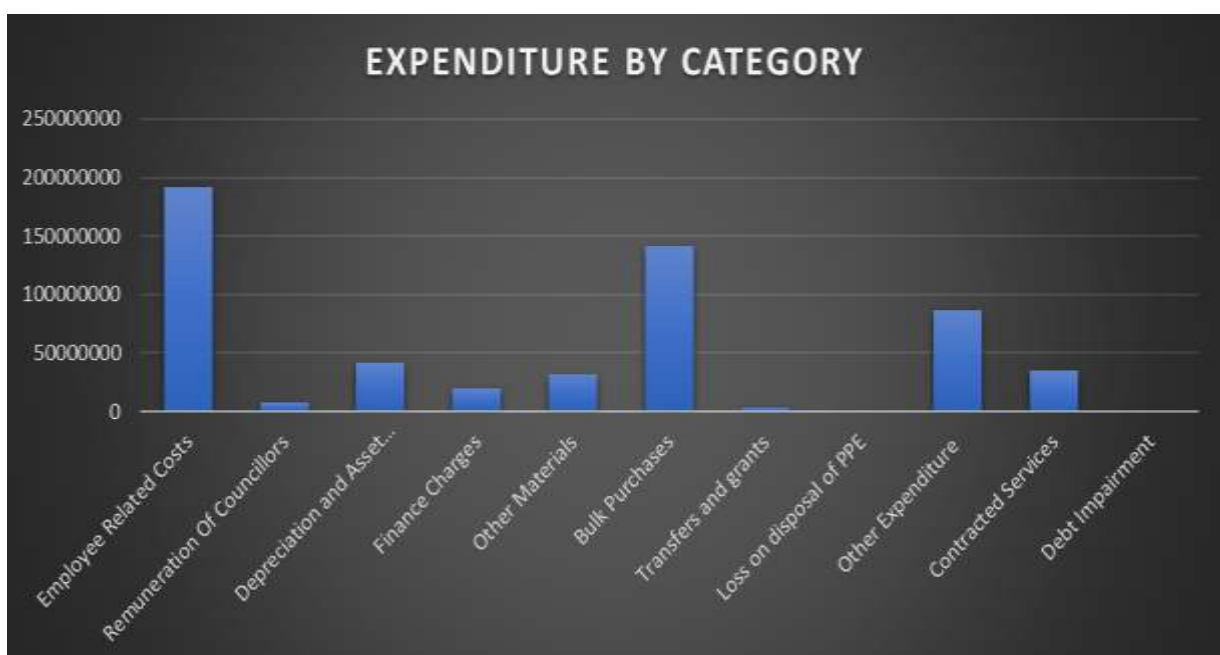
The table below shows a summary of performance against budgets:

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	
2021/22	572 462	631 870	(59 408)	110,38%	606 300	573 007	33 293	94,51%
2022/23	642 886	662 247	(19 361)	103,01%	663 315	613 142	50 173	92,44%

The following graph indicates the revenue by source actuals for 2022/2023.



The following graph indicates the expenditure by type actuals for 2022/2023.



5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by Vote:

Vote Description	2021/22	2022/23			2012/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote1 - Executive and Council	55 019	55 453	55 453	70 147	(14 694)	(14 694)
Vote2 - Internal Audit						
Vote3 - Finance and Admin	169 240	151 918	159 744	171 481	(19 563)	(11 737)
Vote4 - Planning and Development	16 079	2 868	3 545	7 660	(4 792)	(4 116)
Vote5 - Public Safety		61 549			61 549	
Vote6 – Health *						
Vote7 - Community and Social Services	10 401	10 797	10 800	10 194	603	606
Vote8 - Sports and Recreation	15 426	15 823	15 823	14 613	1 210	1 210
Vote9 - Housing	52 626	36 142	41 682	31 181	4 961	10 501
Vote 10 - Waste Management	31 554	32 180	32 480	39 940	(7 761)	(7 461)
Vote11 - Road Transport	68 990	13 648	75 165	72 079	(58 431)	3 087
Vote12 - Waste Water Management	39 479	27 859	35 007	32 451	(4 592)	2 556
Vote13 - Water Management	49 857	51 018	55 270	54 875	(3 857)	394
Vote14 - Energy Sources	196 490	210 171	197 147	191 839	18 332	5 308
Vote15 - Environmental Protection	628	712	712	585	127	127
Vote16 - Other	2			12	(12)	(12)
Total Revenue by Vote	705 793	670 138	682 828	697 058	(26 920)	(14 230)
<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 2022/2023 financial year:

Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	112 850	118 023	120 023	119 965	(1 942)	58

Property rates - penalties & collection charges						
Availability Charges	10 447		11 460	10 470	(10 470)	990
Service Charges - electricity revenue	185 888	203 163	184 086	179 080	24 083	5 007
Service Charges - water revenue	46 252	47 640	47 816	49 049	(1 409)	(1 233)
Service Charges - sanitation revenue	25 482	27 768	26 820	26 818	950	2
Service Charges - refuse revenue	31 169	32 107	32 107	31 316	791	791
Service Charges - other						
Rental of facilities and equipment	3 401	3 425	3 425	3 533	(108)	(108)
Interest earned - external investments	19 380	16 500	22 000	29 341	(12 841)	(7 341)
Interest earned - outstanding debtors	2 372	771	1 871	3 109	(2 339)	(1 239)
Dividends received						
Fines	61 932	56 693	56 693	54 440	2 253	2 253
Licences and permits	1 988	2 001	2 001	2 020	(18)	(18)
Agency services	2 894	2 668	2 668	3 062	(394)	(394)
Transfers recognised - operational	65 117	105 036	110 064	68 493	36 543	41 571
Other revenue	23 021	20 777	21 051	79 685	(58 908)	(58 634)
Gains on disposal of PPE	10 204	800	800	1 865	(1 065)	(1 065)
Profit/(Loss) on Fair Value Adjustments	29 474					
Contributed Property, Plant and Equipment						
Total Revenue (excluding capital transfers and contributions)	631 870	637 373	642 886	662 247	(24 874)	(19 361)
<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 2022/23 financial year:

Description	2021/22	2022/23		2022/23 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Cost						
Water Management	11 373	9 805	14 794	15 774	(5 969)	(980)
Waste Water Management	9 319	(2 978)	1 908	50	(3 028)	1 858
Energy Sources	22 430	13 086	(2 503)	14 549		(17 052)
Waste Management	5 015	(3 767)	(1 648)	2 052	(5 819)	(3 700)
Housing	50 708	(2 183)	17	(492)	(1 691)	509
Component A: sub-total	98 844	13 963	12 568	31 933	(16 507)	(19 366)
Waste Water (Storm water Drainage)						
Road Transport	(43 736)	(35 641)	(38 293)	(39 766)	4 125	1 473
Transport						
Component B: sub-total	(43 736)	(35 641)	(38 293)	(39 766)	4 125	1 473
Planning And Development	5 549	(9 293)	(8 895)	(3 358)	(5 935)	(5 537)
Other	(1 190)	(1 219)	(1 219)	(1 166)	(53)	(53)
Component C: sub-total	4 359	(10 512)	(10 114)	(4 524)	(5 987)	(5 590)
Community And Social Services	(10 084)	(11 845)	(11 807)	(10 764)	(1 081)	(1 043)
Environmental Protection	(4 555)	(5 177)	(5 051)	(5 114)	(63)	63
Health						
Public Safety	(11 651)	(19 183)	(18 231)	(13 374)	(5 809)	(4 857)
Sport And Recreation	(9 367)	(11 534)	(11 158)	(9 480)	(2 054)	(1 678)
Finance And Administration	85 102	71 672	79 970	99 948	(28 277)	(19 979)
Executive And Council	25 721	24 144	23 853	36 992	(12 849)	(13 140)
Internal Audit	(1 848)	(2 224)	(2 224)	(1 936)	(288)	(288)
Component D: sub-total	73 319	45 851	55 351	96 273	(50 421)	(40 921)
Net	132 786	13 662	19 512	83 916	(68 791)	(64 404)
<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	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Water Management	R'000				
Total Operational Revenue	49 857	51 018	55 270	54 875	394
Expenditure:					
Employees	13 560	14 164	13 539	13 965	(425)
Inventory	9 852	13 182	13 067	11 962	1 105
Depreciation and amortisation	4 169	4 555	4 555	4 433	122
Bulk Purchases					
Interest Paid	2 659	2 286	2 370	2 373	(4)
Bad debts	3 878	2 656	2 656	2 572	84
Contracted Services	1 646	2 291	2 225	1 830	395
Loss on Disposal of PPE	57			(385)	385
Water losses	963			615	(615)
Impairment Loss					
Gains/(Loss) on Sale of Fixed Assets					
General Expenses	1 699	2 078	2 063	1 737	326
Total Operational Expenditure	38 484	41 213	40 476	39 101	1 375
Net	11 373	9 805	14 794	15 774	(980)
<i>Variances equal to actual minus adjustment budget (INCLUDING CAPITAL GRANTS)</i>					

5.2.2 WASTEWATER / SANITATION SERVICES

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Water Management	R'000				
Total Operational Revenue	39 479	27 859	35 007	32 451	2 556
Expenditure:					
Employees	12 579	13 265	13 265	13 111	154
Inventory	2 597	3 116	4 016	3 656	360
Depreciation and amortisation	5 256	6 335	6 335	5 975	360
Bulk Purchases					
Interest Paid	3 553	3 105	3 105	3 105	
Bad debts	2 530	1 149	1 149	1 894	(745)

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Water Management	R'000				
Contracted Services	2 510	2 519	3 907	3 837	70
Loss on Disposal of PPE	23			(239)	239
Gains/(Loss) on Sale of Fixed Assets					
Impairment Loss					
General Expenses	1 112	1 348	1 322	1 061	261
Total Operational Expenditure	30 161	30 837	33 099	32 401	698
Net	9 319	(2 978)	1 908	50	1 858
<i>Variances equal to actual minus adjustment budget</i>					

5.2.3 ELECTRICAL SERVICES

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Energy Sources	R'000				
Total Operational Revenue	196 490	210 171	197 147	191 839	5 308
Expenditure:					
Employees	13 247	15 876	15 041	14 937	104
Inventory	3 747	3 865	9 605	8 939	666
Depreciation and amortisation	3 752	4 242	4 242	5 015	(773)
Bulk Purchases	141 118	154 948	152 659	139 141	13 518
Interest Paid	4 922	4 148	4 088	4 126	(38)
Bad debts	967	6 743	6 743	(499)	7 242
Contracted Services	1 400	2 010	1 542	2 071	(529)
Loss on Disposal of PPE	19			(222)	222
Inventories: (write-down)/Reversal of write-down to Net Realisable value					
Impairment Loss	298				
General Expenses	4 591	5 253	5 730	3 783	1 947
Total Operational Expenditure	174 061	197 085	199 650	177 290	22 360
Net	22 430	13 086	(2 503)	14 549	(17 052)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.4 SOLID WASTE MANAGEMENT

