

# ***Oudtshoorn Municipality***

The background of the cover is a photograph of a scenic landscape. In the foreground, a paved road with white dashed lines curves through a dry, hilly area with sparse green bushes and yellowish-brown grass. A wooden signpost on the left side of the road points left and lists 'Swarlberg Country Manor', 'Groenfontein Retreat', and 'Red Stone Hills' with a B+B icon. In the middle ground, there are several white buildings with grey roofs. The background is dominated by large, rugged mountains with grey and brown tones under a clear blue sky with a few wispy clouds. A large teal circle is overlaid on the right side of the image, containing the text 'Annual Report'.

**Annual  
Report**

**2020/21**

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## CHAPTER 1

### MAYOR'S FOREWORD

It is with great pride that I present the Oudtshoorn Municipality's Annual Report for the 2020/21 financial year. This report is an acknowledgement of the achievements made and challenges faced on the path towards bettering our community and serving its people.

Improving service delivery despite challenging circumstances remains a priority for this Municipality. Continuous efforts and processes have been implemented to strengthen and improve the day-to-day operations of the Municipality.

The gradual easing of the National Lockdown restrictions delayed the completion of the housing project that started in Dysseisdorp during the previous financial year. 324 Invitations were delivered to beneficiaries to complete the subsidy applications. Between July 2020 and December 2020, 267 subsidies were completed for Dysseisdorp waiting list and 172 were approved. The others were declined for various reasons. Remarkable progress has been made towards enhancing the living standards of our people, bringing the vision *Prosperity for all* to fruition.



Major strides have been made in service delivery in the following respects:

- The programme to replace old AC pipes continued and approximately 4 000m of pipes between 75 and 110mm in diameter were replaced in the Bridgton area as well in Victoria Street in Oudtshoorn
- The Toekomsrus Hall was designated for the roll-out of the COVID-19 vaccination programme
- The Dysseisdorp Hall and offices being utilised to secure more regular government services
- Upgrading of animal pound building to enhance service delivery
- A vehicle pound has been built to properly address illegal public transport operations and abandoned vehicles.
- Dysseisdorp underground services has been fully completed on 29 October 2020
- Social Relief Programme - During the period in review the department successfully implemented a food relief program in response to COVID-19
- Refurbishment of WWTW in Oudtshoorn - Existing civil and mechanical plant at the Oudtshoorn WWTW was refurbished as part of the upkeep of the works

Maintaining gravel roads remains a priority for the Municipality. Approximately 12km of gravel road has been graded/maintained and 500m of existing tar road has been re-tarred under the Municipal Infrastructure Grant (MIG) funding.

Public participation is fundamental to achieving success as a municipality, as well as to assist in tackling the issues that may arise. The Oudtshoorn Municipality is focused and driven in its quest to serve the community to the best of its ability. However, the input that derives from engaging with the public is a vital component in this process.

The table below illustrates the noteworthy non-attendance of the Oudtshoorn residents in public participation processes that require and seek their input, despite the utilisation of the local newspapers, municipal website, social media and radio to extend an invitation for inclusion in the activities of the Municipality.

| Fiscal year | No. of attendees as per approved IDP document. Incl. officials and Cllrs | Population as per approved IDP document projections | % of community participation |
|-------------|--|---|------------------------------|
| 2017/18     | 352  | 97 981  | 0.36%                        |
| 2018/19     | 613  | 95 859  | 0.64%                        |
| 2019/20     | 333  | 98 026  | 0.34%                        |
| 2020/21     | 645  | 97 981  | 0.66%                        |

Attendance has minimally improved from the 2019/20 financial year - when the lockdown restrictions were at its peak, to the financial year under review. Therefore, as much as the pandemic and the restrictions in place have affected public meetings, it can be deduced that those restrictions were not the sole cause of lack of participation; as the percentage of public participation was low prior to the pandemic.

Going forward, I would like to encourage the Oudtshoorn residents to utilise the public participation engagements. These meetings allow the public an insight into the Council matters as well as providing them a platform to raise any concerns in the correct manner.

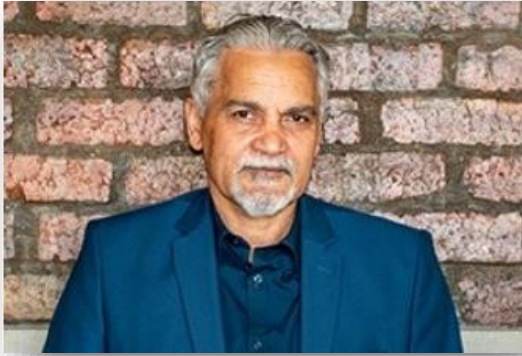
I trust that this Annual Report offers readers an understanding of the Municipality's accomplishments despite the challenges faced throughout the financial year, in its bid to uphold service delivery.

The Municipality is committed to its vision, *prosperity for all*, and therefore I would like to thank all our councillors, municipal employees, citizens, stakeholder groups, business partners and sector departments who participated in and contributed to the municipality delivering on its strategic objectives.

**CLLR C LOUW**

**EXECUTIVE MAYOR**

## EXECUTIVE SUMMARY



### 1.1 Municipal Manager's Overview

The Annual Report is a transparent reflection of the highlights and challenges presented throughout the financial year. The report discloses both the gratifying results achieved, despite the gruelling circumstances under which they were obtained, as well as the shortcomings and the measures in place to correct them in the near future.

The National Lockdown and COVID-19 pandemic affected our citizens and the Municipality's finances, resources and service delivery. A large portion of envisioned municipal activities

could not be actualised. During this time, the Municipality adopted a working schedule plan in the form of rotation, staggered working hours and remote working conditions where applicable. The schedule sought to create a safe working environment for all staff members, whilst ensuring service delivery to the public. However, due to a decrease in the total number of cases, all staff members had been instructed to return for work on a full-time basis.

Council is currently in process to review the current organisational structure and will soon fill the vacant positions of Municipal Manager and Director: Community Services. This will ensure stability in terms of the management and administration of the overall roles and responsibilities of the Municipality. It will also contribute positively towards service delivery and effectively focus on the objects of Local Government as defined in The Constitution.

The impact of the difficult economic climate our country is experiencing as a result of the pandemic has brought forward various challenges especially in terms of the Municipality's cash flow, which remains an ongoing concern. The deficiency of progression in the local economy is negatively impacting the growth in revenue of the Municipality and this also put tremendous pressure on the cash flow. However, substantial progress has been made with the financial recovery process in that cash and cash equivalents have decreased with R61.8 million for the period ended 30 June 2021. The liquidity position improved significantly from 2020 to 2021. The financial recovery plan will be further extended to 2023 to ensure financial sustainability of revenue streams.

Under the extremely difficult circumstances as contextualised above, the Municipality has managed pay its service providers in accordance with the legislative requirement of 30 days from invoiced.

In addition to the above, performance on capital spending decreased from the previous financial year. Capital spending as at year-end was below target at 72%. Majority of grant-funded projects, including the establishment of the Rosevalley Library, have been committed through multi-year capital appropriates. However, as a result of the effects of the pandemic on the procurement of goods and services, these projects are anticipated to be carried

over and intended for completion during the 2021/22 financial year. As a corrective measure, expenditure will be closely monitored in the upcoming financial year.

The Oudtshoorn Municipality remains committed to enhancing effective risk management through risk identification, assessment and the implementation of mitigation action plans. Below are the five top risks, the root cause, as well as the risk mitigation action plans.

| No | Strategic Objectives  | Strategic Risks   | Risk Category                 | Risk Mitigation Action Plans   |
|----|---|---|-------------------------------|--|
| 1  | To provide basic services to all residents in an environmentally sustainable manner         | Inappropriate/Insufficient municipal infrastructure to meet expected community needs              | 1                             | <ul style="list-style-type: none"> <li>✚ Develop, review and maintain master plans in accordance with the most recent growth model information</li> <li>✚ Develop feasible municipal infrastructure plans</li> <li>✚ Develop long-term maintenance execution plans for asset condition improvement and reliability in accordance to manufacturer maintenance manuals</li> <li>✚ Inform budgetary process of funding requirements for maintenance, renewal, upgrading and refurbishment of municipal infrastructure</li> <li>✚ Improve/enhance the quality of delivering better basic services to public/community</li> <li>✚ Perform asset condition assessment and study</li> <li>✚ Maintain energy and water losses at an acceptable level</li> <li>✚ Ensure MIG funds are spent for the intended purpose and registered on the MIG-MIS</li> </ul> |
| 2  | To achieve financial sustainability and strengthen municipal transformation and development | Inadequate budget to achieve municipal strategic and functional objectives as outlined in the IDP | Financial                     | <ul style="list-style-type: none"> <li>✚ Review, update and implement a Revenue Enhancement Strategy</li> <li>✚ A workshop with all relevant stakeholders applicable to the revenue stream identification and implementation</li> <li>✚ Monitor the implementation of the revenue enhancement strategy on a quarterly basis</li> <li>✚ Report to the relevant structure on the effective implementation of the Revenue Enhancement Strategy</li> </ul>   |
| 3  | To provide basic services to all residents in an environmentally sustainable manner         | Failure to ensure effective execution of municipal capital investment projects within set targets | Project Life Cycle Management | <ul style="list-style-type: none"> <li>✚ Develop, review and update 3-year Capital Project Investment Plan</li> <li>✚ Develop, review and implement Project Management Plan</li> <li>✚ Develop and timeously implement Project Execution Plan</li> <li>✚ Ensure effective performance monitoring and evaluation of capital and municipal infrastructure grant projects</li> <li>✚ Improve capital planning by linking between the capital investment plan and capital expenditure budget</li> <li>✚ Workshop relevant procurement processes and define everyone's roles (external expert)</li> <li>✚ Discuss the procurement plan during the budgeting planning stage with relevant role players</li> <li>✚ Establish internal mentorship programmes</li> <li>✚ Re-evaluate remuneration packages offered with HR departments</li> </ul>             |

| No | Strategic Objectives  | Strategic Risks  | Risk Category                 | Risk Mitigation Action Plans   |
|----|---|--|-------------------------------|--|
|    |   |  |                               | <ul style="list-style-type: none"> <li>✚ Integrated approach to handle issues e.g. hand-over of infrastructure and design comments from maintenance</li> <li>✚ Provide sufficient training for staff</li> <li>✚ Review the organisational structure of the Project Management Unit and capacity to ensure capital expenditure is in line with the available resources to implement and complete projects</li> <li>✚ Provide/motivate the compilation of infrastructure master plans to ensure budget are available for the projects</li> <li>✚ Needs analysis to identify resources for PMU section</li> <li>✚ Promote organisational restricting to ensure assistance is provided by supporting departments</li> </ul>  |
| 4  | To achieve financial sustainability and strengthen municipal transformation and development | Ineffective/Lack of integrated supply chain management   | Suppliers and Dependencies    | <ul style="list-style-type: none"> <li>✚ Develop procurement plan in line with treasury prescripts and seek their comment on the correct format of the template</li> <li>✚ Conduct a workshop with all relevant stakeholders (directors and line managers) applicable to the development of the procurement plan</li> <li>✚ Monitor the effective implementation of the procurement plan and report quarterly to the relevant structure of council</li> <li>✚ Establish functional BID Committees with appropriate and competent committee members</li> <li>✚ Develop and implement E-procurement system</li> <li>✚ Timeously address SCM internal control deficiencies</li> <li>✚ Maintain effective implementation of local content</li> </ul>   |
| 5  | To promote social, rural and spatial economic development                                   | Failure of the municipality as a strategic enabler to promote economic development within the municipal area | Project Life Cycle Management | <ul style="list-style-type: none"> <li>✚ Develop Integrated LED Framework</li> <li>✚ Review, update and implement LED Strategy</li> <li>✚ Develop LED Implementation Plan</li> <li>✚ Revised LED Micro Structure</li> <li>✚ Develop and implement Contractor Development Policy</li> <li>✚ Review, update and implement Informal Traders Policy</li> <li>✚ Strengthen and improve SMME development programmes</li> <li>✚ Improve coordination, planning and facilitation of departmental LED activities</li> <li>✚ Develop, review and update Municipal Airport Master Plan and CBD Master Plan</li> <li>✚ Develop and implement a LED Investment Plan in order to establish the Greater Oudtshoorn as a noted investment destination in the agricultural value chain</li> <li>✚ Promote and facilitate inward investment in the municipal area</li> <li>✚ Build and maintain key partnerships with relevant investors for economic development</li> </ul> |

The Oudtshoorn Municipality achieved an Unqualified Audit Opinion, *with findings* for the 2020/21 financial year. Additionally, and for the very first time, the Municipality obtained no audit findings on the management of predetermined objectives. I would like to use this opportunity to commend the Performance Management Department for their unwavering dedication towards uplifting not only the PMS department, but also the standard of the Municipality as a whole.