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Management	R'000				
Total Operational Revenue	31 554	32 180	32 480	39 940	(7 461)
Expenditure:					
Employees	12 422	13 522	13 522	13 314	208
Inventory	2 221	2 527	3 594	2 903	690
Depreciation and amortisation	1 426	5 845	5 845	9 302	(3 457)
Bulk Purchases					
Interest Paid	4 230	8 065	4 065	7 483	(3 419)
Bad debts	2 643	1 590	1 590	1 948	(358)
Contracted Services	2 495	2 728	3 868	2 981	886
Loss on Disposal of PPE				(1 041)	1 041
Impairment Loss					
General Expenses	1 102	1 669	1 645	998	647
Total Operational Expenditure	26 540	35 946	34 127	37 888	(3 761)
Net	5 015	(3 767)	(1 648)	2 052	(3 700)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.5 HOUSING

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Housing	R'000				
Total Operational Revenue	52 626	36 142	41 682	31 181	10 501
Expenditure:					
Employees	1 676	1 880	1 880	1 767	113
Inventory					
Depreciation and amortisation	6	8	8	6	2
Bulk Purchases					
Interest Paid					
Bad debts	25			26	(26)
Contracted Services	153	36 340	39 680	29 807	9 873
Loss on Disposal of PPE				1	(1)
Impairment Loss					
General Expenses	57	97	97	65	32
Total Operational Expenditure	1 918	38 325	41 665	31 672	9 993
Net	50 708	(2 183)	17	(492)	509
<i>Variances equal to actual minus adjustment budget</i>					

5.2.6 ROADS

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Road Transport	R'000				
Total Operational Revenue	3 637	13 648	13 461	13 302	158
Expenditure:					
Employees	23 186	25 081	25 193	24 525	667
Inventory	6 300	6 065	8 257	7 551	706
Depreciation and amortisation	9 008	10 176	10 176	13 042	(2 867)
Bulk Purchases					
Interest Paid	3 101	2 638	2 638	2 638	
Bad debts					
Contracted Services	3 965	3 054	3 283	3 053	230
Loss on Disposal of PPE	27			262	(262)
Impairment Loss					
General Expenses	1 787	2 275	2 207	1 996	211
Total Operational Expenditure	47 374	49 289	51 753	53 068	(1 315)
Net	(43 736)	(35 641)	(38 293)	(39 766)	1 473

5.2.7 PLANNING

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Planning And Development	R'000				
Total Operational Revenue	16 079	2 868	3 545	7 660	(4 116)
Expenditure:					
Employees	9 415	10 197	10 197	9 992	205
Inventory	86	78	125	45	80
Depreciation and amortisation	36	48	48	57	(9)
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	556	718	940	396	544
Loss on Disposal of PPE	3			5	(5)
Impairment Loss					
General Expenses	435	1 120	1 130	524	606
Total Operational Expenditure	10 530	12 161	12 439	11 019	1 421
Net	5 549	(9 293)	(8 895)	(3 358)	(5 537)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.8 COMMUNITY & SOCIAL SERVICES

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Community And Social Services	R'000				
Total Operational Revenue	10 401	10 797	10 800	10 194	606
Expenditure:					
Employees	15 455	16 830	16 550	16 122	428
Inventory	1 478	1 140	1 335	1 159	176
Depreciation and amortisation	858	1 229	1 229	909	320
Bulk Purchases					
Interest Paid	235	210	210	210	
Bad debts					
Contracted Services	1 464	1 805	1 765	1 342	423
Loss on Disposal of PPE	12			36	(36)
Impairment Loss	186				
General Expenses	799	1 429	1 518	1 180	337
Total Operational Expenditure	20 485	22 643	22 607	20 958	1 649
Net	(10 084)	(11 845)	(11 807)	(10 764)	(1 043)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.9 ENVIRONMENTAL PROTECTION

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Environmental Protection	R'000				
Total Operational Revenue	628	712	712	585	127
Expenditure:					
Employees	3 857	4 002	4 036	4 103	(68)
Inventory	356	404	572	526	46
Depreciation and amortisation	13	43	43	38	5
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	367	729	805	760	45
Loss on Disposal of PPE	3				
Impairment Loss					
General Expenses	587	712	307	272	35
Total Operational Expenditure	5 183	5 889	5 763	5 700	63
Net	(4 555)	(5 177)	(5 051)	(5 114)	63
<i>Variances equal to actual minus adjustment budget</i>					

5.2.10 SECURITY AND SAFETY

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Public Safety	R'000				
Total Operational Revenue	65 353	61 549	61 705	58 776	2 928
Expenditure:					
Employees	16 128	18 565	16 988	17 505	(517)
Inventory	1 815	1 728	2 321	1 851	470
Depreciation and amortisation	601	710	710	607	103
Bulk Purchases					
Interest Paid	209	188	188	188	
Bad debts	44 671	45 981	45 981	41 952	4 029
Contracted Services	12 318	11 206	11 456	8 722	2 734
Loss on Disposal of PPE	41			3	(3)
Impairment Loss					
General Expenses	1 220	2 355	2 292	1 322	970
Total Operational Expenditure	77 003	80 733	79 936	72 151	7 786
Net	(11 651)	(19 183)	(18 231)	(13 374)	(4 857)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.11 SPORT AND RECREATION

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Sport And Recreation	R'000				
Total Operational Revenue	15 426	15 823	15 823	14 613	1 210
Expenditure:					
Employees	15 609	17 432	17 579	16 193	1 386
Inventory	2 349	2 661	2 606	2 351	256
Depreciation and amortisation	1 911	2 697	2 697	1 985	712
Bulk Purchases					
Interest Paid	291	255	255	255	
Bad debts					
Contracted Services	2 329	3 085	2 777	2 356	421
Loss on Disposal of PPE	27			69	(69)
Impairment Loss	1 109				
General Expenses	1 169	1 228	1 067	885	182
Total Operational Expenditure	24 794	27 357	26 981	24 093	2 888
Net	(9 367)	(11 534)	(11 158)	(9 480)	(1 678)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.12 FINANCE & ADMIN

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Finance And Administration	R'000				
Total Operational Revenue	169 240	151 918	159 744	172 375	(12 631)
Expenditure:					
Employees	44 463	49 881	49 153	46 813	2 340
Inventory	1 371	1 430	1 541	1 323	218
Depreciation and amortisation	1 505	3 237	3 237	1 741	1 497
Bulk Purchases					
Interest Paid	287	250	251	251	
Bad debts	2 297	1 291	1 291	1 449	(158)
Contracted Services	4 099	6 696	6 497	4 895	1 602
Loss on Disposal of PPE	205			818	(818)
Profit/(Loss) on Fair Value Adjustments	9 241			2 232	(2 232)
Reversal of Impairment Loss/(Impairment Loss) on receivables					
Impairment Loss	8 829				
General Expenses	11 840	17 460	17 804	12 906	4 898
Total Operational Expenditure	84 138	80 246	79 774	72 427	7 348
Net	85 102	71 672	79 970	99 948	(19 979)
<i>Variances equal to actual minus adjustment budget</i>					

EXECUTIVE & COUNCIL

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Executive And Council	R'000				
Total Operational Revenue	55 019	55 453	55 453	69 253	(13 800)
Expenditure:					
Employees	20 487	22 692	22 595	24 254	(1 659)
Inventory	28	64	52	31	21
Depreciation and amortisation	52	87	87	64	24
Bulk Purchases					
Interest Paid		24			
Bad debts					
Contracted Services	1 747	2 500	2 500	1 742	758

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Executive And Council	R'000				
Loss on Disposal of PPE				24	(24)
Impairment Loss					
General Expenses	6 984	5 941	6 366	6 145	221
Total Operational Expenditure	29 298	31 309	31 600	32 261	(660)
Net	25 721	24 144	23 853	36 992	(13 140)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.13 INTERNAL AUDIT

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Internal Audit	R'000				
Total Operational Revenue					
Expenditure:					
Employees	1 706	1 944	1 944	1 809	135
Inventory	2	2	2	1	1
Depreciation and amortisation	2	2	2	1	1
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	93	148	148	86	62
Loss on Disposal of PPE					()
Impairment Loss					
General Expenses	45	128	128	38	89
Total Operational Expenditure	1 848	2 224	2 224	1 936	288
Net	(1 848)	(2 224)	(2 224)	(1 936)	(288)
<i>Variances equal to actual minus adjustment budget</i>					

5.2.14 OTHER

Description	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Other	R'000				
Total Operational Revenue	2			12	(12)
Expenditure:					
Employees	410	432	432	429	3
Inventory	42	31	18	12	6
Depreciation and amortisation	16	17	17	16	2
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	98	66	66	66	
Loss on Disposal of PPE				10	(10)
Impairment Loss					
General Expenses	626	673	686	646	40
Total Operational Expenditure	1 192	1 219	1 219	1 178	41
Net	(1 190)	(1 219)	(1 219)	(1 166)	(53)
<i>Variances equal to actual minus adjustment budget</i>					

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

Grant Performance						
R'000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Transfers and Grants						
National Government:	55 279	59 070	59 070	57 928	1 182	1 182
Equitable share	51 428	54 287	54 287	54 287		
Municipal Systems Improvement						
Finance Management	1 550	1 550	1 550	1 550		
Energy Efficiency & Demand Management	91	138	138	138	()	()
Expended Public Works programme (EPWP)	1 154	1 164	1 164	1 164		
Disaster Recovery Grant						
Mig 5%	709	749	749	749		
Integrated National Electricity Program						
Seta/Disaster Relief/Trade Union/HCE/ASLA/tourism	347	1 182	1 182	40	1 182	1 182
Municipal Disaster Relief Grant						
Provincial Government:	9 837	45 966	50 993	40 184	5 781	10 809
Housing	121	36 084	39 424	29 667	6 417	9 757
Housing Consumer education						
Informal Settlements Upgrading Partnership Grant						
PSEG - Public Employment Support Grant	225		875	875	(875)	
Tuin op die brak						
Greenest municipality						
Financial Support Grant / Management			300	212	(212)	88
Performance Management Grant						
Thusong Centre						
Capacity Building	608		299			299
Libraries	8 725	9 719	9 532	9 177	542	355
CDW, Road Maintenance	158	163	163	163		
Municipal Water Resilience Grant			400	90	(90)	310
LG Support Grant: Humanitarian Relief						
Other grant providers	1					
Heritage Council WC						
Arbor City	1					
National Lottery fund						
Total Operating Transfers and Grants	65 117	105 036	110 064	98 112	6 964	11 991
<i>Variances equal to actual minus original and adjustment budget</i>						