We will continue to work towards achieving a clean audit. In doing so, the Operational Clean Audit Report (OPCAR) Plan will be to monitor on an ongoing basis in order to ensure compliance and delivery.

In conclusion, I would like to thank the Senior Management Team and all staff members who have worked tirelessly toward improving service delivery. I would also like to extend my appreciation to the Executive Mayor, Executive Mayoral Committee, councillors and staff for their support and commitment towards serving the community and all stakeholders.

**W HENDRICKS**

**ACTING MUNICIPAL MANAGER**



## 1.2 Municipal Overview

This report addresses the performance of the Oudtshoorn Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2020/21 Annual Report reflects on the performance of the Municipality for the period 1 July 2020 to 30 June 2021. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

### 1.2.1 Vision and Mission

The Oudtshoorn Municipality committed itself to the following vision and mission:

#### **The Municipality committed itself to the vision and mission of:**

##### **Vision:**

*"Prosperity for all"*

##### **Slogan:**

*A town to grow, work, play and prosper in*

##### **Mission:**

#### **A responsive municipality creating opportunities for its community through:**

- Open, transparent and honest governance
- Providing innovative, effective and efficient services
- Promoting sustainability, economic and social development
  - Safer communities

## 1.3 Municipal Functions, Population and Environmental Overview

### 1.3.1 Demographic Profile

Demographics is broadly defined as the study of population dynamics which are significantly influenced by a wide array of factors such as birth and death rates, migration patterns, age, race, gender, life expectancy etc. The importance of understanding demographics as a decisive factor in shaping our current socio-economic reality is therefore critical for governments, economists and politicians alike.

The table below indicates a summary of the demographic profile within the municipal area:

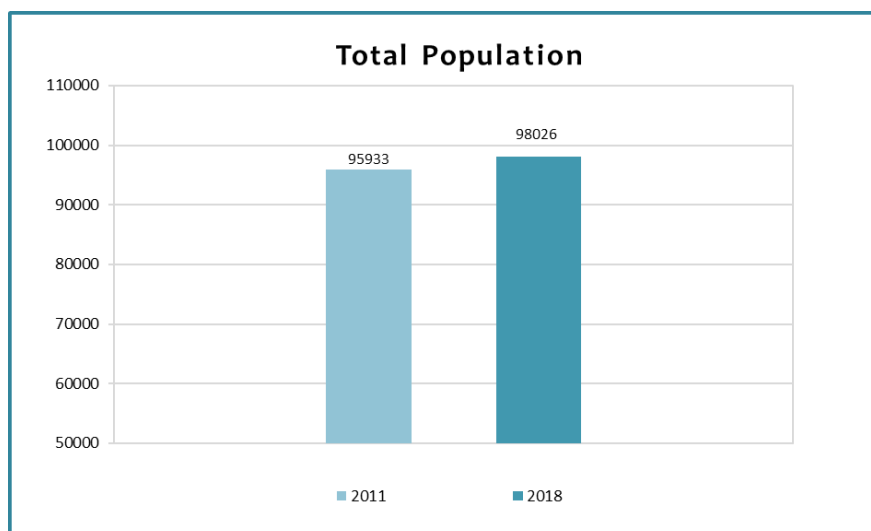
| Oudtshoorn Municipal Area   |                |                |                |
|-----------------------------|----------------|----------------|----------------|
|                             |                | 2011           | 2018           |
| <b>Population</b>           |                | 95 933         | 98 026         |
| <b>Households</b>           |                | 21 910         | 23 362         |
| <b>People per Household</b> |                | 4.4            | 4.2            |
| <b>Sex Ratio</b>            |                | 91.8           | 92.3           |
| <b>Gender Breakdown</b>     | <b>Males</b>   | 45 913 (47.9%) | 47 720 (48.7%) |
|                             | <b>Females</b> | 50 021 (52.1%) | 50 261 (51.3%) |
| <b>Age Breakdown</b>        | <b>0 - 14</b>  | 28.7%          | 27.7%          |
|                             | <b>15 - 64</b> | 64.2%          | 65.1%          |
|                             | <b>65+</b>     | 7.2%           | 7.2%           |

*Source: Community Survey 2016 / 2020/21 IDP*

Table 1: Demographic Profile

## Total Population

According to the Department of Social Development’s 2018 projections, Oudtshoorn Municipality currently has a population of 98 026, rendering it the second largest municipal area by population within the Garden Route District. This total is estimated to increase to 113 114 by 2024 which equates to 2.4% average annual growth over this period. The population growth within the Oudtshoorn municipal area for the 2018 to 2024 period is higher than the Garden Route District’s rate of 1.9% during the same period.



Graph 1.: Total Population

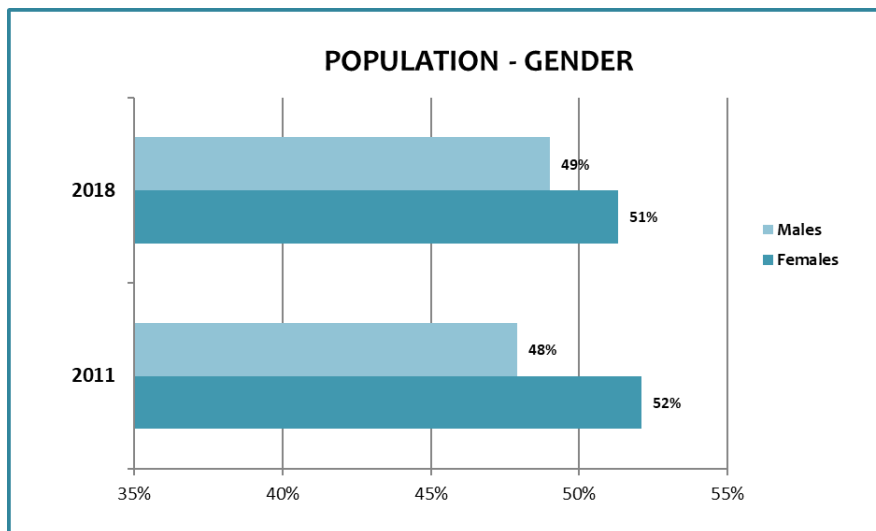
## Gender Distribution

The table below indicates the gender distribution within the municipal area:

| Gender  | 2011           | 2018           |
|---------|----------------|----------------|
| Males   | 45 913 (47.9%) | 47 720 (48.7%) |
| Females | 50 021 (52.1%) | 50 261 (51.3%) |

*Source: Community Survey 2016 /The Local Government Handbook - www.municipalities.co.ca*

Table 2: Demographic Information of the Municipal Area - Gender Distribution



Graph 2.: Gender Distribution

## Population Groups

The table below indicates the population groups within the municipal area according to the 2011 Census:

| Group           | 2001   |        |        | 2011   |        |        |
|-----------------|--------|--------|--------|--------|--------|--------|
|                 | Male   | Female | Total  | Male   | Female | Total  |
| Coloured        | 30 901 | 33 902 | 64 803 | 35 233 | 38 969 | 74 202 |
| Black African   | 3 452  | 3 390  | 6 842  | 4 424  | 4 316  | 8 740  |
| White           | 6 232  | 6 733  | 12 965 | 5 620  | 6 363  | 11 983 |
| Indian or Asian | 48     | 34     | 82     | 189    | 127    | 316    |

*Source: Census 2011*

Table 3: Demographic Information of the Municipal Area

## 1.3.2 Demographic Information

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### ***Municipal Geographical Information***

Oudtshoorn Local Municipality lies within the boundaries of the Eden District Municipality in the Western Cape Province. Since 5 December 2000, the Oudtshoorn municipal area has included the larger settlements of Oudtshoorn, Dysseisdorp, and De Rust as well as the smaller rural settlements of Volmoed, Schoemanshoek, Spieskamp, Vlakeplaas, Grootkraal, De Hoop and Matjiesrivier.

Oudtshoorn is situated about 60km from George, 82km from Mossel Bay, 460km from Cape Town and 384km from Port Elizabeth. High quality roads link Oudtshoorn with George in the south, Beaufort-West in the north and the rest of the Klein Karoo to the east and west.

The Greater Oudtshoorn area is nestled at the foot of the Swartberg Mountains in the heart of the Little Karoo region in the Western Cape. It is defined as a semi-desert area with a unique and sensitive natural environment. It was once the indigenous home of the Khoisan people, therefore there are many rock paintings in the area. The Municipality's development potential recognises the impact of being home to the world's largest ostrich population, which is a key component of their agricultural industry. The discovery of the Cango Caves and continual allure of unique natural heritage has drawn people to this region.

Oudtshoorn serves as a regional centre for the surrounding agricultural area. The natural environment of the area creates a natural hospitality towards the tourism industry and a related boom in accommodation. Oudtshoorn is a centre of regional cultural, sport and art activities and has since 1994, been host to the famous "Klein Karoo Nasionale Kuntefees" (KKNK), an arts festival held in March/April every year. A total of 411 temporary job opportunities were created directly by the KKNK, of which 76% were filled by black employees. The total economic impact of the KKNK is estimated at about R110 million, which makes the festival a major contributor to the economy in Oudtshoorn. A joint strategy was developed through the Greater Oudtshoorn Vision 2030 process to ensure both the broader benefaction of local communities and the sustainability of the festival.

Oudtshoorn's relatively higher 'development potential' is directly linked to its geographic location on main transport routes, natural resource base, human resources, institutional centre function, and commercial services. Recent studies of Oudtshoorn's growth potential identified it as one of 14 important 'leader towns' in the Western Cape Province.

## Wards

The Municipality is currently structured into the following **13** wards:

| Ward | Areas  |
|------|--|
| 1    | West side of town: SANDF, Oudtshoorn Hospital, Zeelandsnek, Palm Village                               |
| 2    | Part of town and rural areas: Volmoed, Kliplokasie, Eiland, De Jager Sport Complex                     |
| 3    | North, East and South of Town  |
| 4    | Part of Bridgton, Bongoletu, Thabo Mbeki's Square, Toekomsrus  |
| 5    | Part of Bridgton, Smartie Town   |
| 6    | Part of Bridgton, part of Toekomrus, Rosebank & Rosevalley Phase 1, 2 & 3                              |
| 7    | Part of town (north), Bridgton   |
| 8    | Bongoletu, part of Toekomsrus, Zone 14, GG Camp, Canal, Black Joint, Vaalhuise, Newlook, Beverly Hills |
| 9    | Dysselsdorp (east of Dyssels Road) and surrounding areas   |
| 10   | Dysselsdorp (west of Dyssels Road) and surrounding areas   |
| 11   | Vlakteplaas, De Rust, Schoemanshoek, Spieskamp & Matjiesrivier   |
| 12   | Neppon, Station area, Klipdrif, Zebra, Proefplaas, Rooiheuvel  |
| 13   | Protea Hotel, Alpha, Bridgton Clinic, Bridgton Library, Bridgton Police Station                        |

Table 4: Municipal Wards

### Below maps of the Municipal area:



Graph 3.: Locality Map

## Towns

### Oudtshoorn

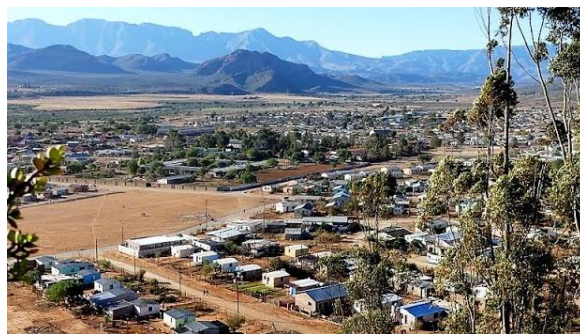


converge.

Ostriches are found in great numbers and the region produces the best feathers, leather products and ostrich meat in the world. But the biggest bird is just one of the many attractions in this area of exceptional contrasts and natural beauty. It is also home to the spectacular Cango Caves, Africa's largest show cave system and is in the vicinity of an ecological hotspot where three distinct biomes (succulent Karoo, cape thicket and fynbos)

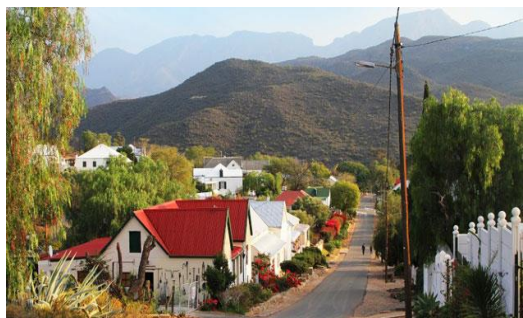
### Dysselsdorp

About 30 km from Oudtshoorn, at the foot of the Kamanassie Mountains, lays Dysselsdorp, a hamlet predominantly owned and inhabited by descendants of erstwhile slaves and people of mixed heritage. Founded in 1838 as a mission station by the London Missionary Society, and in 1877 its approximately one and a half thousand hectares were granted in freehold to the 148 resident families by the then Commissioner of Crown Land, John X Merriman. Residential as well as garden plots were allotted and the town was practically self-sufficient in those days. By and by, however as in most contained small agricultural communities, poverty became a factor and today most of the young people hold jobs in Oudtshoorn or work as seasonal labour on neighbouring farms. Dysselsdorp also boasts a Kolping House, one of a worldwide chain of guest houses where men are taught a trade.



### De Rust

De Rust is a small village at the gateway to the Little Karoo and is located at the foot of the Swartberg Mountain



range between Oudtshoorn and Beaufort West. De Rust is also known for the meandering Meiringspoort Pass. Meiringspoort is a gateway that connects the Little Karoo and the Great Karoo through a gorge with a 25km road crossing the same river 25 times in the span of the 25km. This area is also well-known for ostrich farming and most of the farmers in the area either farm exclusively with ostriches or as a side-line to their existing farming.

## Key Economic Activities

The following key economic activities were identified in the LED strategy:

| Key Economic Activities                 | Description  |
|---|--|
| Community, social and personal services | <p>The Oudtshoorn municipal area is in the heart of the Little Karoo and internationally renowned for its ostrich industry. Most of the population in this municipal area reside in the town of Oudtshoorn, making it the main service centre.</p> <p>The main sources of GDP in the Oudtshoorn municipal area are finance, insurance, real estate and business services, which was valued at R1.1 billion in 2017, and manufacturing, which was valued at R1.0 billion. Another important contributor to the municipal area's economy is the wholesale and retail trade, catering and accommodation sector, which contributed R931.3 million to the economy in 2017.</p> <p>The two main sources of employment in the region are the wholesale and retail trade, catering and accommodation, and community, social and personal services sectors, which contributed 22.2 per cent and 15.8 per cent to total employment in the region in 2017.</p> <p>Oudtshoorn is the centre of regional culture, sports and art cultures (including the famous KKNK festival, which has been hosted since 1994). Within municipal boundaries is the world famous Cango Caves which attracts tourists from all over the world. It also benefits from the proximity to the George coastal area which is one of the main economic and tourism hubs in the district.</p> |
| Tertiary Sector                         | The tertiary sector accounts for approximately 64.9 per cent of GDP in the region. The secondary sector valued at R1.6 billion in 2017, is also a significant contributor to the municipal area's economy. The smallest contributor to the region's economy is the primary sector, which contributes only 6.3 per cent to total GDP.   |
| Manufacturing                           | This sector is key to addressing unemployment in the Oudtshoorn area. The manufacturing sector in the Municipality has expanded strongly and created jobs on a net basis.  |
| Agriculture                             | The agriculture of the district is based mainly around the ostrich farming. As an alternative to the ostrich farming, the seed and goat farming has recently expanded substantially in the area.   |

Table 5: Key Economic Activities

| Natural Resources      |   |
|------------------------|---|
| Major natural resource | Relevance to community  |
| The Cango Caves        | Major tourist attraction. Can add value through job creation initiatives              |
| The succulent Karoo    | Area unique with natural vegetation. Marketing of area can create job opportunities   |
| Our water resources    | Can create job opportunities in the agriculture sector                                |
| Our environment        | Renewable energy can be created through sun energy project creating job opportunities |

Table 6: Natural Resources

## 1.4 Service Delivery Overview

### 1.4.1 Basic Service Delivery Performance Highlights

The table below indicates the basic service delivery performance highlights for the year:

| Highlights  | Description   |
|---|---|
| Blossoms Wellfield Development  | A total of R50m was received from Department Water and Sanitation (DWS) and was spend by the end of June 2021. The funds were mainly used to finalize the designs, purchase all the material (pipes and pumps) and to install the first 6km of pipeline. All the pipe material was ordered and delivered to the Municipality by the beginning of December 2020. The mechanical items were delivered to the Municipality during May 2021. The installation of these will take place once the pipeline in completed |
| Network upgrading   | The program to replace old asbestos cement (AC) pipes continued and approximately 4 000m of pipes between 75mm and 110mm in diameter were replaced in the Bridgton area as well in Victoria Street in Oudtshoorn  |
| Bulk water meters and telemetry   | Bulk water meters and a telemetry system has been installed to assist in monitoring water supply and reduce losses  |
| Refurbishment of the Klein Karoo Rural Water Supply Scheme (KKRWSS) and Dysselsdorp Water Treatment Works (WTW) | Sections of the KKWSS, which included a number of pipe bridges and river crossings was refurbished or replaced. The mechanical works at the WTW at Dysselsdorp was also refurbished   |
| Water supply line from Huis River to De Rust  | The pipeline supplying water from the weir in the Huis River to the town of De Rust was replaced with a new PVC pipe  |
| Repair of the Old East Reservoir  | The Old East Reservoir, which has been leaking for a number of years, was repaired and are now functioning at 100% capacity   |
| Refurbishment of Waste Water Treatment Works (WWTW) in Oudtshoorn   | Existing civil and mechanical plant at the Oudtshoorn WWTW were refurbished with funding received from Municipal Infrastructure Grant (MIG)   |
| Integrated National Electrification Programme (INEP)  | INEP was rolled out for less privileged   |
| Reduction in staff  | Critical staff went into retirement   |
| Service delivery  | Despite the limitation brought on by the COVID-19 pandemic, the department still managed to execute assigned task and delivery services to the community  |
| Dysselsdorp (534) bulk services   | Underground services were fully completed on 29 October 2020  |
| Dysselsdorp UISP/IRDP Housing Project   | Invitations for completion of subsidies- 324 invites were delivered to beneficiaries for the completion of subsidy applications.<br>Subsidies completion - July 2020 till December 2020- 267 subsidies complete   |

Table 7: Basic Service Delivery Highlights



## 1.4.2 Basic Service Delivery Challenges

The table below indicates the basic service delivery challenges for the year:

| Description   | Actions to address  |
|---|---|
| Oudtshoorn is still locked in the midst of the worst drought for many years and the water sources are under constant pressure   | Augmentation from the Blossoms wellfield must be completed and additional water sources are being investigated  |
| Ageing infrastructure leading to constant pipe breakages  | The water reticulation network is ageing and a program was launched to systematically replace old infrastructure  |
| Ageing infrastructure   | The sewer network is ageing and a program has been launched to systematically replace old infrastructure  |
| Procurement   | Streetlights not received on desired specifications.<br>SCM runs out of critical stock items, minimum and maximum threshold for stock items should be set   |
| Illegal dumping on open spaces  | Awareness champions must be launched to create awareness on the negative impact of illegal dumping  |
| Lack of machinery to render quality service (Digger loader, and more tipper trucks)   | Procure vehicles for better service delivery  |
| Illegal invasions in open spaces: It adversely affected our budget (increased demand and supply of basic services)  | Proper control measures to be sought to prevent illegal land invasions  |
| Impact of COVID-19 pandemic: <ul style="list-style-type: none"> <li>Reduced funding by national and provincial government due to budgetary constraints</li> <li>Shacks pop up with no control</li> <li>Delays in implementation of projects</li> </ul>  | Striking of balance to sustain economic growth as well as maintaining control in the spreading of the virus   |
| Dysselsdorp (534) - subsidy completion: <ul style="list-style-type: none"> <li>Most of the beneficiaries works outside the residential area and are hard to find for handing over of invitations</li> <li>Due to protest actions at Dysselsdorp offices subsidies could not be completed</li> <li>Not all the beneficiaries that got invitations complete their subsidy applications</li> </ul> Due to COVID-19 restrictions only a few beneficiaries could complete their subsidy applications daily | Beneficiaries to be educated on the importance of the completion of the subsidy process<br>Provision be made for officials to work overtime (weekends) for those beneficiaries who cannot be reached during normal working days as some work outside of their residential areas |

Table 8: Basic Service Delivery Challenges

## 1.4.3 Number of Households with Access to Basic Services

The table below indicates the number of households with access to basic services:

| Description  | 2019/20 | 2020/21 |
|--|---------|---------|
| Electricity service connections                    | 17 289  | 17 071  |
| Water - Piped water inside dwelling                | 14 975  | 15 115  |
| Sanitation - Households with at least VIP service  | 14 902  | 15 028  |
| Waste collection - kerbside collection once a week | 14 517  | 14 582  |

Table 9: Households with Access to Basic Services

## 1.5 Financial Health Overview

### 1.5.1 Financial Challenges

Cash flow remains a challenge for the Municipality. A Long-Term Financial Plan that will decrease outstanding creditors and improve the cash flow, has been compiled.

### 1.5.2 National Key Performance Indicators - Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These key performance indicators are linked to the National Key Performance Area (KPA) namely Municipal Financial Viability and Management.

| Description  | KPA & Indicator  | 2019/20 | 2020/21 |
|--|--|---------|---------|
| Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))  | % of debt coverage   | 9.11%   | 9.88%   |
| Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services) x 100)   | % of outstanding service debtors (total outstanding debtors refers to total net debtors) | 12%     | 17%     |
| Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) | Number of months it takes to cover fix operating expenditure with available cash         | 2.8     | 2.3     |

Table 10: National KPI's for Financial Viability and Management

### 1.5.3 Financial Overview

| Details                   | 2019/20 | 2020/21         |                   |         |
|---------------------------|---------|-----------------|-------------------|---------|
|                           |         | Original budget | Adjustment Budget | Actual  |
| R'000                     |         |                 |                   |         |
| <b>Income</b>             |         |                 |                   |         |
| Grants                    | 157 894 | 160 756         | 177 146           | 163 329 |
| Taxes, Levies and Tariffs | 430 487 | 477 921         | 459 061           | 450 490 |

| Details  | 2019/20         | 2020/21         |                   |                |
|--|-----------------|-----------------|-------------------|----------------|
|  |                 | Original budget | Adjustment Budget | Actual         |
|  | R'000           |                 |                   |                |
| Other  | 73 908          | 45 190          | 28 638            | 77 346         |
| <b>Sub Total</b>   | <b>662 289</b>  | <b>683 867</b>  | <b>664 845</b>    | <b>691 165</b> |
| <b>Less Expenditure</b>  | <b>596 887</b>  | <b>657 130</b>  | <b>639 600</b>    | <b>621 610</b> |
| <b>Reversal of impairment loss/(Impairment Loss) on Receivables</b>  | <b>(13 081)</b> | <b>0</b>        | <b>0</b>          | <b>12 417</b>  |
| <b>Reversal of Impairment loss/(Impairment Loss) on Fixed Assets</b> | <b>1 804</b>    | <b>0</b>        | <b>0</b>          | <b>0</b>       |
| <b>Gains/(loss) on Sale of Fixed Assets</b>                          | <b>(307)</b>    | <b>0</b>        | <b>0</b>          | <b>(1 086)</b> |
| <b>Net surplus/(deficit)</b>   | <b>53 818</b>   | <b>26 737</b>   | <b>25 246</b>     | <b>80 880</b>  |

Table 11: Financial Overview

## 1.5.5 Total Capital Expenditure

| Detail            | 2019/20 | 2020/21 |
|-------------------|---------|---------|
|                   | R'000   |         |
| Original Budget   | 89 480  | 82 644  |
| Adjustment Budget | 131 797 | 106 039 |
| Actual            | 73 370  | 76 761  |

Table 12: Total Capital Expenditure

## 1.6 Organisational Development Overview

### 1.6.1 Municipal Transformation and Organisational Development Highlights

The table below indicates the municipal transformation and organisational development highlights for the year:

| Highlights  | Description  |
|---|--|
| Employee engagements: COVID-19  | Engaged with 253 employees on a one-on-one basis through either counselling or support services and referred 3 employees for specialist services; to improve the overall wellness of employees   |
| Awareness programmes  | Raising awareness based on the 7 dimensions of wellness (Emotional, Spiritual, Environmental, Financial, Social, Career and Physical) on various relevant topics, to promote and enhance the wellbeing of staff members  |
| Personal development and compliance to South African Qualifications Authority (SAQA) requirements | Both the Employee Assistance Program (EAP) and Wellness Practitioner and clerk registered successfully to adhere to the SAQA requirements of registered bodies at EAP-SA, Association for Supportive Counsellors and Holistic Practitioners (ASCHP) and Council for Counsellors in SA (CCSA) respectively.<br>The EAP and Wellness Practitioner successfully complete 16 modules of the Municipal Minimum Competency (MMC) |

| Highlights  | Description   |
|---|---|
|   | programme at University Stellenbosch                                |
| Grant funding (Provincial Treasury/Department of Local Government)              | Grant funding for the internship and bursary programme was obtained |
| Learnerships: Local Government Sector Education and Training Authority (LGSETA) | Water, Waste Water and Municipal Financial Management               |
| Organizational development project  | Re-design of organizational structure                               |
| Development of Standard Operating Procedures (SOP)                              | SOP's were developed for recruitment and selection and EAP          |