5.3.2 CONDITIONAL GRANTS (EXCLUDING MIG)

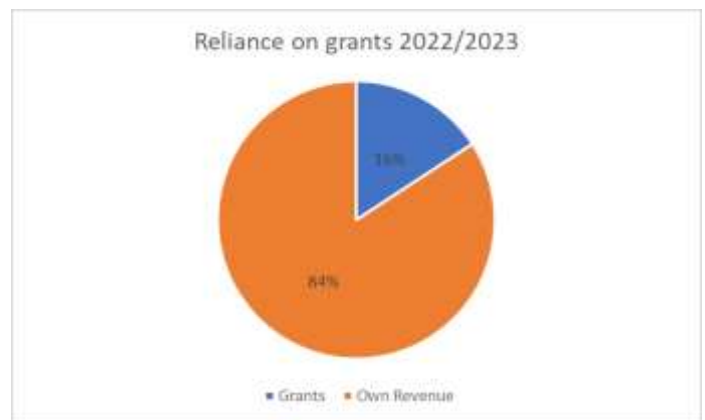
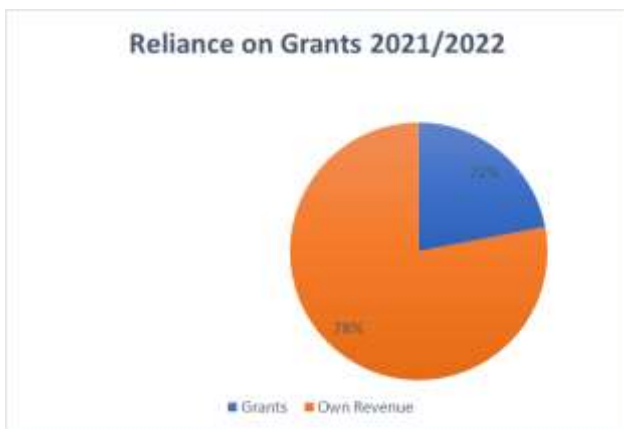
Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjusted Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjusted Budget	
FMG, MSIG, NEP, EPWP, DME, PGWC:LIBRARY GRANTS , PGWC: FINANCIAL SUPPORT GRANT	20 524	26 346	22 005	(1 481)	4 341	
Total	20 524	26 346	22 005	(1 481)	4 341	

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	
2021/22	139 040	631 870	22,00%
2022/23	103 304	662 247	15,60%

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	Upgrading of Roads and Stormwater in Hessequa Municipal Area	
Description	Reseal of roads, construction of paving roads, 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	2021/22 (R'000)	2022/23 (R'000)
	7 000	9 711

Asset 2		
Name	Upgrading of a multi-purpose rugby-and soccer facility in Heidelberg	
Description	<p>The work carried out mainly consists of the following:</p> <ul style="list-style-type: none"> - Two strip Cricket Concrete practice nets (including mats) - Upgrade existing ablution facility; - Boundary wall; - Construction of rugby and soccer field with grass surface, subsoil drainage and irrigation system; - Soccer and rugby combination poles; - Netball court (x1) 	
Asset Type	Facilities: Sport Facilities	
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	2021/22 (R'000)	2022/23 (R'000)
	0	9 000

Asset 3		
Name	Electrical Infrastructure	
Description	The electrical infrastructure in Hessequa Municipal area was upgraded to meet increasing demands, improve reliability, embrace technology advancements, enhance resilience, support sustainable development, address safety concerns, and comply with government initiatives.	
Asset Type	Infrastructure: Electrical Infrastructure	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Manager Electrical and Mechanical Services (Silent Chikamhi)	
Staff Responsibilities	Electrical and Mechanical Services	
Asset Value	2021/22 (R'000)	2022/23 (R'000)
	13 668	16 434

5.4.2 REPAIRS AND MAINTENANCE

Description	2021/22	2022/23
	R'000	R'000
Total Operating Expenditure	573 007	613 142
Repairs and Maintenance	88 688	94 769
% of total OPEX	15,48%	15,46%

*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	2021/22	2022/23
		Audit outcome	Audit outcome
Current Ratio	Current assets/current liabilities	3,61	3,87
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3,33	3,59
Liquidity Ratio	Monetary Assets/Current Liabilities	3,57	3,84

Financial year	Total Assets	Total Liabilities	Ratio
	R'000	R'000	
2021/22	1 518 486 406	379 444 775	4.0:1
2022/23	1 618 307 134	395 349 729	4.1:1

5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	13,68	15,60
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11,08%	18,21%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12,78	12,76

5.5.3 CREDITORS MANAGEMENT

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Creditors System Efficiency	of Creditors Paid Within Terms (within MFMA' s 65(e))	80,04	68,68

5.5.4 BORROWING MANAGEMENT

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7,61%	6,95%

5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2021/22	2022/23
		Audit outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	39,40%	33,05%

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	90 237	102 392	84 150	6 088	18 242
Operating Expenditure	656 476	663 315	613 142	43 334	50 173
Total expenditure (Capital)	90 237	102 392	84 150	6 088	18 242
Water and sanitation	24 613	34 980	22 540	2 073	12 440
Electricity	19 732	19 435	16 946	2 786	2 489
Housing	4	2 202	1 453	(1 449)	749
roads pavements bridges and storm water	25 011	26 571	26 488	(1 477)	83
Other	20 878	19 204	16 722	4 156	2 482
Total Finance Source - Capital	90 237	102 392	84 150	6 088	18 242
External Loans	43 648	43 538	34 605	9 043	8 933
Internal contributions	13 825	18 912	16 100	(2 275)	2 813
Grants and subsidies	32 765	39 942	32 329	437	7 613
Other			1 117	(1 117)	(1 117)
Salaries, wages and allowances	223 920	220 071	218 840	5 080	1 231

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
External loans repaid	21 169	17 169	20 630	540	(3 460)
Operating Revenue	670 138	682 828	697 058	(26 920)	(14 230)
Property rates	118 023	120 023	119 965	(1 942)	58
Service charges	310 679	302 290	296 734	13 945	5 557
Other own revenue	241 436	260 514	280 359	(38 923)	(19 845)
Operating Expenditure	665 544	663 315	613 142	52 401	50 173
Employee related costs	223 920	220 071	218 840	5 080	1 231
Provision for working capital	59 411	59 411	43 190	16 222	16 222
Contracted services	75 894	81 457	63 942	11 952	17 515
Bulk purchases	154 948	152 659	139 141	15 807	13 518
Other expenditure	151 370	149 717	148 029	3 341	1 688
	210 171	197 147	191 839	18 332	5 308
Service charges: Electricity	203 163	190 140	184 506	18 657	5 634
Grants & subsidies: Electricity	6 893	6 893	6 893		
Other revenue: Electricity	115	115	440	(325)	(325)
	197 085	199 650	177 290	19 795	22 360
Employee related costs: Electricity	15 876	15 041	14 937	939	104
Provision for working capital: Electricity	6 743	6 743	(499)	7 242	7 242
Contracted Services: Electricity	2 010	1 542	2 071	(61)	(529)
Bulk purchases: Electricity	154 948	152 659	139 141	15 807	13 518
Other expenditure: Electricity	17 508	23 664	21 640	(4 132)	2 024
	51 018	55 270	54 875	(3 857)	394
Service charges: Water	47 640	50 175	51 281	(3 641)	(1 106)
Grants & subsidies: Water	3 285	4 502	2 792	493	1 710
Other revenue: Water	93	593	803	(709)	(209)
	41 213	40 476	39 101	2 112	1 375
Employee related costs: Water	14 164	13 539	13 965	199	(425)
Provision for working capital: Water	2 656	2 656	2 572	84	84
Contracted Services: Water	2 291	2 225	1 830	461	395
Bulk purchases: Water					
Other expenditure: Water	22 102	22 055	20 735	1 367	1 320

5.6.2 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2022/2023 financial year:

Capital Expenditure - Funding Sources 2021/22 to 2022/23						
R'000						
Details	2021/22	2022/23				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Variance Ori	Variance Adjustment
External loans		43 648	43 538	34 605	9 043	8 933
Public contributions and donations	123			1 117	(1 117)	(1 117)
Grants and subsidies	72 527	32 765	39 942	32 329	437	7 613
Other / CRR	42 018	13 825	18 912	16 100	(2 275)	2 813
Total	114 669	90 237	102 392	84 150	6 088	18 242
Percentage of finance						
External loans	0,00%	48,37%	42,52%	41,12%	149%	49%
Public contributions and donations	0,11%	0,00	0,00%	1,33%	0%	0%
Grants and subsidies	63,25%	36,31%	39,01%	38,42%	7%	42%
Other	36,64%	15,32%	18,47%	19,13%	-37%	15%
Total	114 699	90 237	102 392	84 150	6 088	18 242
Percentage of expenditure						
Water and sanitation	29,93%	27,28%	34,16%	26,79%	34,05%	68,19%
Electricity	8,15%	21,87%	18,98%	20,14%	45,76%	13,64%
Housing	40,40%	0,00%	2,15%	1,73%	-23,80%	4,11%
Roads and stormwater	8,39%	27,72%	25,95%	31,48%	-24,26%	0,45%
Other	13,14%	23,14%	18,76%	19,87%	68,26%	13,60%

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 2022/2023.