Table 13: Municipal Transformation and Organisational Development Highlights

## 1.6.2 Municipal Transformation and Organisational Development Challenges

The table below indicates the municipal transformation and organisational development challenges for the year:

| Challenge   | Actions to address  |
|---|---|
| It was not possible to host/conduct events or programmes due to COVID-19 guidelines and to minimise the risks | The EAP and Wellness Section plans to embark on WhatsApp support groups. Awareness programmes and events will be conducted based on the COVID-19 levels. Minimize all forms of stigmatization through constructive education and awareness programmes |
| Lack of proper buy-in to the EAP and Wellness Program by some supervisors                                     | The buy-in of management into the EAP and Wellness Program to ensure that all staff benefit from the success of the program. Improve communication at all levels within the workplace   |
| Review the effectiveness of the EAP and Wellness Committee and all monitoring and evaluation processes        | Streamline HR activities and better cooperation by conducting regular HR meetings and monitoring and evaluation of all HR initiatives   |
| Roll out of training interventions/programs with regards to the COVID-19 pandemic                             | Introduction of virtual training  |
| Lack of adequate budget for training  | Budgetary provision and sourcing of external funding via SETA's   |

Table 14: Municipal Transformation and Organisational Development Challenges

## 1.7 Auditor-General Report

### 1.7.1 Audited Outcomes

| Year                    | 2018/19                   | 2019/20                   | 2020/21                   |
|-------------------------|---------------------------|---------------------------|---------------------------|
| <b>Opinion received</b> | Unqualified Audit Opinion | Unqualified Audit Opinion | Unqualified Audit Opinion |

Table 15: Audit Outcomes

## CHAPTER 2

The Western Cape Provincial Executive initially intervened in the Oudtshoorn Municipality in terms of Section 139(1)(b) of the Constitution for a period of six months from 31 July 2015 to 30 January 2016. The intervention was necessitated by the consistent failures of the Municipal Council over a prolonged period of time to fulfil its executive obligations. At the commencement of the intervention, Council retained its executive and legislative authority and the Administrator could only take decisions on behalf of Council should it not be able to do so. The aforesaid arrangements did not yield the desired results due to continued political struggles for control which defeated the purpose of the intervention. The terms of the intervention were then amended by vesting all executive authority in the Administrator as from September 2015 for the remainder of the intervention. Council retained its legislative authority throughout. The period of the intervention was later extended until the new Municipal Council is declared elected subsequent to the local government elections on 3 August 2016. Additional to the Section 139(1)(b) intervention, the National Minister of Cooperative Governance and Traditional Affairs and the Provincial Minister responsible for Local Government, offered the Municipality a support package in terms of Section 154 of the Constitution. Council on 17 July 2015 accepted the Provincial intervention, as well as the support and good governance package offered by both the Provincial and the National Minister.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the Municipality's performance in terms of the National Key Performance Indicator required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

| Indicator   | Municipal Achievement | Municipal Achievement |
|---|-----------------------|-----------------------|
|   | 2019/20               | 2020/21               |
| The percentage of the municipal capital budget spent on capital projects as at 30 June 2019 {(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100} | 53%                   | 72%                   |

Table 16: National KPIs - Good Governance and Public Participation Performance

## 2.2 Governance Structure

### 2.2.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles and have delegated their executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

#### **Council**

Below is a table that categorise the councillors within their specific political parties and wards:

| Council Members   | Capacity   | Political Party                                  | Ward representing or proportional |
|-------------------|--|--|-----------------------------------|
| J Le Roux Krowitz | Speaker  | Democratic Alliance                              | Ward 1                            |
| CD Macpherson     | Executive Mayor  | Democratic Alliance                              | Proportional                      |
| GH Juthe          | Executive Deputy Mayor & Portfolio Chairperson: Strategic Services | South African Religious Civic Organization       | Proportional                      |
| G Kersop          | Chairperson: Financial Services                                    | Democratic Alliance                              | Ward2                             |
| DJ Fourie         | Chairperson: Community Services                                    | Democratic Alliance                              | Ward 3                            |
| BV Owen           | Chairperson: Corporate Services                                    | Independent Civic Organization of South Africa   | Proportional                      |
| VM Donson         | Chairperson: Technical Services                                    | Independent Civic Organizational of South Africa | Proportional                      |
| NV Mwati          | Chairperson: Human Settlements                                     | Democratic Alliance                              | Proportional                      |
| F September       | Councillor   | Democratic Alliance                              | Ward 4                            |
| N Jonkers         | Councillor   | African National Congress                        | Ward 5                            |
| J Lambaatjeen     | Councillor   | African National Congress                        | Ward 6                            |
| LPO Wagenaar      | Councillor   | Democratic Alliance                              | Ward 7                            |
| LS Stone          | Councillor   | African National Congress                        | Ward 8                            |
| H Botha           | Councillor   | Democratic Alliance                              | Ward 9                            |
| B Berry           | Councillor   | African National Congress                        | Ward 10                           |
| RR Wildschut      | Councillor   | Democratic Alliance                              | Ward 11                           |
| H Human           | Councillor   | Democratic Alliance                              | Ward 12                           |
| MBG Theyse        | Councillor   | Democratic Alliance                              | Ward 13                           |
| G Gertse          | Councillor   | African National Congress                        | Proportional                      |

| Council Members | Capacity   | Political Party           | Ward representing or proportional |
|-----------------|------------|---------------------------|-----------------------------------|
| N Magopeni      | Councillor | African National Congress | Proportional                      |
| HJ Tyatya       | Councillor | African National Congress | Proportional                      |
| J Floors        | Councillor | African National Congress | Proportional                      |
| CL Cobus        | Councillor | African National Congress | Proportional                      |
| J Olivier       | Councillor | African National Congress | Proportional                      |
| DR Maarman      | Councillor | Economic Freedom Fighters | Proportional                      |

Table 17: Council

Below is a table which indicates the Council meeting attendance for the 2020/21 financial year:

| Meeting dates     | Meeting          | Council Meetings Attendance | Apologies for non-attendance |
|-------------------|------------------|-----------------------------|------------------------------|
| 20 July 2020      | Special Council  | 23                          | 2                            |
| 04 August 2020    | Special Council  | 19                          | 6                            |
| 07 August 2020    | Special Council  | 18                          | 7                            |
| 25 August 2020    | Special Council  | 22                          | 3                            |
| 30 September 2020 | Ordinary Council | 22                          | 3                            |
| 28 October 2020   | Special Council  | 21                          | 1                            |
| 29 October 2020   | Special Council  | 19                          | 3                            |
| 08 February 2021  | Ordinary Council | 24                          | 1                            |
| 25 February 2021  | Special Council  | 20                          | 5                            |
| 30 March 2021     | Ordinary Council | 23                          | 2                            |
| 29 April 2021     | Special Council  | 21                          | 2                            |
| 26 May 2021       | Special Council  | 25                          | 0                            |
| 27 May 2021       | Special Council  | 25                          | 0                            |
| 25 June 2021      | Ordinary Council | 25                          | 0                            |
| 30 June 2021      | Special Council  | 23                          | 1                            |

Table 18: Council Meetings

## Executive Mayoral Committee

The Executive Mayor of the Municipality, Cllr CD Macpherson, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the center of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that the Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The table below indicates the members of the Mayoral Committee and their capacity:

| Name of member | Capacity   |
|----------------|--|
| CD Macpherson  | Executive Mayor  |
| GH Juthe       | Executive Deputy Mayor & Portfolio Chairperson: Strategic Services |
| G Kersop       | Chairperson: Financial Services                                    |
| VM Donson      | Chairperson: Technical Services                                    |
| BV Owen        | Chairperson: Corporate Services                                    |
| DJ Fourie      | Chairperson: Community Services                                    |
| NV Mwati       | Chairperson: Human Settlements                                     |

Table 19: Mayoral Committee Members

## 2.2.2 Administrative Governance Structure

The table below indicates the administrative governance structure for the period under review:

| Name of Official | Position  |
|------------------|---|
| RK Smit          | Director: Corporate Services & Acting Municipal Manager |
| GP De Jager      | Director: Financial Services                            |
| T Mathee         | Director: Community Services                            |
| LA Coetzee       | Acting Director: Strategic Services                     |
| C Swart          | Acting Director: Technical Services                     |
| S Sims/ S Blou   | Acting Director: Human Settlements                      |

Table 20: Administrative Governance Structure

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3 Intergovernmental Relations

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



## 2.3.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

| Name of Structure                  | Members  | Outcomes of Engagements/Topics Discussed   |
|------------------------------------|--|--|
| <b>National Structures</b>         |  |  |
| Municipal Managers Forum           | SALGA, Municipal Managers  | Management and best practice on municipal structures & systems   |
| SALGA Working Groups               | SALGA, Mayors, Councillors, Directors, Officials   | Working groups on economic, community services, financial services, basic infrastructure   |
| <b>Provincial Structures</b>       |  |  |
| MINMAY                             | Ministers, Mayors, Premier, MM's   | Best practice, strategic focus areas   |
| MINMAY-TECH                        | MM's, Head of Departments, Officials   | Discuss technical aspects on service delivery  |
| PCF                                | MM's, Head of Departments, Officials   | Discuss technical aspects on service delivery  |
| Provincial CFO Forum               | CFO's of all municipalities, Provincial Treasury   | Financial aspects & budget coordination  |
| Provincial MM Forum                | SALGA, Municipal Managers  | Management and best practice on municipal structures & systems   |
| Provincial Communication Forum     | Municipal communication officials, provincial officials and public participation officials | Discuss communication, ward committee and public participation   |
| <b>District Structures</b>         |  |  |
| Garden Route District IDP Forum    | IDP Managers of municipalities, District Officials and Provincial Departments              | <ul style="list-style-type: none"> <li>• Support to IDP alignment processes.</li> <li>• Best Practice for public engagement.</li> <li>• Support to sector departments engagements</li> <li>• Support to IDP representative forum meetings</li> <li>• Support for legal compliance</li> <li>• Hands on support on Section 26 of MSA.</li> <li>• Support for IDP planning processes</li> </ul> |
| LED District Forum                 | LED Managers, Provincial Dept. Economic Development, WESGRO                                | Economic development and investment opportunities  |
| District Infrastructure Forum      | Managers Infrastructure, Technical Officials   | Roads, water, electricity, basic infrastructure, sanitation etc.   |
| District Disaster Management Forum | Managers responsible for disaster management, fire services                                | Disaster Management, Fire Services   |
| Provincial IDP Managers Forum      | Managers responsible for IDP in local municipalities and District                          | <ul style="list-style-type: none"> <li>• To prepare Municipalities for the next five-year term of office</li> <li>• To serve as a platform for sharing good planning practices</li> <li>• To provide support to municipalities in ensuring legally compliant IDP's</li> </ul>  |

| Name of Structure | Members | Outcomes of Engagements/Topics Discussed   |
|-------------------|---------|--|
|                   |         | <ul style="list-style-type: none"> <li>To provide relevant information in terms of planning and drafting of IDP's</li> </ul> |

Table 21: Intergovernmental Structures

## 2.3.2 Joint Projects and Functions with Sector Departments

All the functions of government are divided between the different spheres namely national, provincial and local. The Municipality therefore share their area and community with other spheres of government and their various sector departments and should work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

| Name of Project/ Function                        | Expected Outcome/s of the Project  | Sector Department/s involved   | Contribution of Sector Department   |
|--|--|--|---|
| CRDP - Comprehensive Rural Development Programme | Reduce poverty and grow rural areas into vibrant economic areas                            | National Department Rural Development, Provincial Department Agriculture, All Provincial Sector Departments, Eden District, ODN Municipality | Established steering committee with municipality and other provincial sector departments<br>Development of strategy and implementation programme<br>Implement programmes related to each department |
| Financial Recovery Programme                     | Following the municipality's administration process financial recovery programme developed | National Treasury, Provincial Treasury, Municipality   | Development of strategy and implementation programme<br>Implement the financial recovery initiatives  |
| District Joint Planning Initiative               | Possible interventions to address early school dropouts                                    | Education, Social Development, Cultural Affairs and Sport and Local Municipalities   | Guiding Framework that will include interventions from all stakeholders   |

Table 22: Joint Projects and Functions with Sector Departments

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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

## 2.4 Public Meetings

The table below indicates the public meetings that were conducted during the year:

| Ward                    | Ward                      | Number of Participating Municipal Councillors | Number of Community members attending |
|-------------------------|---------------------------|---|---------------------------------------|
| <b>Mayoral Imbizo's</b> |                           |   |                                       |
| 11                      | 12 October 2020           | 1   | 41                                    |
| 10                      | 13 October 2020           | 1   | 63                                    |
| 9                       | 14 October 2020           | 1   | 111                                   |
| 8                       | 19 October 2020           | 1   | 49                                    |
| 4                       | 20 October 2020           | 1   | 47                                    |
| 11&12                   | 27 October 2020           | 0   | 74                                    |
| 1,2,3 & 7               | 28 October 2020           | 3   | 30                                    |
| 2                       | 29 October 2020           | 2   | 65                                    |
| 6                       | 02 November 2020          | 0   | 27                                    |
| 11                      | Monday, 12 April 2021     | 4   | 22                                    |
| 9 & 10                  | Tuesday, 13 April 2021    | 3   | 93                                    |
| 6                       | Wednesday, 14 April 2021  | 4   | 18                                    |
| 4 & 8                   | Thursday, 15 April 2021   | 8   | 72                                    |
| 4 & 5                   | Monday, 19 April 2021     | 3   | 14                                    |
| 7                       | Tuesday, 20 April 2021    | 4   | 5                                     |
| 13                      | Tuesday, 20 April 2021    | 3   | 29                                    |
| 1,2,3 & 7               | Wednesdays, 21 April 2021 | 5   | 58                                    |
| 11&12                   | Thursday, 22 April 2021   | 4   | 55                                    |
| 2                       | Monday, 26 April 2021     | 1   | 6                                     |
| 2                       | Wednesday, 28 April 2021  | 3   | 49                                    |

Table 23: Public Meetings

### 2.4.1 Representative Forums

#### Labour Forum

The table below specifies the members of the Labour Forum for the 2020/21 financial year:

| Name of representative | Capacity                        |
|------------------------|---------------------------------|
| G Kersop               | LLF Chairperson                 |
| BV Owen                | Chairperson: Corporate Services |
| DJ Fourie              | Chairperson: Technical Services |
| NV Mwati               | Chairperson: Human Settlements  |
| GH Juthe               | Chairperson: Strategic Services |

| Name of representative | Capacity                            |
|------------------------|-------------------------------------|
| RK Smit                | Acting Municipal Manager            |
| GP de Jager            | Chief Financial Officer             |
| HD Visagie             | Acting Director: Community Services |
| C Swart                | Acting Director: Technical Services |
| LB Fatuse              | Acting Director: Corporate Services |
| SAMWU Representatives  | 5 Representatives                   |
| IMATU Representatives  | 5 Representatives                   |

Table 24: Labour Forum

## 2.4.2 Ward Committees

Ward Committee meetings are held in all 13 wards of the Municipality with the specific intention to capture sectoral and geographical area-based needs and opinions. These meetings inform and report on public needs, planning and budgeting as well as strategic objectives.

Ward councillors with their ward committees conduct public meetings twice a year to discuss ward plans and service delivery shortcomings and report on the success /failure of intended projects. Attendance of such meetings by the public are determined by their personal needs at the time of the meeting.

Municipal officials from all departments are allocated to attend public meetings to ensure attention to matters arising.

Transport is provided, where necessary, to ward committee members to attend ward committee meetings and functions where public participation through the ward committee system is required. The venues have been established for the meetings and support personnel; have been put at their disposal.

A stipend of R350 per meeting has been approved for all ward committee members, provided that they attend at least one ward committee meeting per month as part of their participatory functions as ward committee members.

### Ward 1: West side of town: SANDF, Oudtshoorn Hospital, Zeelandsnek, Palm Village

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| B Joubert              | Geographical Area     | 1 July 2020<br>1 September 2020        |
| C Van Huyssteen        | Business              | 2 November 2020<br>11 January 2021     |
| F Labuschagne          | Geographical Area     | 1 March 2021<br>3 May 2021             |

Table 25: Ward 1 Committee Meetings

## Ward 2: Part of town and rural areas: Volmoed, Kliplokasie, Eiland, De Jager Sport Complex

| Name of representative | Capacity representing                        | Dates of meetings held during the year  |
|------------------------|--|---|
| D Johannes             | Sport and Youth                              | 2 July 2020<br>2 September 2020<br>3 November 2020<br>12 January 2021<br>2 March 2021<br>4 May 2021 |
| A Piedt                | Agriculture and Environmental Affairs        |   |
| J Swart                | Education, Social Development and Disability |   |
| E Booysen              | Health                                       |   |
| S Adams                | Arts and Culture                             |   |
| G Wagner               | Social Development and Disability            |   |
| B Langhtrey            | Geographical Area                            |   |
| E Langhtrey            | Geographical Area                            |   |
| L Booysen              | Geographical Area                            |   |
| B. du Toit             | n/a  |   |

Table 26: Ward 2 Committee Meetings

## Ward 3: North, East and South of Town

| Name of representative | Capacity representing | Dates of meetings held during the year  |
|------------------------|-----------------------|---|
| A de Jager             | Education and Youth   | 6 July 2020<br>3 September 2020<br>4 November 2020<br>13 January 2021<br>3 March 2021<br>5 May 2021 |
| J Erasmus              | Welfare               |   |
| J Davel                | Business              |   |
| J Stokes               | Environment           |   |
| J Zana                 | Health                |   |
| M Roos                 | Rural development     |   |
| W Fouche               | Sport Development     |   |
| O Karsten              | Education and Youth   |   |
| G Deelman              | Geographical Area     |   |
| S Jansen               | Geographical Area     |   |

Table 27: Ward 3 Committee Meetings

## Ward 4: Part of Bridgton, Bongolethu, Thabo Mbeki's Square, Toekomsrus

| Name of representative | Capacity representing                    | Dates of meetings held during the year  |
|------------------------|--|---|
| F Isaac                | Business                                 | 7 July 2020<br>7 September 2020<br>5 November 2020<br>14 January 2021<br>4 March 2021<br>6 May 2021 |
| D Lucas                | Welfare                                  |   |
| F September            | Infrastructure                           |   |
| H Barends              | Arts, craft and Community Development    |   |
| S Maxim                | Traditional Men's group (Indlu Yengwevu) |   |

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| F Rooiland             | Geographical Area     |  |
| S Marthinus            | Geographical Area     |  |

Table 28: Ward 4 Committee Meetings

## Ward 5: Part of Bridgton, Smartie Town

| Name of representative | Capacity representing | Dates of meetings held during the year   |
|------------------------|-----------------------|--|
| J Jansen               | Business              | 8 July 2020<br>8 September 2020<br>9 November 2020<br>18 January 2021<br>8 March 2021<br>10 May 2021 |
| R Jansen               | Youth                 |  |
| M Stalmeester          | SADF                  |  |
| M Coerecius            | Churches              |  |
| L Micheals             | Education             |  |
| B Prins                | Police Forum          |  |
| S Delport              | Backyard Dwellers     |  |
| C Konstabel            | n/a                   |  |

Table 29: Ward 5 Committee Meetings

## Ward 6: Part of Bridgton, part of Toekomrus, Rosebank & Rosevalley Phase 1, 2 & 3

| Name of representative | Capacity representing | Dates of meetings held during the year  |
|------------------------|-----------------------|---|
| L Prins                | Welfare               | 9 July 2020<br>9 September 2020<br>10 November 2020<br>19 January 2021<br>9 March 2021<br>11 May 2021 |
| A Sederstroom          | Environment           |   |
| P Stuurman             | Religion              |   |
| J Weyers               | Health                |   |
| M Moses                | Youth                 |   |
| S Jacobs               | Education             |   |
| A Hess                 | Geographical Area     |   |
| D Wagenaar             | Backyard Dwellers     |   |
| S Eypsen               | n/a                   |   |

Table 30: Ward 6 Committee Meetings

## Ward 7: Part of town (north), Bridgton

| Name of representative | Capacity representing                             | Dates of meetings held during the year |
|------------------------|---|--|
| R Cooper               | Environmental and Social Development              | 13 July 2020                           |
| J Coetzee              | Community Development                             | 10 September 2020                      |
| D Ruiters              | Environmental, Agriculture and Social Development | 11 November 2020<br>20 January 2021    |

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| J Patrick              | Tourism               | 10 March 2021                          |
| F Schroeder            | Business              | 12 May 2021                            |
| R Oktober              | n/a                   |  |

Table 31: Ward 7 Committee Meetings

## Ward 8: Bongolethu, part of Toekomsrus, Zone 14, GG Camp, Canal, Black Joint, Vaalhuise, Newlook, Beverly Hills

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| G van Wyk              | Informal Settlements  |  |
| T Ngqumnte             | Informal Settlements  |  |
| X Ngalo                | Youth                 | 14 July 2020                           |
| V Misani               | Geographical Area     | 14 September 2020                      |
| L Dani                 | Business Sector       | 12 November 2020                       |
| L Barends              | Religious Groups      | 21 January 2021                        |
| K Lewendal             | Block 7               | 11 March 2021                          |
| F Gutas                | Education Sector      | 13 May 2021                            |
| F Bergh                | Geographical Area     |  |

Table 32: Ward 8 Committee Meetings

## Ward 9: Dysselsdorp (east of Dyssels Road) and surrounding areas

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| N Ewerts               | Electricity / Water   |  |
| U Oktober              | Sport                 |  |
| J Prinsloo             | Business              | 15 July 2020                           |
| J Moos                 | Community Development | 15 September 2020                      |
| C Stefanus             | Rural Development     | 16 November 2020                       |
| E De Villiers          | EPWP / CWP            | 25 January 2021                        |
| R Lewis                | Geographical Area     | 15 March 2021                          |
| B Matthews             | Geographical Area     | 17 May 2021                            |
| M Samson               | Geographical Area     |  |

Table 33: Ward 9 Committee Meetings

## Ward 10: Dysselsdorp (west of Dyssels Road) and surrounding areas

| Name of representative | Capacity representing | Dates of meetings held during the year |
|------------------------|-----------------------|--|
| E Pienaar              | Geographical Area     | 16 July 2020                           |

| Name of representative | Capacity representing | Dates of meetings held during the year   |
|------------------------|-----------------------|--|
| H Korkee               | Community Development | 16 September 2020<br>17 November 2020<br>26 January 2021<br>16 March 2021<br>18 May 2021 |
| G Lewis                | Social Development    |  |
| E Kock                 | Community Development |  |
| L Kapiera              | Geographical Area     |  |
| R Lewis                | Geographical Area     |  |
| I Titus                | Geographical Area     |  |
| M Booysen              | Geographical Area     |  |
| H Esau                 | Geographical Area     |  |
| A van Wyngaardt        | n/a                   |  |

Table 34: Ward 10 Committee Meetings

## Ward 11: Vlakteplaas, De Rust, Schoemanshoek, Spieskamp & Matjiesrivier

| Name of representative | Capacity representing | Dates of meetings held during the year   |
|------------------------|-----------------------|--|
| A Mart                 | Agriculture           | 20 July 2020<br>17 September 2020<br>18 November 2020<br>27 January 2021<br>17 March 2021<br>19 May 2021 |
| H Fortuin              | Agriculture           |  |
| S Campbell             | Youth                 |  |
| J Afrika               | CWP                   |  |
| A Tiemie               | Youth                 |  |
| R September            | Churches              |  |
| L Lloyd                | n/a                   |  |
| A van Staden           | n/a                   |  |
| S Plaatjies            | n/a                   |  |

Table 35: Ward 11 Committee Meetings

## Ward 12: Neppon, Station area, Klipdrif, Zebra, Proefplaas, Rooiheuvel

| Name of representative | Capacity representing           | Dates of meetings held during the year   |
|------------------------|---------------------------------|--|
| S Meiring              | Sport, Religion                 | 21 July 2020<br>21 September 2020<br>19 November 2020<br>28 January 2021<br>18 March 2021<br>20 May 2021 |
| E Stuurman             | Social Development              |  |
| J Swiegelaar           | Religion                        |  |
| J Kortje               | Health & Religion               |  |
| P Cupido               | Security and Social Development |  |
| S Malgas               | Religion                        |  |
| J Gelant               | Backyard Dwellers               |  |

Table 36: Ward 12 Committee Meetings



## Ward 13: Protea Hotel, Alpha, Bridgton Clinic, Bridgton Library, Bridgton Police Station

| Name of representative | Capacity representing      | Dates of meetings held during the year   |
|------------------------|----------------------------|--|
| J Plaatjies            | APD and Social Development | 22 July 2020<br>22 September 2020<br>23 November 2020<br>1 February 2021<br>22 March 2021<br>24 May 2021 |
| L Majola               | Community Development      |  |
| L Jacobs               | Community Development      |  |
| C Jacobs               | Geographical Area          |  |
| W Cobus                | Sport                      |  |
| C Ceaser               | Sport and Youth            |  |
| B Arendse              | Geographical Area          |  |
| S Barnard              | Geographical Area          |  |
| J Carnary              | Community Safety           |  |
| F Stoffels             | Backyard Dwellers          |  |

Table 37: Ward 13 Committee Meetings

## COMPONENT D: CORPORATE GOVERNANCE

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

### 2.5 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must -

advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to -

- internal financial control and internal audit
- risk management
- accounting policies
- the adequacy, reliability and accuracy of financial reporting information
- performance management
- effective governance
- compliance with this Act
- the annual Division of Revenue Act and any other applicable legislation
- performance evaluation
- any other issues referred to it by the municipality

## 2.5.1 Functions of the Audit Committee

The main functions of the Audit Committee are prescribed in Section 166 (2)(a-e) of the MFMA, which is further supplemented by the Local Government Municipal and Performance Management Regulation, as well as the approved Audit Committee Charter.