Name of Project*	Current Year: 2022/23		Variance Current Year: 2022/23
	Amended Budget R'000	Actual Expenditure R'000	Variance R'000
Upgrading of Roads in the Hessequa Municipal area.	9 711	9 695	16
Upgrading of a multi-purpose rugby-and soccer facility in Heidelberg	9 000	9 000	-
Electrical Infrastructure	5 077	4 645	432
Upgrading of Water Infrastructure in the Hessequa Municipal area	4 600	4 599	-
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	60 970 (Riversdale, Still Bay, Melkhoutfontein, Albertinia, Gouritsmond, Heidelberg, Slangrivier, Witsand)

Name of Project	Upgrading of a multi-purpose rugby-and soccer facility in Heidelberg
Objective of Project	<p>In Heidelberg, there are currently four official sports clubs and one cultural organization. The sports clubs include Rugby, Cricket, Soccer, and Netball, while the cultural organization is a Christmas choir. Presently, the rugby, cricket, and netball clubs participate in the South-Western District sports leagues, while the soccer club competes in the SAFA Eden League, also within the South-Western District.</p> <p>However, the lack of proper facilities poses a significant challenge to the beneficiaries. The cricket club, lacking its own facilities, currently relies on using the cricket facilities at Kairos Secondary school for practices and league games. Similarly, the soccer clubs make use of open land adjacent to the rugby facility for their practice sessions and games.</p> <p>This scarcity of adequate facilities contributes to the sports codes competing in the lowest leagues within the region. Additionally, the local primary school lacks sporting facilities, although attempts are made to provide training in various sports. These limitations hinder the potential growth and performance of the sports clubs and cultural organization in Heidelberg.</p>
Delays	None
Future Challenges	None
Anticipated citizen benefits	8825 (Heidelberg)

Name of Project	Electrical Infrastructure
Objective of Project	To meet the rising demands and ensure improved reliability, the electrical infrastructure in the Hessequa Municipal area underwent significant upgrades. These enhancements were also aimed at embracing technological advancements, increasing resilience, supporting sustainable development, addressing safety concerns, and complying with government initiatives.
Delays	None
Future Challenges	None
Anticipated citizen benefits	61 467 (Hessequa)

Name of Project	Upgrading of Water Infrastructure in the Hessequa Municipal area
Objective of Project	The existing water infrastructure was upgraded to enhance the overall performance of the water distribution network.
Delays	none
Future Challenges	None
Anticipated citizen benefits	40 813 (Riversdale, Still Bay, Heidelberg, Albertinia)

Name of Project	Streetlights Retrofitting
Objective of Project	The DMRE (Department of Mineral Resources and Energy) funded this project to enhance the municipality's energy efficiency efforts. Its primary objective was to replace existing streetlights and area lights with more energy-efficient alternatives, leading to significant energy savings, cost reduction, CO2 emissions reduction, and a comprehensive promotion of sustainability.
Delays	None
Future Challenges	Transitioning away from old technologies like HPS (High-Pressure Sodium) and CFL (Compact Fluorescent Lamp) offers several advantages and will significantly reduce future challenges. The adoption of more advanced and energy-efficient lighting solutions paves the way for improved performance and benefits.
Anticipated citizen benefits	61 467 (Hessequa)

5.6.4 MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2022/23 ON SERVICE BACKLOGS

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

Municipal Infrastructure Grant (MIG)* Expenditure 2022/23 on Service backlogs			
R0			
Details	Approved Budget	Actual	Variance from Approved Budget
Infrastructure - Road transport	13 011	13 011	
<i>Roads</i>			
Sport development	9 000	7 772	1 228
<i>Outdoor Facilities</i>			
Infrastructure - Water	1 953	1 953	
<i>Distribution</i>			
Infrastructure - Sanitation	270	270	0
<i>Waste Water Treatment Works</i>			
Other:			
Total	24 233	23 005	1 228

** 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*

The amount of R1228 373 is the VAT.

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

5.7 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

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

The collection of debtors influence the Cash Flow table:

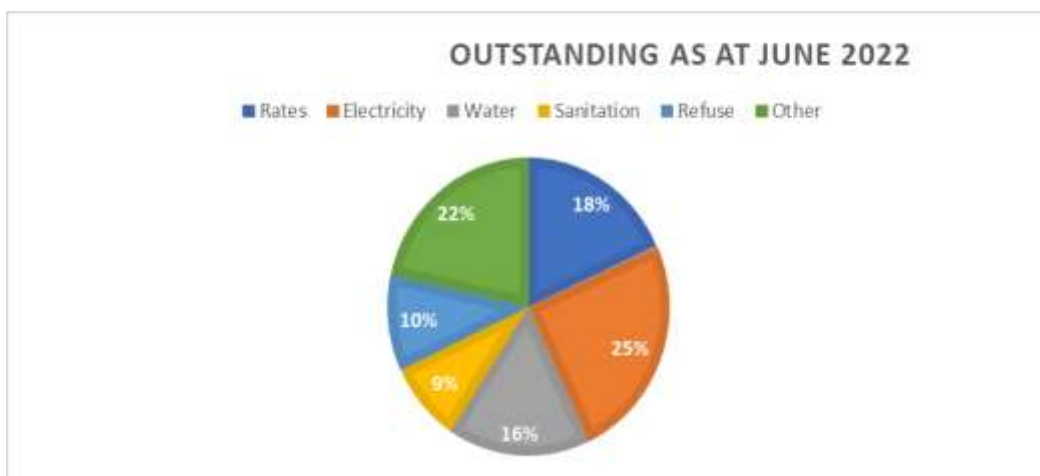
HESSEQUA LOCAL MUNICIPALITY		
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022		
Note	2022/06/30	2021/06/30
CASH FLOWS FROM OPERATING ACTIVITIES	R	R
	Actual	Actual
Receipts		
Property Rates	119 641 532	112 099 424
Fines, Penalties and Forfeits	11 731 728	15 448 692
Transfers and Subsidies	105 033 264	131 275 245
Service Charges	294 016 264	287 224 048
External Interest and Dividends Received	29 341 031	19 380 443
Other Receipts	63 690 945	59 050 325
VAT Received	-	4 096 892
Payments		
Employee Related Costs	(201 450 637)	(189 003 194)
Remuneration of Councillors	(8 412 974)	(7 929 971)
External Interest and Dividends Paid	(13 406 180)	(15 560 231)
Suppliers Paid	(285 295 105)	(280 926 876)
VAT Paid	(378 551)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	114 511 318	135 154 798
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(84 149 693)	(116 428 881)
Proceeds / (Losses) on Disposal of Property, Plant and Equipment	2 291 220	8 454 879
Proceeds on Disposal of Investment Property	1 351 702	10 203 765
NET CASH FLOWS FROM INVESTING ACTIVITIES	(80 506 772)	(97 770 237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Finance Leases (Leases Taken-on)	-	-
Decrease in Finance Leases (Leases Redeemed)	(14 092)	(9 348)
Increase in Borrowings (Loans Taken-on)	40 037 940	-
Decrease in Borrowings (Loans Redeemed)	(21 791 054)	(23 368 205)
NET CASH FLOWS FROM FINANCING ACTIVITIES	18 232 794	(23 377 553)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	52 237 342,13	14 007 007
Cash and Cash Equivalents at Beginning of Financial Year	362 676 261	348 669 253
Cash and Cash Equivalents at End of Financial Year	414 913 603	362 676 261

5.7.1 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
2021/22	15 481	34 688	16 626	–	14 847	81 641
2022/23	6 584	33 407	17 490	–	16 178	83 659
Difference	1 103	(1 281)	864	–	1 331	2 018
% growth year on year	6,65%	-3,83%	4,94%		8,23%	2,41%
<i>Note: figures exclude provision for bad debts and outstanding fines</i>						

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2021/22	15 481	34 688	16 626	–	26 761	93 556
2022/23	16 584	33 407	17 490	–	28 849	96 330
Difference	1 103	(1 281)	864	–	2 088	2 774
% growth year on year	6,65%	-3,83%	4,94%		7,24%	2,88%
<i>Note: figures exclude provision for bad debts on rates and services and include the written down value on traffic fines</i>						

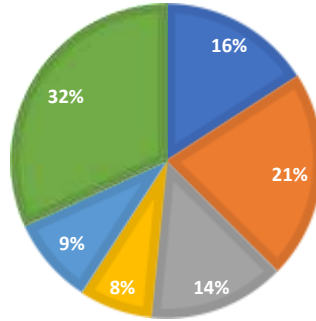
The following graphs indicate the total outstanding debt per type of service for 2021/22 and 2022/23 excluding and including fines.



Excluding fines

OUTSTANDING AS AT JUNE 2022

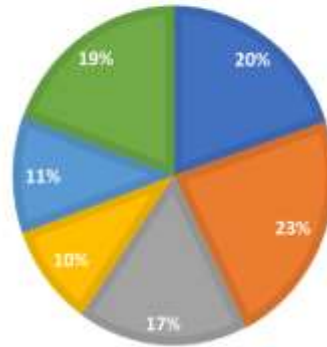
■ Rates ■ Electricity ■ Water ■ Sanitation ■ Refuse ■ Other



Including Fines

OUTSTANDING AS AT JUNE 2023

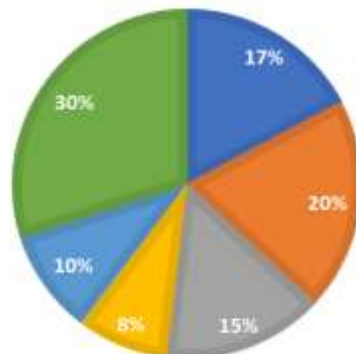
■ Rates ■ Electricity ■ Water ■ Sanitation ■ Refuse ■ Other



Excluding Fines

OUTSTANDING AS AT JUNE 2023

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



Including fines

5.7.2 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
2021/22	39 035	6 086	3 454	33 066	81 641
2022/23	40 921	5 642	2 743	34 353	83 659
Difference	1 886	(444)	(711)	1 287	2 018
% growth year on year	4,61%	-7,88%	-25,92%	3,75%	2,41%
<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
2021/22	39 035	6 086	3 454	44 981	93 556
2022/23	41 092	5 820	2 914	46 503	96 330
Difference	2 057	(266)	(540)	1 522	2 774
% growth year on year	5,01%	-4,57%	-18,52%	3,27%	2,88%
<i>Including fines</i>					

5.7.3 BORROWING AND INVESTMENTS

Actual Borrowings

R'000		
Instrument	2021/22	2022/23
Long-Term Loans	149 863	168 110
Total	149 863	168 110

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 R2,000 AND R30,000 PROCUREMENT BRACKET FINDING DISCLAIMER

During the 2022/2023 audit the AGSA raised a finding that the municipality failed to implement the preferential points for procurement undertaken between R2,000 and R30,000. In total 17 municipalities in the Western Cape received similar findings and because municipalities disagreed with the AGSA's interpretation, the Western Cape Provincial Treasury (WCPT) was consulted on the matter. The consultation resulted in the WCPT lodging a dispute to the National Treasury (NT) on behalf of the municipalities because the WCPT also disagreed with the AGSA's finding. Each municipality affected also agreed to lodge individual disputes.

NT has since responded to WCPT dispute, stating that the AGSA interpretation was correct, and that the municipalities are required to align their processes before 01 March 2024.

It should be noted that SCM Policy, Principles and Operational System which will be presented to the committee on 24 January 2024 with amendments, however the municipality are not in agreement with the irregular expenditure to the amount of R5 213 687.

5.8.3 GRAP COMPLIANCE

The municipality is GRAP compliant.

5.8.4 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 2022/23 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 – 42,51	Western Cape	N/A
Middle Management (T14 – T19)	52%	AM – 1 CF – 3 CM - 13	F - 3 M - 14	AM – 36 CF – 34,36(2) CM – 30, 31,32, 36(2), 39(2), 40, 41, 43, 45, 52, 53, 60, 61	Western Cape	N/A
Junior Management (T10-T13)	81%	AF – 3 AM – 5 CF – 20 CM - 43	F - 23 M - 48	AF – 29,37,38 AM – 29, 32 ,39, 41, 53 CF – 25(2), 28(3), 29, 33,34, 36, 38, 40, 41, 42(3), 44, 45 ,46,48 CM – 26, 28(3), 30(2),31(2), 32(2), 34(1), 35(2), 36(1), 37(4), 41, 42, 43(2), 44(2), 45, 46(3), 47(2), 48(4), 50, 51(3), 52, 53(3), 60	Western Cape	N/A
Dividends declared	173%	90	90	25 - 61	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 2022/23 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	291	A – 24 C - 267	AF – 2 AM – 22 CF – 19 CM - 248	22 - 62	Western Cape	CM - 1	R205 513,56
Black non-employees	0	0	0	0	0	0	0
Black People on internships, apprenticeships, learnership	26	A – 2 C - 21	AM – 1 AF – 1 CF – 17 CM - 7	22 - 57	Western Cape	0	R 543 000 (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 2022/2023 financial year:

SMME Kick-Start Funding 2022/23

Total Allocated Budget: **R150 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
10	A - 1	F - 6	WC, HESSEQUA
	C - 8	M - 4	
	W- 1		

Enterprise and Supplier Development

Total procurement spend/budget and number of enterprise and supplier development beneficiaries and value thereof for the 2022/2023 financial year.

Total Procurement Spent (2022-2023)			
Active Suppliers 350	Total Value Spent R 94 495 211.52		
Total Number Of EME Suppliers 242	Total Value Spent R 59 671 022.81	% Black Ownership 83.43	% Black Woman Ownership 61.70
Total Number Of QSE Suppliers 71	Total Value Spent R 21 785 788.50	% Black Ownership 73.30	% Black Woman Ownership 43.89
Total Number Of Large Suppliers 37	Total Value Spent R 13 038 400.21	% Black Ownership 18.93	% Black Woman Ownership 10.51
Total Value Of 2% Npat Or 0.2 % Of Allocated Budget: N/A			

6 AUDITOR GENERAL'S FINDINGS

6.1 COMPONENT A: AUDITOR-GENERAL OPINION 2021/2022

Auditor-General Report on Performance Information 2021/2022	
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
Auditor-General Report on Non-Compliance Issues 2021/2022	
I did not identify material findings on compliance with the selected legislative requirements.	No findings

Auditor-General Report on Financial Performance 2021/2022	
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)

6.2 COMPONENT B: AUDITOR-GENERAL OPINION 2022/2023

Auditor-General Report on Performance Information 2022/2023	
I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for objective 2: cost effective service delivery. Management subsequently corrected all the misstatements and I did not include any material findings in this report.	No Findings
Auditor-General Report on Non-Compliance Issues 2022/2023	
I did not identify any material non-compliance with the selected legislative requirements.	No Findings

Auditor-General Report on Financial Performance 2022/2023	
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).	Audit opinion: Unqualified with no findings (Clean Audit)

6.3 COMPONENT C: AUDITOR-GENERAL REPORT 2022/2023

Report of the auditor-general to the Western Cape Provincial Parliament and 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 7 to 135, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 44 and note 45 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Material impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for impairment of receivables from exchange transactions of R25,0 million (2021-22: R25,0 million).
9. As disclosed in note 4 to the financial statements, the municipality provided for impairment of statutory receivables from non-exchange transactions of R74,0 million (2021-22: R72,9 million).

Bad debts written off

10. As disclosed in the statement of financial performance and note 34 to the financial statements, the municipality wrote off bad debts of R48,1 million (2021-22: R54,2 million).

Underspending of capital budget

11. As disclosed in the statement of comparison of budget and actual amounts – capital expenditure per function, the municipality materially underspent the capital budget by 17,82%. This mainly is as a result of emergency generators not procured due to stock unavailability.

Other matters

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

Unaudited disclosure notes

13. 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

14. The supplementary information set out on pages 136 to 138 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

15. 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.
16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
20. I selected the following material performance indicators related to objective 2: cost effective service delivery presented in the annual performance report for the year ended 30 June 2023. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

TL204 - 90% Expenditure of the Approved Capital Budget for the Municipality by end of financial year
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TL210 - % Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering
--

TL213 - % Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering

TL211 - % Provision of refuse removal and solid waste disposal for residential account holders
TL212 - % Provision of sanitation/sewerage services to residential account holders
TL218 - The % of registered indigent account holders (poor households) with access to free basic services
TL277 - Limit electricity losses to 10% for financial year
TL241 - Limit water losses to less than 30% for financial year
TL253 - Upgrading of Albertinia Waste Water Treatment Works
TL255 - Upgrading of sewerage and water Infrastructure: Heidelberg and Witsand
TL256 - Upgrading of sewerage and water Infrastructure: Riversdale
TL257 - Upgrading of sewerage and water Infrastructure: Stillbay
TL258 - Upgrading of sewerage infrastructure and main water supply: Albertinia & Gouritsmond
TL259 - Upgrading of the link water network for the new 585 Low Cost housing: Melkhoutfontein
TL260 - Upgrading of Waste Water Treatment Works in Riversdale

21. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

22. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported measures taken to improve performance.
23. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
24. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.

Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for objective 2: cost effective service delivery. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation
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28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
31. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

32. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.
33. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
34. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. I have nothing to report in this regard.

Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
37. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

30 November 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 – paragraph (a), (b) & (d) of the definition: irregular expenditure Section 1 – definition: service delivery and budget implementation plan Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1) Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b) Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i) Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b) Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e) Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1) Sections 126(1)(a), 127(2), 127(5)(a)(i), 127(5)(a)(ii) Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170 Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a) Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
Division of Revenue Act 5 of 2022	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

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

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

SALGA WORKING GROUPS

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

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

EXTERNAL INSTITUTIONS

BUSINESS CHAMBERS / FORUMS

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

OTHER INSTITUTIONS

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

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

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

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

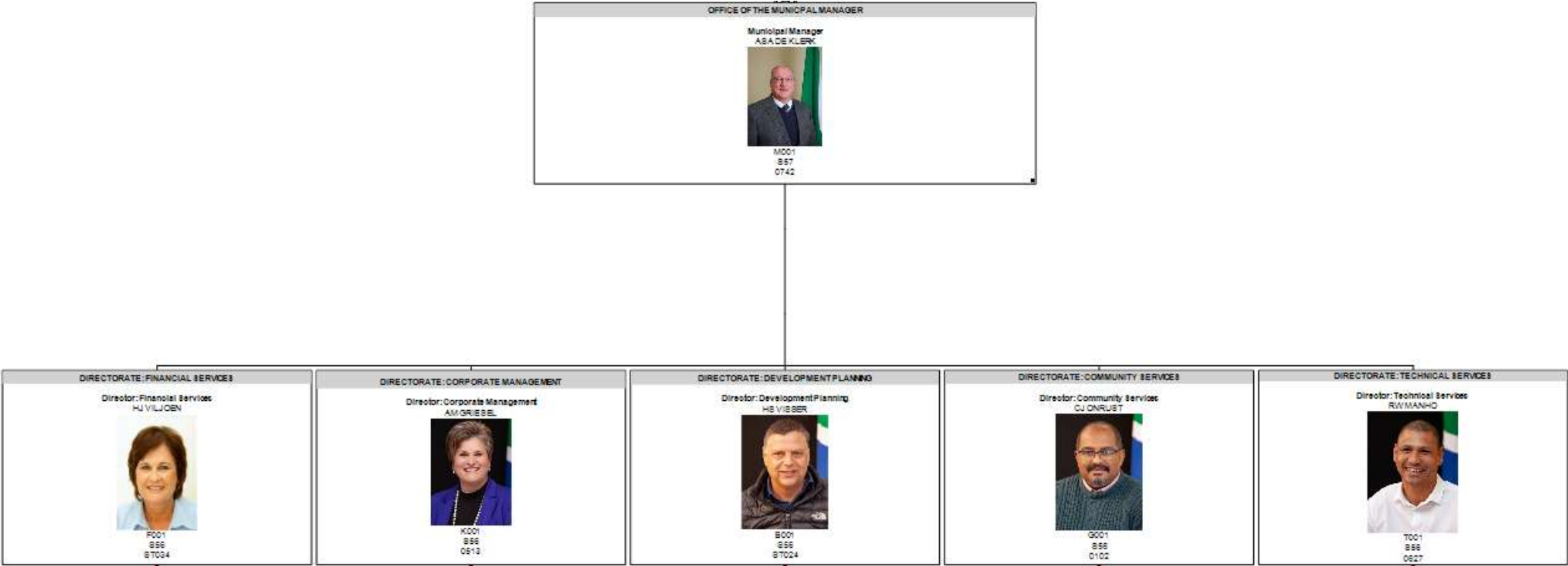
PRIMARY HEALTH CARE FACILITIES COMMITTEES

TOWN	REPRESENTATIVES
RIVERSDALE	Cllr B van Noordwyk Cllr NA Joseph (secundi)
ALBERTINIA	Cllr HJ Saayman Cllr IT Mangaliso (secundi)
SLANGRIVIER	Cllr GL Boezak Cllr LC February (secundi)
HEIDELBERG	Cllr AP Daniëls Cllr S Le Roux (secundi)
MELKHOUTFONTEIN	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

STRATEGIC & GOVERNANCE SUPPORT
Manager: Strategic & Governance Support
L de Villiers



INTERNAL AUDIT
Manager: Internal Audit
JC OOSTHUIZEN



DIRECTORATE: FINANCIAL SERVICES

Director: Financial Services
HJ VILJOEN



F001
S56
ST034

Expenditure
AG CARELSE
Manager: Expenditure



Budget & Financial Statements and Reporting
RR ERASMUS
Manager: Budget, Financial Statements & Reporting



Revenue
L SAAYMAN
Manager: Revenue



Supply Chain Management
RA BENT
Manager: SCM



DIRECTORATE: CORPORATE MANAGEMENT

Director: Corporate Management
AM GRIESEL



K001
S56
0513

Library Services
UN OOSTHUIZEN
Manager: Library Services



Human Resource Management
AJ OELOFSE
Manager: Human Resources



Legal, Administration and Auxiliary Services
GD LEWIS-MICHAELS
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