## 2.5.2 Members of the Audit Committee

| Name of representative | Capacity    | Meeting dates     |
|------------------------|-------------|-------------------|
| A Dippenaar            | Chairperson | 21 September 2020 |
| D Block                | Member      | 6 December 2020   |
| P Hayward              | Member      | 26 March 2021     |
| D Mooney               | Member      | 21 April 2021     |
|                        |             | 28 June 2021      |

Table 38: Audit Committee

## 2.6 Internal Auditing

Section 165 (2)(a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must -

- (a) prepare a risk-based audit plan and an internal audit program for each financial year
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
  - (i) Internal audit
  - (ii) internal controls
  - (iii) accounting procedures and practices
  - (iv) risk and risk management
  - (v) performance management
  - (vi) loss control
  - (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation
- (c) perform such other duties as may be assigned to it by the accounting officer

The Internal Audit is an independent section in the Office of the Municipal Manager at Oudtshoorn Municipality and forms a significant part of governance within the Municipality, contributing to good governance and regulatory reform. Internal Audit is mandated to provide independent, objective assurance and consulting service, towards adding value and improve the Municipality's operations.

During the 2020/21 financial year the following Internal Audit reports were issued:

| No. | Internal Audit Reports issued  |
|-----|--|
| 1   | Report: Capital Projects   |
| 2   | Report: COVID-19 Regulations   |
| 3   | Report: Human resource issues  |
| 4   | Report: ICT access controls  |
| 5   | Report: Performance Management - alignment of performance information. |
| 6   | Report: Risk Management  |
| 7   | Report: Support Grants COVID-19  |
| 8   | Report: SCM Contract Management  |
| 9   | Report: SCM Local content  |
| 10  | Report: Contract Management and sundry debtors                         |
| 11  | Report: Customer Care  |
| 12  | Report Governance  |
| 13  | Report: Local Economic Development                                     |
| 14  | Report: Traffic  |

Table 39: Internal Audit Reports Issued

## 2.7 Supply Chain Management

### 2.7.1 Competitive Bids in Excess of R200 000

#### **Bid Committee Meetings**

The following table details the number of bid committee meetings held for the 2020/21 financial year:

| Bid Specification Committee | Bid Evaluation Committee | Bid Adjudication Committee |
|-----------------------------|--------------------------|----------------------------|
| 24                          | 22                       | 12                         |

Table 40: Bid Committee Meetings

The attendance of members of the bid specification committee are as follows:

| Member (Capacity) | Percentage attendance |
|-------------------|-----------------------|
| J Ladouce         | 100%                  |
| H Schnautz        | 100%                  |
| S Swart           | 100%                  |
| A Moos            | 100%                  |
| S Mouton          | 100%                  |
| L Fourie          | 100%                  |
| O Huistra         | 100%                  |
| P Nel             | 100%                  |
| J Rollison        | 100%                  |

| Member (Capacity) | Percentage attendance |
|-------------------|-----------------------|
| C Du Plessis      | 100%                  |
| C Greef           | 100%                  |
| C Swart           | 100%                  |
| H De Beer         | 100%                  |
| R Witbooi         | 100%                  |
| P Muller          | 100%                  |
| B Metembo         | 100%                  |
| J Ladouce         | 100%                  |
| M Du Plessis      | 100%                  |
| E Stander         | 100%                  |

Table 41: Attendance of Members of Bid Specification Committee

All role players are attending meetings to ensure complete specifications.

The attendance of members of the bid evaluation committee is as follows:

| Member       | Percentage attendance |
|--------------|-----------------------|
| R Van Rooi   | 100%                  |
| T Sindaphi   | 100%                  |
| R Witbooi    | 100%                  |
| G Baartman   | 100%                  |
| S Swart      | 100%                  |
| S Njoko      | 100%                  |
| B Beukes     | 100%                  |
| B Metembo    | 100%                  |
| A Moos       | 100%                  |
| K Weyers     | 100%                  |
| B Lukas      | 100%                  |
| P Nel        | 100%                  |
| Z Lesia      | 100%                  |
| F Afrika     | 100%                  |
| J Uys        | 100%                  |
| C Du Plessis | 100%                  |
| V Fortuin    | 100%                  |

Table 42: Attendance of Members of Bid Evaluation Committee

Legal Services gives inputs if requested.

T

he attendance of members of the bid adjudication committee is as follows:

| Member     | Percentage attendance |
|------------|-----------------------|
| G De Jager | 100%                  |
| J Ladouce  | 100%                  |
| C Swart    | 100%                  |
| J Cox      | 100%                  |
| P Muller   | 100%                  |
| S Sims     | 100%                  |
| T Matthee  | 100%                  |
| L Coetzee  | 100%                  |
| J Rollison | 100%                  |
| L Fourie   | 100%                  |
| R Smith    | 100%                  |
| S Swart    | 100%                  |
| H Schnautz | 100%                  |
| A Moos     | 100%                  |
| D Visagie  | 100%                  |
| P Nel      | 100%                  |
| R Witbooi  | 100%                  |

\*The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member

Table 43: Attendance of Members of Bid Adjudication Committee

## Awards Made by the Bid Adjudication Committee

The bid adjudication committee awarded 31 bids with an estimated value of R20 million. The 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 (inclusive of all costs) |
|------------------|---|-------------------------|-----------------------------|---|
| TD<br>07/09/2020 | The operation and maintenance of Grootkop Landfill site (Oudtshoorn). Quarterly Rehabilitating De Rust, and Dysselsdorp Landfill sites (for a period ending 30 June 2023) | Technical Services      | Amandla GCF Construction CC | R9,608,700.00                                 |
| TD<br>03/03/2021 | Construction of the new Rose Valley library in the greater Oudtshoorn municipality  | Community Services      | Ruwacon (Pty) Ltd           | R9 502 185,50                                 |
| TD<br>04/10/2020 | Replacement and refurbishment of isolating valves, air valves, steel pipes and other associated works   | Technical Services      | Urhwebo E-Transand          | R8 649 217,85                                 |
| TD<br>01/09/2020 | Upgrading of internal water and sewer reticulation networks - Phase 1   | Technical Services      | Phambili Civils             | R7 531 810,00                                 |

Table 44: Highest Bids Awarded by Bid Adjudication Committee

## Awards Made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management (SCM) Policy, only the Accounting Officer may award a bid which is in excess of R10 000 000. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer were as follows:

| Bid number    | Title of bid  | Directorate and section | Value of bid awarded (inclusive of all costs) |
|---------------|---|-------------------------|---|
| TD 05/02/2020 | Blossoms Emergency Water Supply Scheme - Bulk Water Pipeline                                    | Technical Services      | R24, 603,651.66                               |
| TD 07/08/2020 | Full maintenance lease of vehicles for Oudtshoorn Municipality for a period ending 30 June 2023 | Technical Services      | R 27 259 243.06                               |
| TD 05/02/2021 | Provision of external loans to Oudtshoorn Municipality  | Finance                 | R 21 890 691.00                               |

Table 45: Awards Made by Accounting Officer

## Appeals Lodged by Aggrieved Bidders

13 Objections were received for the period under review and both were resolved in favour of the Municipality, i.e. original appointments upheld.

## Awards Made in terms of Preferential Procurement Regulations, 2011

All awards above R200 000 were made in terms of the above-mentioned Regulation and any deviation was approved by the Municipal Manager.

### 2.7.2 Deviation from Normal Procurement Processes

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R3 123 380 was approved by the Accounting Officer. The following table provides a summary of deviations approved for 2020/21:

| Type of deviation         | Number of deviations | Value of deviations | Percentage of total deviations value |
|---------------------------|----------------------|---------------------|--------------------------------------|
| Sole Provider             | 1                    | 7 912               | 0.25                                 |
| Impractical / Exceptional | 58                   | 3 027 554           | 96.93                                |
| Emergency                 | 3                    | 87 914              | 2.81                                 |

Table 46: Summary of Deviations

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with.

## 2.7.3 Logistics Management

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The system of logistics management must ensure the following:

- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock
- the placing of manual or electronic orders for all acquisitions other than those from petty cash
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes
- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services

Each stock item at the municipal stores, 26 Church Street, Oudtshoorn is coded and is listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information is not communicated timely to the Stores Section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

## 2.7.4 Disposal Management

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The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous
- firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee
- immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise

- all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- where assets are traded in for other assets, the highest possible trade-in price is negotiated;
- in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

The Municipality complies with Section 14 of the MFMA which deals with the disposal of capital assets. The disposal process plan was finalised in August 2010 and aims to provide the guidelines for the disposal of all obsolete and damaged assets.

## 2.7.5 SCM Performance Indicators

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

Monitoring of internal processes is an on-going process. Standard operating procedures are being prepared. Templates of required documents were distributed to all SCM role players to ensure compliance in terms of processes. All complaints are captured in a register and control measures are implemented to address the latter. Irregular, fruitless and wasteful expenditure were identified and reports are regularly submitted to the Section 32 Committee for recommendations to Council (Section 32 of the MFMA refers). The following table details the performance for each of those key performance indicators:

| Key performance indicator   | 2019/20 | 2020/21 |
|---|---------|---------|
| Ensure that tenders are successfully finalised and awarded within the validity period of the tender to enhance effective delivery of services | 90%     | 95%     |
| Provide administrative support to the bid and adjudication committees to ensure fast and effective SCM processes                              | 100%    | 100%    |
| Compliance with the SCM Act measured by the limitation of successful appeals against the Municipality   | 100%    | 100%    |

Table 47: SCM Performance Indicators



## 2.8 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the Municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

### 2.8.1 Communication Activities

| Communication activities     | Description  |
|------------------------------|--|
| Media relations              | <ul style="list-style-type: none"> <li>• Issuing of media release</li> <li>• Responding to media enquiries</li> <li>• Convening of press/media conferences and media tours</li> </ul>  |
| External communication       | <ul style="list-style-type: none"> <li>• Issuing of external newsletters</li> <li>• Attend public imbizo for communication purposes</li> <li>• Manager municipal website</li> </ul>  |
| Internal communication       | <ul style="list-style-type: none"> <li>• Issue internal messages through internal memorandums, circulars</li> <li>• Issuing of internal newsletters</li> </ul>   |
| Social media                 | <ul style="list-style-type: none"> <li>• Manager social media platforms such as Facebook and Twitter</li> </ul>  |
| Language services            | <ul style="list-style-type: none"> <li>• Management of translation services</li> <li>• Management of interpreting services</li> <li>• Editing of documents</li> </ul>  |
| Corporate identity and image | <ul style="list-style-type: none"> <li>• Management of corporate identity and branding</li> <li>• Development of corporate marketing material</li> <li>• Development of promotional material</li> <li>• Ensure development of brand strategy of the Oudtshoorn Municipality</li> </ul> |
| Policy and strategies        | <ul style="list-style-type: none"> <li>• Development of Communication Strategy</li> <li>• Development of Crisis Communication Policy</li> <li>• Development of Social Media Policy</li> </ul>  |
| Marketing and advertising    | <ul style="list-style-type: none"> <li>• Manage advertising process of the municipal print media, electronic media and social media</li> </ul>   |
| Communication research       | <ul style="list-style-type: none"> <li>• Writing speeches for Executive Mayor, Deputy Mayor, Speaker and members of Council on request.</li> <li>• Community Satisfaction Survey and media monitoring</li> </ul>   |

Table 48: Communication Activities

## 2.8.2 Newsletters

| Type of Newsletter  | Issues distributed | Circulation number                      | Frequency |
|---------------------|--------------------|---|-----------|
| External newsletter | 12                 | 20 000 hard copies<br>5 000 soft copies | Monthly   |

Table 49: Newsletters

## 2.8.3 Additional Communication Channels Utilised

| Channel                            | Yes/No |
|------------------------------------|--------|
| Call system and WhatsApp           | Yes    |
| Social media: Facebook             | Yes    |
| Social media: Twitter              | Yes    |
| Website                            | Yes    |
| Media (local, regional & national) | Yes    |
| Public meetings                    | Yes    |

Table 50: Communication Activities

## 2.9 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

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

| Description of information and/or document  | Yes/No |
|---|--------|
| <b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b> |        |
| Full Council details  | Yes    |
| Contact details of the Municipal Manager  | Yes    |
| Contact details of the CFO  | Yes    |
| Physical address of the Municipality  | Yes    |
| Postal address of the Municipality  | Yes    |
| <b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>                    |        |
| Draft Budget 2020/21  | Yes    |
| Adjusted Budget 2020/21   | Yes    |

| Description of information and/or document  | Yes/No |
|---|--------|
| Customer Care, Credit Control & Debt Collection Policy  | Yes    |
| Indigent Policy   | Yes    |
| Investment & Cash Management Policy   | Yes    |
| Rates Policy  | No     |
| Supply Chain Management Policy  | Yes    |
| Tariff Policy   | Yes    |
| SDBIP 2020/21   | Yes    |
| <b>IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>  |        |
| Reviewed IDP for 2020/21  | Yes    |
| IDP Process Plan for 2020/21  | Yes    |
| <b>Supply Chain Management (Sections 14(2), 33, 37 &amp; 75(1)(e) &amp; (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b> |        |
| Long term borrowing contracts   | Yes    |
| Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)  | No     |
| Public invitations for formal price quotations  | No     |
| <b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the Municipal Finance Management Act)</b>   |        |
| Annual Report of 2019/20  | Yes    |
| Mid-year budget and performance assessment  | Yes    |
| Quarterly reports   | Yes    |
| Monthly Budget Statement  | Yes    |
| <b>Local Economic Development (Section 26(c) of the Municipal Systems Act)</b>  |        |
| Local Economic Development Strategy   | Yes    |
| Economic Profile  | Yes    |
| <b>Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)</b>  |        |
| Performance agreements for employees appointed as per S57 of Municipal Systems Act  | Yes    |

Table 51: Website Checklist

## CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2020/21 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

### 3.1 Overview of Performance within the Organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalised through the legislative requirements on the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

#### 3.1.1 Legislative Requirements

The Constitution of the RSA, Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- ⇒ the promotion of efficient, economic and effective use of resources
- ⇒ accountable public administration
- ⇒ to be transparent by providing information
- ⇒ to be responsive to the needs of the community
- ⇒ to facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the IDP to align to the municipal budget and monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

## 3.1.2 Performance Management

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Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that “A municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

## 3.1.3 Organisational Performance

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Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processing are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality’s Top Layer SDBIP, high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators (KPIs) prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services.

The organisational performance is monitored and evaluated via the Top Layer SDBIP. The Top Layer SDBIP for 2020/21 was approved by the Mayor on 25 June 2020.

## 3.1.4 Individual Performance: Municipal Manager and Managers Directly Accountable to the Municipal Manager

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The MSA prescribes that the Municipality must enter into performance-based agreements with the all Section 57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the Municipal Manager and applicable directors for the 2020/21 financial year was signed before 30 June 2020.

The formal appraisal of the actual performance takes place twice per annum as regulated. The final evaluation of the 2019/20 financial year (1 January 2020 to 30 June 2020) and the mid-year performance of 2020/21 (1 July 2020 to 31 December 2020) is scheduled to take place on 3 May 2021.

## 3.1.5 The IDP and the Budget

Both the IDP and budget for 2020/21 was reviewed and approved on 29 May 2020. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The Top Layer SDBIP was revised with the Adjustments Budget in terms of Section 26(2)€ of the Municipal Budget and Reporting Regulations and Section 54(1)€ of the MFMA and an amended Top Layer SDBIP was approved by Council on 30 March 2021.

## 3.1.6 Actual Performance

The Municipality utilise an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ⇒ The actual result in terms of the target set
- ⇒ A performance comment
- ⇒ Actions to improve the performance against the target set, if the target was not achieved

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results.

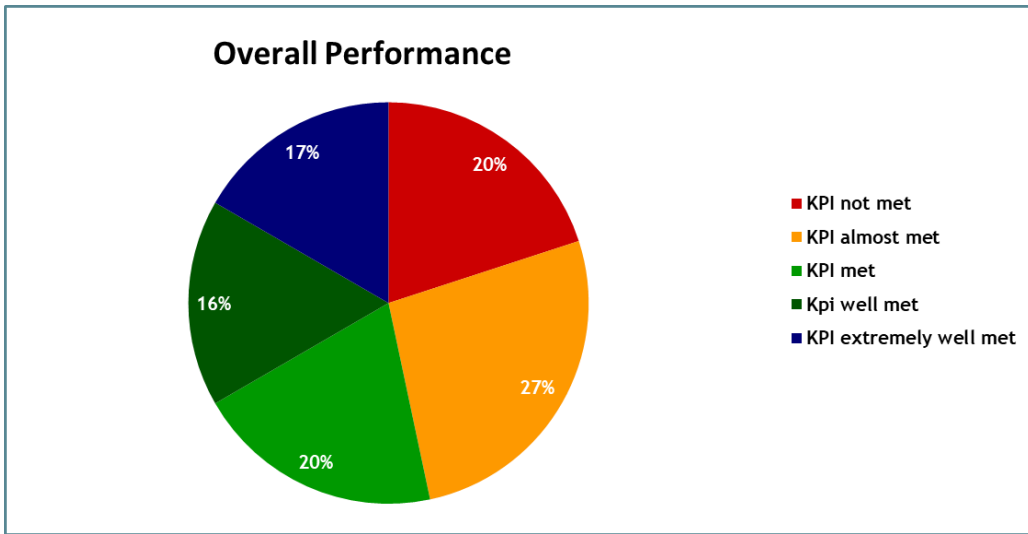
## 3.2 Strategic Service Delivery Budget Implementation Plan

This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

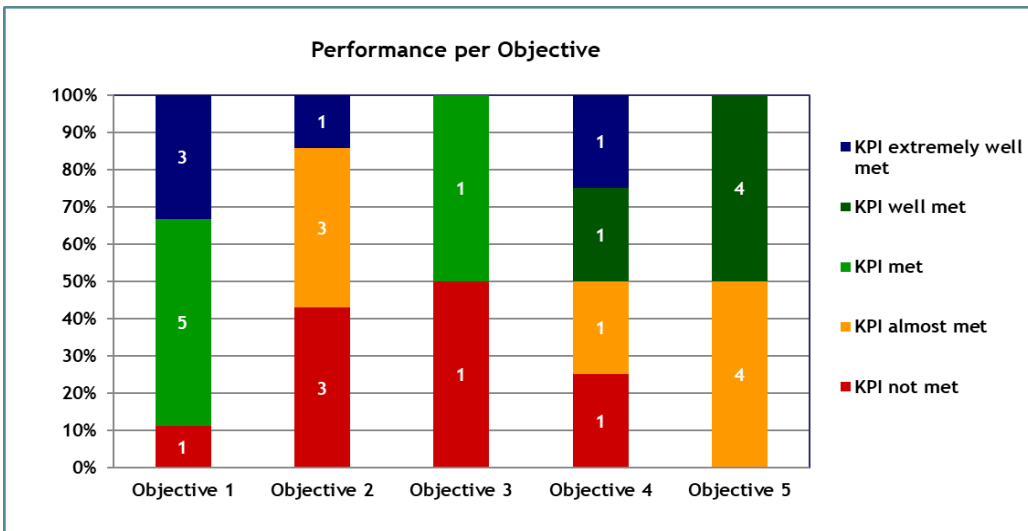
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2020/21 in terms of the IDP strategic objectives. The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP, are measured:

| Category               | Colour     | Explanation   |
|------------------------|------------|---|
| KPI Not Yet Measured   | Grey       | KPI's with no targets or actuals in the selected period |
| KPI Not Met            | Red        | 0% > = Actual/Target < 75%                              |
| KPI Almost Met         | Orange     | 75% > = Actual/Target < 100%                            |
| KPI Met                | Green      | Actual/Target = 100%                                    |
| KPI Well Met           | Dark Green | 100% > Actual/Target < 150%                             |
| KPI Extremely Well Met | Blue       | Actual/Target > = 150%                                  |

Table 52: SDBIP Measurement Criteria



Graph 4.: Overall Performance



Graph 5.: Performance per Strategic Objective

| Measurement Category   | Objective 1   | Objective 2   | Objective 3  | Objective 4   | Objective 5   | Total     |
|------------------------|---|---|--|---|---|-----------|
|                        | An ethical and transparent local government that is responsive to the needs of the community and encourage public participation | To achieve financial sustainability and strengthen municipal transformation and development | To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper | To promote social, rural and spatial economic development | To provide basic services to all residents in an environmentally sustainable manner |           |
| KPI Not Met            | 1   | 3   | 1  | 1   | 0   | 6         |
| KPI Almost Met         | 0   | 3   | 0  | 1   | 4   | 8         |
| KPI Met                | 5   | 0   | 1  | 0   | 0   | 6         |
| KPI Well Met           | 0   | 0   | 0  | 1   | 4   | 5         |
| KPI Extremely Well Met | 3   | 1   | 0  | 1   | 0   | 5         |
| <b>Total</b>           | <b>9</b>  | <b>7</b>  | <b>2</b>   | <b>4</b>  | <b>8</b>  | <b>30</b> |

Table 53: Top Layer SDBIP per Strategic Objective

The tables listed below indicates the actual strategic performance and corrective measures, that will be implemented, set in the approved SDBIP per Strategic Objective:

### 3.2.1 An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

| Ref                      | KPI  | Unit of Measurement  | Ward | Previous year actuals | Overall performance for 2020/21 |    |    |     |        |        |   |
|--------------------------|--|--|------|-----------------------|---------------------------------|----|----|-----|--------|--------|---|
|                          |  |  |      |                       | Target                          |    |    |     |        | Actual |   |
|                          |  |  |      |                       | Q1                              | Q2 | Q3 | Q4  | Annual |        |   |
| TL10                     | Compile and submit the three-year Risk Based Audit Plan (RBAP) to the Audit Committee by 30 June 2021  | RBAP compiled and submitted to the Audit Committee   | All  | 0                     | 0                               | 0  | 0  | 1   | 1      | 1      | G |
| TL11                     | Review the five-year Enterprise Risk Management Strategic Plan (inclusive of implementation plan) and submit to Council for approval by 30 June 2021   | Strategy (inclusive of implementation plan) reviewed and submitted to Council  | All  | 1                     | 0                               | 0  | 0  | 1   | 1      | 0      | R |
| <b>Corrective Action</b> |  | The target was not met as the Manager: Risk Management was seconded to fulfil the duties of the position of Acting Director: Corporate Services. However, the Risk Management Strategic Plan was reviewed and updated and it will be workshopped with management and councillors. Thereafter, it will be submitted to the Municipal Council for approval on the scheduled council meeting to be held on Wednesday, 29 September 2021 |      |                       |                                 |    |    |     |        |        |   |
| TL13                     | Limit unaccounted electricity to less than 13% by 30 June 2021 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} X 100} | % unaccounted electricity by 30 June 2021  | All  | 5.78%                 | 0%                              | 0% | 0% | 13% | 13%    | 7.29%  | B |



| Ref  | KPI  | Unit of Measurement             | Ward | Previous year actuals | Overall performance for 2020/21 |     |     |     |        |            |               |   |
|------|--|---------------------------------|------|-----------------------|---------------------------------|-----|-----|-----|--------|------------|---------------|---|
|      |  |                                 |      |                       | Target                          |     |     |     |        | Actual     |               |   |
|      |  |                                 |      |                       | Q1                              | Q2  | Q3  | Q4  | Annual |            |               |   |
| TL21 | Limit vacancy rate to less than 20% of budgeted post by 28 June 2021 [(Number of funded posts vacant / number of funded posts) x100] | % Vacancy rate                  | All  | 16.13%                | 20%                             | 20% | 20% | 20% | 20%    | <b>20%</b> | <b>17.87%</b> | B |
| TL25 | Issue a quarterly external newsletter to all residents of the greater Oudtshoorn   | Number of newsletters issued    | All  | 12                    | 1                               | 1   | 1   | 1   | 1      | <b>4</b>   | <b>15</b>     | B |
| TL26 | Submit the draft IDP to Council by 31 March 2021 to ensure compliance with legislation   | IDP submitted to Council        | All  | 1                     | 0                               | 0   | 0   | 1   | 1      | <b>1</b>   | <b>1</b>      | G |
| TL28 | Submit the EE plan to Department of Labour by 15 January   | EE plan submitted               | All  | 1                     | 0                               | 0   | 1   | 0   | 1      | <b>1</b>   | <b>1</b>      | G |
| TL29 | Submit Workplace Skills Plan by 30 April to LGSETA   | Workplace Skills Plan submitted | All  | 0                     | 0                               | 0   | 1   | 0   | 1      | <b>1</b>   | <b>1</b>      | G |
| TL30 | Submission of the File Plan by end of November annually  | File Plan submitted             | All  | New KPI for 2020/21   | 0                               | 1   | 0   | 0   | 1      | <b>1</b>   | <b>1</b>      | G |