Director: Development Planning
HS VISSER



B001
S56
ST024

Environmental Management
SL CARELSE
Manager: Environmental Management



Municipal Planning
PJ LOUW
Manager: Municipal Planning



Building Control
C HAMMAN
Manager: Building Control



Spatial & Economic Development
PPA HAYWARD
Manager: Spatial & Economic Development



DIRECTORATE: COMMUNITY SERVICES

Director: Community Services
CJ ONRUST



G001
S56
0102

Human Settlements
C DUTHIE
Manager: Human Settlements



Manager: Protection Services
VACANT

Community Development
RN HEUNIS
Manager: Community Development



DIRECTORATE: TECHNICAL SERVICES

Director: Technical Services
RW MANHO



Electrical Mechanical Services
S CHIKAMHI
Manager: Electrical Mechanical Services



Manager: Civil Infrastructure Services
VACANT

Civil Planning & Project Management
SL KENNEDY
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
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare 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 wastewater and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	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
9	4	Block - 2
		Block - 2
		Sector Representation
		Sector Representation
		Sector Representation

Ward Committee Meetings for 2022/2023

Ward	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Ward 1	Council in reses	1	-	1	1	-	-	1	1	1	1	1
Ward 2		-	-	1	1	-	-	No quorum	1	1	1	-
Ward 3		-	1	1	-	1	-	1	1	No quorum	1	1
Ward 4		1	1	No quorum	1	-	-	1	1	1	No quorum	1
Ward 5		1		1	1	-	-	1	1	-	1	No quorum
Ward 6		1	-	1	1	-	-	1	1	No quorum	1	No quorum
Ward 7		No quorum	1	1	-	-	-	1	1	No quorum	1	No quorum
Ward 8		1	-	1	-	-	-	1	1	-	1	1
Ward 9		1	-	No quorum	No quorum	-	-	1	1	-	1	No quorum
TOTAL	0	6	3	7	6	1	0	8	9	3	8	4

- No Ward Committee meetings took place during July 2022 as Council was in recess.
- Ward Committee meeting for Ward 7 did not take place during August 2022 as they did not have a quorum.
- Ward Committee meeting for Ward 2 did not take place during August 2022 as no items were submitted for their consideration.
- Ward Committee meetings for Ward 3 take place two days after the other Ward Committee meetings and therefore their meeting took place on 01 September 2022 and not 30 August 2022 like the rest of the Ward Committees.
- Ward Committee meeting for Ward 5 for September 2022 was cancelled.
- Ward Committee meetings for Wards 1, 2, 6, 8 and 9 did not take place during September 2022 as no items were submitted for their consideration.
- Ward Committee meetings for Wards 4 and 9 did not take place during October 2022 as they did not have a quorum.
- Ward Committee meetings for Wards 7 and 8 did not take place during November 2022 as no items were submitted for their consideration.
- Ward Committee meeting for Ward 9 did not take place during November 2022 as they did not have a quorum.
- No Ward Committee meetings (except for Ward 3) were scheduled for December 2022.
- Ward Committee meeting for Ward 2 did not take place during February 2023 as they did not have a quorum.

- Ward Committee meetings for Wards 5, 8 and 9 did not take place during April 2023 as no items were submitted for their consideration.
- Ward Committee meetings for Wards 3, 6 and 7 did not take place during April 2023 as they did not have a quorum.
- Ward Committee meeting for Ward 4 did not take place during May 2023 as they did not have a quorum.
- Ward Committee meeting for Ward 4 did not take place during May 2023 as they did not have a quorum.
- Ward Committee meetings for Wards 5, 6, 7 and 9 did not take place during June 2023 as they did not have a quorum.
- Ward Committee meeting for Ward 2 did not take place during June 2023 as no items were submitted for their consideration.

Appendix F

This appendix relates to ward projects and implementation priorities.

No	Project description	Ward	Ref	Fund	2022/2023
1.1	Extention of cemetary - Still Bay	1,3	S/B	Loan	500 000
1.2	Mark of cemeteries : Graves - Hessequa	HQ	H/Q	CRR	90 000
	TOTAL CEMETRIES				590 000
2.2	NEW BUSINESS HUB - KWANOKUTHULA	6,7,8	R/D	Prov	1 570 560
	TOTAL COMMUNITY HALLS				1 570 560
3.2	Stairs - Aloeridge & Mōrestond	8	R/D	CRR	200 000
	TOTAL OTHER				200 000
4.2	Development "Tuin op die Brak" - S/B	1	S/B	CRR	30 000
10.13	Traffic Calming Techniques - H/Q	HQ	H/Q	CRR	100 000
10.3	Upgrading of Roads & Stormwater - G/M	1	G/M	Loan	1 000 000
11.19	Replace sand in sludge drying bed at WWTW (Hessequa)	HQ	H/Q	CRR	700 000
4.8	New Poliwood picnic table sets - Lappiesbaai	1,3	S/B	CRR	15 000
4.9	New Playpark, Robinsonsingel - Heidelberg	5	H/B	CRR	40 000
	TOTAL PARKS & GARDENS				1 885 000
11.31	UPGRADING OF WASTE WATER TREATMENT WORKS	1	G/M	Loan	881 128
5.2	Upgrading of Ablution Facilities - Middelkamp - W/S	4	W/S	CRR	100 000
5.6	Replacing window frames with aluminium - JFTN	3	J/F	CRR	60 000
	TOTAL RECREATIONAL				1 041 128
6.1	Refurbishment of Riverville Stadium - R/D	6	R/D	CRR	200 000
6.2	Upgrading of Scoccerfield - Kwanokhuthula - R/D	7	R/D	CRR	50 000
6.3	Upgrading of Sporting Facility (Toilette) - S/B	1,3	S/B	Loan	500 000
6.5	Construction of Multi Purpose Cricket & Soccer facility - H/B (Ref 427321)	5,9	H/B	MIG	9 000 000
	TOTAL SPORTFIELDS & STADIA				9 750 000
8.6	Replace MV OH Line in Bosbok Ave	1,3	S/B	Loan	1 000 000
8.10	MV kabel graansilos vervang - R/D	6,7,8	R/D	CRR	130 000
12.1	Water meters - Hessequa	HQ	H/Q	Loan	200 000
8.13	95mm ² Copper cable between RMU Haig str & MS Caltex - H/B	9	H/B	Loan	1 720 000
8.14	NMD Upgrade - Main intake Substation - H/B	5,9	H/B	Loan	1 500 000
8.18	Install circuit breaker panel in SS Heese str - R/D	6,7,8	R/D	CRR	650 000
8.22	Streetlighting project - Buitekant str & Keurboom str - S/B	1,3	S/B	CRR	50 000
8.23	Streetlighting project - Daytona ave & Hoofweg - JFNT - S/B	3	J/F	CRR	27 523
8.24	Streetlighting project - Rooipitjie str - S/B	1,3	S/B	CRR	22 936
8.26	Streetlighting project - Town Entrance & Industrial area - A/B	2	A/B	CRR	50 000
12.10	Laboratory Equipment - Water	HQ	H/Q	CRR	50 000
8.32	Project 2: BILL 20.0: H/B: Streetlight fittings	5,9	H/B	CRR	52 000
8.33	Overhead line - Stilbay to Jongensfontein	3	S/B	CRR	91 743

8.37	LV Distribution Kiosks - S/B	1,3	S/B	CRR	80 000
8.38	Replace 70mm ² Cu between MS SS-14 & RMU2-1 with a 120mm ² Cu - S/B	1,3	S/B	CRR	600 000
12.9	Water Security Measures - H/Q	HQ	H/Q	Loan	1 000 000
8.40	Replace MV and LV Overhead Lines between RMU Uys St and PMT Rugby Field; Second Phase - H/B	5,9	H/B	Loan	1 300 000
8.41	Upgrade MV Reticulation MS -SS-9 to MS Main Road 2nd Phase - W/S	4	W/S	Loan	550 000
13.12	Fish cleaning facilities at Slipway - Environm. - Planning - G/M	1	G/M	CRR	35 000
8.46	PROJECT 1: BILL 11.0: A/B: MV OVERHEAD - A/B	2	A/B	CRR	360 092
8.47	LV STILLWATERS - OVERHEAD LINE - S/B	1,3	S/B	CRR	15 000
8.48	LV STEADFRIED AVENUE - S/B	1,3	S/B	CRR	87 156
8.49	LV MARKET STR & VAN RIEBEECK - H/B	5,9	H/B	CRR	87 156
8.50	LV STASIE STR SYDNEY STR MATOPPO STR - A/B	2	A/B	CRR	27 523
8.51	LV CONTROL BOXES - S/B	1,3	S/B	CRR	20 642
8.52	LV KIOSK - W/S	4	W/S	CRR	36 697
8.53	PROJECT 1: BILL 7.0: S/B: LV DISTRIBUTIO - S/B	1,3	S/B	CRR	27 523
8.54	UNDERMILKWOOD RING (MP 5.) - S/B	1,3	S/B	CRR	165 138
8.55	SERVICE OF 4 STANDS - MHFT	1	S/B	CRR	20 000
8.56	PROJECT 1: BILL 5.0: S/B: RMU PALING STR - S/B	1,3	S/B	Loan	91 743
8.57	INSTALLATION OF RMU ZENOIB & NEW MV CABL - H/B	5,9	H/B	Loan	688 074
8.58	REPLACE OH LIN BETWEEN RM - H/B	5,9	H/B	Loan	256 881
8.59	RMU PRINSLOO RMU HOOFWEG - S/B	1,3	S/B	Loan	268 349
8.60	MV RETIC BETWEEN MS KRAG STASIE & RMU NI - H/B	5,9	H/B	Loan	651 377
8.61	UPGRADING OF NETWORK - S/B	1,3	S/B	Loan	366 973
	TOTAL ELECTRICITY				12 279 526
13.13	Purchase & Upgrading of office Space -R/D	HQ	H/Q	Loan	3 000 000
	TOTAL SOLID WASTE				3 000 000
13.14	Upgrading of toilet facilities Burgersentrum - R/D	HQ	H/Q	CRR	200 000
13.16	Refurbishment of Buildings - H/Q	HQ	H/Q	CRR	200 000
10.4	Upgrading of Roads & Stormwater - MHFT - S/B	1	S/B	Loan	500 000
10.5	Upgrading of Roads & Stormwater - S/B East	1	S/B	Loan	500 000
10.6	Upgrading of Roads & Stormwater - S/B West	3	S/B	Loan	2 000 000
10.7	Upgrading of Roads & Stormwater - S/R	4	S/R	Loan	700 000
10.8	Upgrading of Roads & Stormwater - W/S	4	W/S	Loan	300 000
10.9	Upgrading of Roads & Stormwater - H/B	5	H/B	Loan	1 000 000
10.10	Upgrading of Roads & Stormwater - Wyk 6 - R/D	6	R/D	Loan	1 000 000
10.11	Upgrading of Roads & Stormwater - Wyk 7 - R/D	7	R/D	Loan	1 000 000
10.12	Upgrading of Roads & Stormwater - Wyk 9 - H/B	9	H/B	Loan	1 000 000
10.15	Parking bays (Taxis) - HB	5,9	H/B	CRR	50 000
10.16	Upgrading of Roads & stormwater - Kwanokhutula - R/D (Ref 365257)	7	R/D	MIG	6 000 000
10.17	Upgrading of Roads & stormwater -Theronville - A/B (Ref 383442)	2	A/B	MIG	6 697 248
	TOTAL ROAD TRANSPORT				21 147 248
11.1	Upgrading of existing Sewerage Infrastructure (GLS) - Albertinia	2	A/B	Loan	500 000

11.2	Bulk Sewer Upgrade phase 1 (GLS) - Stilbaai	1,3	S/B	Loan	500 000
11.3	Upgrading of Sewerage works - Phase 2 - R/D - Counter Funding (Ref 313781)	6,7,8	R/D	Loan	6 708 705
11.4	Upgrading of sewerage system - H/B	9	H/B	Loan	1 000 000
11.9	Refurbish & Upgrading of WWTW - A/B - Counter Funding (Ref 383441)	2	A/B	Loan	1 817 158
11.11	HHS (2.3) - 6347m x 160dia New gravity sewer system-HB	5,9	H/B	Loan	500 000
11.18	Upgrade of existing gravity system - Morestond	6,7,8	R/D	CRR	200 000
11.20	HRS 1.4 Upgrading of existing pumpstation (Vetterrierylaan) - R/D	6	R/D	Loan	1 000 000
11.21	Upgrading of sewerage system - JFTN	3	J/F	Loan	500 000
11.32	UPGRADING SEWER NETWORK - JONGENSFONTEIN	3	J/F	Loan	500 000
11.33	UPGRADE OF SEWERAGE INLETWORKS - STILL B	1,3	S/B	Loan	647 168
	TOTAL SANITATION				13 873 031
12.2	Replacement of Water Infrastructure - GLS Report - H/B	5,9	H/B	Loan	500 000
12.3	Upgrading of Main Water Supply (GLS REPORT) - Witsand	4	W/S	Loan	100 000
12.4	New Reservoir & Pumps - GLS - Stilbaai West	1,3	S/B	Loan	500 000
12.5	Water Network Reinforcement GLS - Riversdale	6,7,8	R/D	Loan	500 000
12.8	New Water Networks Distribution - GLS - S/B	1,3	S/B	Loan	500 000
12.12	PRJ-HHW-002: Network reinforcement - Reservoir zone - H/B	5,9	H/B	Loan	1 000 000
14.10	Laptop - Desire - Income - Finance	HQ	H/Q	CRR	15 000
12.14	PRJ-HAW-001: Network reinforcement (phase 1) - A/B	2	A/B	Loan	500 000
12.15	Upgrading of Bulk Water network of new 585 low cost housing - MHFT (Ref 385015)	1	S/B	MIG	2 535 652
12.17	New Generator - Slangrivier	4	S/R	CRR	300 000
	TOTAL WATER				6 450 652
14.14	LCD Screens - ICT - Store Items	HQ	H/Q	CRR	25 000
14.15	Laptop - Corporate - ICT	HQ	H/Q	CRR	20 000
14.19	2 x Laptops - Admin Committee Clerks - Corporate	HQ	H/Q	CRR	30 000
13.17	1 x Aircon 12000 BTU - ICT Post office building	6,7,8	R/D	CRR	18 000
14.2	2 X LX300 printers - Income - Finance	HQ	H/Q	CRR	6 500
	TOTAL CIVIC LAND & BUILDINGS				99 500
14.21	Laptops - LED	HQ	H/Q	CRR	15 000
14.3	Desktop Computer - Income - Finance	HQ	H/Q	CRR	13 000
14.33	1 x Tablet - Environm. - Planning	HQ	H/Q	CRR	10 000
14.36	Laptop - Exp - Finance	HQ	H/Q	CRR	20 000
14.37	LAPTOP - FIN INTERN - FINANCE	HQ	H/Q	CRR	20 000
14.38	Laptop - SCM - Assets - Finance	HQ	H/Q	CRR	20 000
14.39	3 X 24"inch" Computer Monitors - Demand - SCM - Finance	HQ	H/Q	CRR	9 000
14.4	Routemaster Handheld - Income - Finance	HQ	H/Q	CRR	36 000
14.40	2 X Desktop computers(8GB graphic cards + 16 GB RAM) - 23 inch monitors - Technical	HQ	H/Q	CRR	45 000
14.42	2 x Laptops - Technical Services	HQ	H/Q	CRR	20 000
14.43	Fire Suppression ICT- DR-SITE/MPCC - Corp	HQ	H/Q	CRR	70 000
14.44	9 x Tablets Ward Committee Clerks - MAYCO	HQ	H/Q	CRR	50 000

14.45	2 x Laptops - ADMIN OFICIALS - MAYCO	HQ	H/Q	CRR	30 000
14.46	3 x Laptops- Building Portal- Planning	HQ	H/Q	CRR	70 000
14.47	2 x Tablets - Building Portal - Planning	HQ	H/Q	CRR	10 000
14.48	1 x Projector + Screen - Building Portal - Planning	HQ	H/Q	CRR	20 000
14.49	Laptop - Environmental Management - Planning	HQ	H/Q	CRR	20 000
14.23	Desktop computer Public Works, Riversdale	HQ	R/D	CRR	12 000
14.31	Projector Screen - Housing/Community Service - RD	HQ	R/D	CRR	4 000
14.5	Token Reader - Income - Finance	HQ	H/Q	CRR	12 000
14.50	2 X Touch Screens - Laptops - Mayor & Speaker	HQ	H/Q	CRR	55 000
14.7	4 x Thermal Token Printers - Income - Finance	HQ	H/Q	CRR	22 000
14.8	Main Frame Computer System - Finance	HQ	H/Q	Loan	500 000
14.9	Laptop - Joanne - Income - Finance	HQ	H/Q	CRR	15 000
15.2	Occupational Safety Equipment - HR-HQ	HQ	H/Q	CRR	25 000
15.3	2 X Visitors chairs - Legal Services	HQ	H/Q	CRR	2 500
15.32	Replacement of blinds - Community Services - RD	HQ	H/Q	CRR	15 000
	TOTAL IT				1 140 500
15.33	3 X Voice Recorders (Housing/Protection Serv/Community Dev) - RD	HQ	H/Q	CRR	3 000
15.7	Stoves - Jongensfontein	3	J/F	CRR	10 000
15.10	Microwaves- Ellensrust	1,3	S/B	CRR	10 000
15.11	Matrasses, Beds & matras covers - Ellensrust	1,3	S/B	CRR	20 000
15.12	Stoves - Preekstoel	1,3	S/B	CRR	20 000
15.39	Paper Schedder - Heavy duty - Salaries - Expenditure - Finance	HQ	H/Q	CRR	35 100
15.4	2 x Office Chairs - Admin	HQ	H/Q	CRR	7 000
15.40	5 X High back Office Chairs - HR	HQ	H/Q	CRR	12 000
15.42	1 X Binding Machine - CFO - Finance	HQ	H/Q	CRR	9 700
15.43	1 X Shredder - CFO - Finance	HQ	H/Q	CRR	35 100
15.21	Curtains for Duivenhoks Community Hall - Heidelberg	5	H/B	CRR	25 000
15.44	1 X Microwave - Kitchen - Finance	HQ	H/Q	CRR	2 400
15.23	Curtains - Melkhoutfontein Community Hall - SB	1	S/B	CRR	35 000
15.24	Tiling of floor - Melkhoutfontein Community Hall - SB	1	S/B	CRR	120 000
15.25	Curtains - Community Hall - Stilbaai	1,3	S/B	CRR	65 000
15.27	Stage Curtains Community Hall- Stilbaai	1,3	S/B	CRR	35 000
15.28	1 x Industrial Fridge - Melkhoutfontein Community Hall - SB	1	S/B	CRR	15 000
15.45	1 X High back chair - Income - RD - Finance	HQ	H/Q	CRR	2 250
15.46	2 X High back chair - Income - AB - Finance	HQ	H/Q	CRR	4 500
15.47	1 X High back chair - Income - HB - Finance	HQ	H/Q	CRR	2 250
15.48	2 X Visitors Chairs arms - Income - HB - Finance	HQ	H/Q	CRR	1 750
15.49	2 X Money Drawer - RD - Income - Finance	HQ	H/Q	CRR	2 500
15.50	1 X Engraving pen - Assets - SCM - Finance	HQ	H/Q	CRR	1 500
15.38	Paper Schedder - Heavy duty - HB - Income - Finance	5,9	H/B	CRR	4 000
15.51	4 X High back chair - SCM - Demand - RD - Finance	HQ	H/Q	CRR	6 400
15.52	6 X Chairs - Technical	HQ	H/Q	CRR	18 000
15.53	4 X Desks - Technical	HQ	H/Q	CRR	8 000

15.57	2 X Highback Chairs - Switchboard Operator (Legal & Admin) - Corp	HQ	H/Q	CRR	8 000
15.59	New clock - Council chambers	HQ	H/Q	CRR	5 000
15.60	3 x Vacuum cleaners Hessequa	HQ	H/Q	CRR	15 000
15.61	4 x Microwaves Hessequa Halls	HQ	H/Q	CRR	7 000
15.62	3 x Mop trolleys Hessequa Halls	HQ	H/Q	CRR	8 000
15.65	Vacuum cleaner - Gouritsmond Library	1	G/M	LIB	2 900
15.68	Highback office chair - Planning	HQ	H/Q	CRR	5 000
15.69	12 x 4 Drawer Office Steel Cabinets - Building Control - Planning	HQ	H/Q	CRR	48 000
15.71	1 X High Back Chair for Administrator - Community Services	HQ	H/Q	CRR	1 500
15.72	5 X OFFICE DESKS - LAW ENFORCEMENT	HQ	H/Q	CRR	6 000
15.73	5 X OFFICE CHAIRS - LAW ENFORCEMENT	HQ	H/Q	CRR	7 500
15.74	5 X VISITORS CHAIRS - LAW ENFORCEMENT	HQ	H/Q	CRR	4 000
15.79	2 X Aircons - HR - Corp	HQ	H/Q	CRR	24 000
16.14	Bobcat attachments - H/Q	HQ	H/Q	Loan	300 000
16.17	LDVS - CUSTOMISED FOR LAW ENFORCEMENT	HQ	H/Q	Loan	500 000
15.64	1 x Fridge - Town Hall - H/B	5,9	H/B	CRR	15 000
16.18	LDV's with Skid Units for Firefighting Service (SR/WS/GM/ALB)	HQ	H/Q	Loan	500 000
15.66	Cleaning Trolley - Duivenhoks Library	5,9	H/B	LIB	3 500
15.67	Shelving - Stilbaai Library	1,3	S/B	LIB	200 000
15.70	1 X Microwave - Kitchen - Albertinia Public Works	2	A/B	CRR	2 400
20.13	Sewerage Rods - H/Q	HQ	H/Q	CRR	15 000
15.75	New curtains/blinds - Councillors- Hessequa	HQ	R/D	CRR	50 000
15.76	New aircons - Coucillors -Hessequa	HQ	R/D	CRR	60 000
15.77	New carpets for Councillor offices at Burgersentrum	HQ	R/D	CRR	175 000
20.16	Tools - Mechanical - H/Q	HQ	H/Q	CRR	10 000
20.20	Brush Cutters 1,5m - Public Works - H/Q	HQ	H/Q	CRR	38 000
	TOTAL FURNITURE AND OTHER OFFICE EQUIPMENT				2 521 250
20.21	Walkie-Talkie Radios - Electricity - Hessequa	HQ	H/Q	CRR	30 000
20.22	New Road, info and street Signs - Traffic	HQ	H/Q	CRR	100 000
16.6	Tractor - Parks - S/B	1,3	S/B	CRR	650 000
16.7	LDV - Water - S/B	1,3	S/B	CRR	400 000
20.23	Cable & Fault detector - Low & High tension - Electr.	HQ	H/Q	CRR	150 000
20.24	Hoses - Fire	HQ	H/Q	CRR	20 000
16.15	Double Cab Truck Tipper - Public Works - H/B	5,9	H/B	CRR	800 000
16.19	SUCTION TANKER - SEWERAGE - W/S	4	W/S	CRR	1 057 898
16.20	Multi-purpose Loader - Public Works - H/B	5,9	H/B	CRR	1 800 000
	TOTAL VEHICLES				5 007 898
20.3	Walk behind lawn mower - Parks - MHFT	1	S/B	CRR	32 000
20.4	Walk behind lawn mower - Parks - A/B	2	A/B	CRR	32 000
20.11	Weedeaters - Public Works - W/S	4	W/S	CRR	8 500
20.29	1 x Stand, Gas Cylinder and Cutting Torch - Fire	HQ	H/Q	CRR	12 000
20.35	Fire Hydrants - Gouritsmond - Fire	1	G/M	CRR	35 000
20.15	Wacker - Electricity - R/D	6,7,8	R/D	CRR	35 000

20.37	1 x Motor Boat - Environmental - Town Planning	HQ	H/Q	CRR	120 000
20.17	8.8 m Extention Ladders - Electricity - H/B	5,9	H/B	CRR	7 800
20.18	Link Stick clamps DISP head - Electricity - R/D	6,7,8	R/D	CRR	8 800
20.19	Banded Strapping Tools - - Electricity - R/D	6,7,8	R/D	CRR	2 200
20.38	1 x Chainsaw - Environmental - Town Planning	HQ	H/Q	CRR	8 000
20.40	Emergency Generators for critical plants - Electricity - HQ	HQ	H/Q	Loan	800 000
20.41	30 X Fire extinguishers - vehicles - HQ	HQ	H/Q	CRR	25 000
20.42	First aid kits -Vehicles - HQ	HQ	H/Q	CRR	10 000
20.45	1 x Positive Pressor Smoke Ventilator(Blower) - Fire	HQ	H/Q	CRR	20 000
20.49	5 x Hazmat Spades - Fire	HQ	H/Q	CRR	5 000
20.30	Fire Hydrants - Riversdale - Fire	6,7,8	R/D	CRR	55 000
20.31	Fire Hydrants - Heidelberg - Fire	5,9	H/B	CRR	55 000
20.32	Fire Hydrants - Stillbaai/JFTN - Fire	1,3	S/B	CRR	55 000
20.33	Fire Hydrants - Albertinia - Fire	2	A/B	CRR	55 000
20.34	Fire Hydrants -Slangrivier - Fire	4	S/R	CRR	55 000
20.36	Fire Hydrants - Witsand - Fire	4	W/S	CRR	35 000
20.39	1 x Industrial Blower - Ellensrust & Preekstoel	1	S/B	CRR	11 000
20.53	1 x Blower - Fire	HQ	H/Q	CRR	8 000
20.55	5 x Nap Sack - Fire	HQ	H/Q	CRR	5 500
20.43	Storage Container Thusong Centre - RD	6	R/D	CRR	60 000
20.59	1 x low Pressure Strike unit - Fire	HQ	H/Q	CRR	15 000
20.65	1 x Farmers Jack - Fire	HQ	H/Q	CRR	5 000
20.69	Cordless Power Tool Kit (Set of 6) - Technical	HQ	H/Q	CRR	30 000
20.71	Angle grinder - Public Works - R/D	6,7,8	R/D	CRR	5 500
20.72	Cordless drill - Public Works - R/D	6,7,8	R/D	CRR	4 200
20.73	Measuring wheel - Public Works - R/D	6,7,8	R/D	CRR	2 000
20.76	Tools - Public Works - R/D	6,7,8	R/D	CRR	50 000
4.1	Fencing of play parks - Hessequa	HQ	H/Q	CRR	70 000
4.4	Upgrade of playparks - Hessequa	HQ	H/Q	CRR	70 000
4.7	Upgrading of braai facilities at public places - HQ	HQ	H/Q	CRR	30 000
5.1	Upgrading of Blueflag facilities - Hessequa	HQ	H/Q	CRR	40 000
8.12	Telemetry - HQ	HQ	H/Q	Loan	300 000
8.27	Streetlighting project - Voortrekker Main road - G/M	1	G/M	CRR	50 000
8.34	Medium Voltage Network Upgrade - Low cost housing - H/Q	HQ	H/Q	INEP	2 893 000
8.39	LV Distribution Kiosks - Gouritsmond	1	G/M	CRR	80 000
8.43	Energy Efficiency & Demand Side Load Management -H/Q	HQ	H/Q	DME	3 862 314
8.45	PROJECT 1: BILL 16.0: G/M: UPGRADE MV RE - G/M	1	G/M	CRR	518 349
	TOTAL PLANT & EQUIPMENT				9 581 163
9.1	Skip Containers	HQ	H/Q	CRR	100 000
TOTAL SPECIALISED VEHICLES					100 000
					90 237
					456

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

2022/2023

Report to the Council on activities during the 2022/2023 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 2022 to 30 June 2023 as required in clause 1.6.1 of the APAC Charter.

2. Members of the APAC

Members of the APAC at the beginning of the financial year were as follows:

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

Prof Döckel resigned during the year and Mr M Cronje was appointed as member as from 3 January 2023.

Qualifications of members are as follows:

- Prof JAA Lazenby
B.A. Honours
M.A.
B.Comm. Honours
M.B.A.
D.Phil
- Ms A Hartnick
Educational Diploma 3
- Ms I Lorenz
Professional Accountant (SA) SAIPA
- Mr J Kok
Professional Accountant (SA) SAIPA
- Mr WM Cronje
B Tech in Industrial Design

3. Meetings, attendance and participation

During the financial year 2022/2023 the APAC held four scheduled meetings on the following dates:

- 30 August 2022
- 24 November 2022
- 23 February 2023 and
- 25 May 2023

In addition, a special meeting was held with members of the Auditor General on 4 October 2022 to discuss the external audit strategy. A further special meeting to discuss the draft 2023/2024 budget was held on 11 April 2023.

The external audit report was discussed with the Auditor General during the meeting held on 24 November 2022.

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

• Prof JA A Lazenby (Chairperson)	4	
• Ms A Hartnick		4
• Ms I Lorenz		4
• Mr J Kok	4	
• Prof JA Döckel		1
• Mr WM Cronje	2	

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 2023/24, 2024/25 and 2025/26
- 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 as well as the economic situation of the country.

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 2022/2023 amended 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. In addition, the Eskom loadshedding is a contributing factor.

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 4 October 2022 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 24 November 2022.

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. The Intern in the department was of great assistance, but she ended her contract at the end of May 2023. No Intern has since been appointed. The Municipal Manager informed APAC that an additional permanent post in the department is not on the cards for the short term. An additional post will enhance its effectiveness considerably.

The approved Audit Plan for 2022/2023 was carried out satisfactorily. The Committee however strongly supports the request for additional staff.

7.3 Opinion on the Annual Financial Statements of 2022/2023

The opinion of the committee on the Annual Financial statements for the year ended 30 June 2023 is as follows:

The financial statements should have been received a week before submission to the Auditor General. These draft financial statements were not received on time; therefore, the following decision was made during the APAC meeting held on 29 August 2023:

1. That the draft financial statements for the year ended 30 June 2023 be noted and based on a brief overview, it seems like the financial position of the municipality is in good health.
2. The draft financial statements have been circulated late.
3. That the committee is unable to provide a credible opinion on the financial statements, due to the fact it still being in draft form and corrections still to be made.
4. Members of the committee will forward questions to the Director to obtain some answers.

7.4 Opinion on Performance Management 2020/2021

The opinion of the committee on Performance Management for the year ended 30 June 2023 is as follows:

1. Of a total of 111 KPI's, 100 were met and 11 not met (9 out of the 11 was almost met).
2. Reasons for not achieving the performance targets are clearly motivated.
3. Attention in the new year should be given to the following:
 - a) Realistic targets should be set with previous years' performance as baseline.
 - b) SMART principles be continuously enforced.
 - c) general formatting/layout of POE be updated to ensure ease of verification.
 - d) Various SOP's in all departments should be followed.

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 Municipal Manager and Directors: Corporate and Finance have a standing invitation and is attending the quarterly meetings of APAC. This is very positive, and communication did improve since.

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 25 May 2023.

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 2021/22, the ninth in a row.



Prof. JAA Lazenby

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 2022/2023
Municipal Manager: Mr J Jacobs	Yes
Director Corporate Management: Ms M Griesel	Yes
Director Development Planning: Mr H Visser	Yes
Director Community Services: Mr C Onrust	Yes
Director Financial Services: Ms L Viljoen	Yes
Director Technical Services: Mr R Manho	Yes

8 VOLUME II:ANNUAL FINANCIAL STATEMENTS

9 VOLUME III: OVERSIGHT REPORT