Table 54: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation






| Summary of Results: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation |                        |          |
|---|------------------------|----------|
|   | KPI Not Met            | 1        |
|   | KPI Almost Met         | 0        |
|   | KPI Met                | 5        |
|   | KPI Well Met           | 0        |
|   | KPI Extremely Well Met | 3        |
| <b>Total KPIs</b>   |                        | <b>9</b> |

Table 55: Summary of Results: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

### 3.2.2 To achieve financial sustainability and strengthen municipal transformation and development

| Ref | KPI  | Unit of Measurement | Ward | Previous year actuals | Overall performance for 2020/21 |    |    |       |        |              |   |
|-----|--|---------------------|------|-----------------------|---------------------------------|----|----|-------|--------|--------------|---|
|     |  |                     |      |                       | Target                          |    |    |       |        | Actual       |   |
|     |  |                     |      |                       | Q1                              | Q2 | Q3 | Q4    | Annual |              |   |
| TL5 | Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2022 ((Short Term Borrowing + Bank | % of debt coverage  | All  | 9.11%                 | 0%                              | 0% | 0% | 16.6% | 16.6%  | <b>9.88%</b> | B |

| Ref                      | KPI   | Unit of Measurement  | Ward | Previous year actuals | Overall performance for 2020/21 |     |     |      |             |            |   |  |
|--------------------------|---|--|------|-----------------------|---------------------------------|-----|-----|------|-------------|------------|---|--|
|                          |   |  |      |                       | Target                          |     |     |      |             | Actual     |   |  |
|                          |   |  |      |                       | Q1                              | Q2  | Q3  | Q4   | Annual      |            |   |  |
|                          | Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))   |  |      |                       |                                 |     |     |      |             |            |   |  |
| TL6                      | Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 ((Total outstanding service debtors/ revenue received for services)X100)  | % of outstanding service debtors (total outstanding debtors refers to total net debtors)   | All  | 12%                   | 0%                              | 0%  | 0%  | 9.8% | <b>9.8%</b> | <b>17%</b> | R |  |
| <b>Corrective Action</b> |   | Strengthen the credit control & debt collection procedures on a monthly basis  |      |                       |                                 |     |     |      |             |            |   |  |
| TL7                      | Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl | Number of months it takes to cover fix operating expenditure with available cash   | All  | 2.8                   | 0                               | 0   | 0   | 2.8  | <b>2.8</b>  | <b>2.3</b> | O |  |
| <b>Corrective Action</b> |   | COVID-19 pandemic and economic conditions in the country had a major impact on the employment /joblessness of people. The latter had impact on payment for municipal rates and service. The Municipality has reviewed its long-term recovery plan to ensure relevance of it. The Municipality will review its tariffs to ensure affordability and cost reflective. The two latter might have an outcome where people will be encouraged to pay their municipal service and thus improve the cash situation of the Municipality |      |                       |                                 |     |     |      |             |            |   |  |
| TL8                      | Achieve a debtor payment percentage of 95% as at 30 June 2021 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}   | % debtor payment achieved  | All  | 92.5%                 | 95%                             | 95% | 95% | 95%  | <b>95%</b>  | <b>92%</b> | O |  |
| <b>Corrective Action</b> |   | The Revenue Management Department will strengthen its credit control debt collection measures  |      |                       |                                 |     |     |      |             |            |   |  |
| TL9                      | The percentage of the municipal capital budget spent on capital projects as at 30 June 2021 {(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100}   | % the capital budget spent on capital projects as at 30 June 2020  | All  | 53%                   | 10%                             | 35% | 60% | 95%  | <b>95%</b>  | <b>72%</b> | O |  |
| <b>Corrective Action</b> |   | COVID-19 had a great impact on the spending of capital projects. Due to the latter, contractors were unable to deliver onsite. However, procurement plans for capital projects were submitted and approved by Council. Spending of capital funds will be closely monitored   |      |                       |                                 |     |     |      |             |            |   |  |
| TL19                     | Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved   | Number of people employed in the three highest levels of management  | All  | 1                     | 0                               | 0   | 0   | 1    | <b>1</b>    | <b>0</b>   | R |  |

| Ref                      | KPI  | Unit of Measurement   | Ward | Previous year actuals | Overall performance for 2020/21 |    |    |      |             |             |   |
|--------------------------|--|---|------|-----------------------|---------------------------------|----|----|------|-------------|-------------|---|
|                          |  |   |      |                       | Target                          |    |    |      |             | Actual      |   |
|                          |  |   |      |                       | Q1                              | Q2 | Q3 | Q4   | Annual      |             |   |
|                          | employment equity plan during the 2020/21 financial year   |   |      |                       |                                 |    |    |      |             |             |   |
| <b>Corrective Action</b> |  | Vigorous implementation of EE targets and close monitoring on monthly basis |      |                       |                                 |    |    |      |             |             |   |
| TL20                     | Spend 0.3% of a municipality's personnel budget on implementing its workplace skills plan by 30 June 2021 [(Actual total training expenditure divided by total personnel budget) x100) | % of the budget spent   | All  | 0.08%                 | 0%                              | 0% | 0% | 0.3% | <b>0.3%</b> | <b>0.1%</b> | R |
| <b>Corrective Action</b> |  | Budgetary provision must be made in order to address this issue             |      |                       |                                 |    |    |      |             |             |   |

Table 56: To achieve financial sustainability and strengthen municipal transformation and development

| Summary of Results: To achieve financial sustainability and strengthen municipal transformation and development |          |
|---|----------|
| KPI Not Met   | 3        |
| KPI Almost Met  | 3        |
| KPI Met   | 0        |
| KPI Well Met  | 0        |
| KPI Extremely Well Met  | 1        |
| <b>Total KPIs</b>   | <b>7</b> |

Table 57: Summary of Results: To achieve financial sustainability and strengthen municipal transformation and development

### 3.2.3 To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

| Ref                      | KPI   | Unit of Measurement  | Ward | Previous year actuals | Overall performance for 2020/21 |    |    |    |          |          |   |
|--------------------------|---|--|------|-----------------------|---------------------------------|----|----|----|----------|----------|---|
|                          |   |  |      |                       | Target                          |    |    |    |          | Actual   |   |
|                          |   |  |      |                       | Q1                              | Q2 | Q3 | Q4 | Annual   |          |   |
| TL22                     | Upgrade the traffic offices in Oudtshoorn by 30 June 2021 | Project completed  | All  | New KPI for 2020/21   | 0                               | 0  | 0  | 1  | <b>1</b> | <b>0</b> | R |
| <b>Corrective Action</b> |   | Could not be completed as the tender was advertised 3 times and the last time no tender was responsive. Project is scratched |      |                       |                                 |    |    |    |          |          |   |
| TL23                     | Construct an animal pound by 30 June 2021                 | Project completed  | All  | New KPI for 2020/21   | 0                               | 0  | 0  | 1  | <b>1</b> | <b>1</b> | G |

Table 58: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

| Summary of Results: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper |                        |          |
|--|------------------------|----------|
|  | KPI Not Met            | 1        |
|  | KPI Almost Met         | 0        |
|  | KPI Met                | 1        |
|  | KPI Well Met           | 0        |
|  | KPI Extremely Well Met | 0        |
| <b>Total KPIs</b>  |                        | <b>2</b> |

Table 59: Summary of Results: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

### 3.2.4 To promote social, rural and spatial economic development

| Ref                      | KPI  | Unit of Measurement  | Ward | Previous year actuals | Overall performance for 2020/21 |     |     |     |            |              |    |
|--------------------------|--|--|------|-----------------------|---------------------------------|-----|-----|-----|------------|--------------|----|
|                          |  |  |      |                       | Target                          |     |     |     |            | Actual       |    |
|                          |  |  |      |                       | Q1                              | Q2  | Q3  | Q4  | Annual     |              |    |
| TL14                     | Limit unaccounted water to less than 25% by 30 June 2021 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified) x 100} | % unaccounted water by 30 June 2021  | All  | 17.80%                | 0%                              | 0%  | 0%  | 25% | <b>25%</b> | <b>17.8%</b> | B  |
| TL15                     | Create temporary jobs - FTE's in terms of EPWP by 30 June 2021 (Person days / FTE (230 days))  | Number of FTE's created by 30 June 2021  | All  | 124                   | 30                              | 60  | 90  | 150 | <b>150</b> | <b>128</b>   | O  |
| <b>Corrective Action</b> |  | Employment contracts of beneficiaries must be longer and FTE performances will be monitored on a quarterly basis to ensure that targets are achieved (or even succeeded)   |      |                       |                                 |     |     |     |            |              |    |
| TL24                     | The percentage of budget allocation actually spent on implementing social development programs, sport, youth & social  | % budget spent   | All  | New KPI for 2020/21   | 20%                             | 30% | 60% | 90% | <b>90%</b> | <b>16%</b>   | R  |
| <b>Corrective Action</b> |  | Majority of projects related to the KPI is based on having events including sport. Due to the COVID-19 pandemic and Lockdown Regulations these events could not occur and therefore spending did not occur. Funding will have to be reallocated to other initiatives |      |                       |                                 |     |     |     |            |              |    |
| TL27                     | The percentage of budget allocation actually spent on implementing economic development programs   | % budget spent   | All  | New KPI for 2020/21   | 20%                             | 30% | 60% | 90% | <b>90%</b> | <b>92%</b>   | G2 |

Table 60: To promote social, rural and spatial economic development

| Summary of Results: To promote social, rural and spatial economic development |                        |          |
|---|------------------------|----------|
|   | KPI Not Met            | 1        |
|   | KPI Almost Met         | 1        |
|   | KPI Met                | 0        |
|   | KPI Well Met           | 1        |
|   | KPI Extremely Well Met | 1        |
| <b>Total KPIs</b>   |                        | <b>4</b> |

Table 61: Summary of Results: To promote social, rural and spatial economic development

### 3.2.5 To provide basic services to all residents in an environmentally sustainable manner

| Ref                      | KPI   | Unit of Measurement  | Ward | Previous year actuals | Overall performance for 2020/21 |        |        |        |               |               |    |
|--------------------------|---|--|------|-----------------------|---------------------------------|--------|--------|--------|---------------|---------------|----|
|                          |   |  |      |                       | Target                          |        |        |        |               | Actual        |    |
|                          |   |  |      |                       | Q1                              | Q2     | Q3     | Q4     | Annual        |               |    |
| TL1                      | Provide subsidies for free basic water to indigent households as at 30 June 2021  | Number of indigent households receiving subsidies for free basic water as per PROMUN financial system  | All  | 7 276                 | 6 500                           | 6 500  | 7 500  | 7 500  | <b>7 500</b>  | <b>7 573</b>  | G2 |
| TL2                      | Provide subsidies for free basic electricity to indigent households (excluding Eskom supply area) as at 30 June 2021        | Number of indigent households receiving subsidies for free basic electricity as per PROMUN financial system. The Ontec management report is also used as unit of measurement | All  | 7 237                 | 6 300                           | 6 300  | 7 500  | 7 500  | <b>7 500</b>  | <b>7 310</b>  | ○  |
| <b>Corrective Action</b> |   | The Revenue Management Department will communicate with community members to encourage them to apply for the indigent subsidy assistance                                     |      |                       |                                 |        |        |        |               |               |    |
| TL3                      | Provide subsidies for free basic sanitation to indigent households as at 30 June 2021                                       | Number of indigent households receiving subsidies for free basic sanitation as per PROMUN financial system   | All  | 7 129                 | 6 400                           | 6 400  | 7 300  | 7 300  | <b>7 300</b>  | <b>7 391</b>  | G2 |
| TL4                      | Provide subsidies for free basic refuse removal to indigent households as at 30 June 2021                                   | Number of indigent households receiving subsidies for free basic refuse removal as per PROMUN financial system   | All  | 7 140                 | 6 400                           | 6 400  | 7 400  | 7 400  | <b>7 400</b>  | <b>7 394</b>  | ○  |
| <b>Corrective Action</b> |   | The Revenue Management Department will communicate with community members to encourage them to apply for the indigent subsidy assistance                                     |      |                       |                                 |        |        |        |               |               |    |
| TL12                     | Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2021 | Number of residential properties which are billed for refuse removal as per the PROMUN financial system  | All  | 14 517                | 14 321                          | 14 321 | 14 700 | 14 700 | <b>14 700</b> | <b>14 582</b> | ○  |
| <b>Corrective Action</b> |   | The target will be adjusted to correspond with the figures from the Financial Department, however the KPI must   |      |                       |                                 |        |        |        |               |               |    |

| Ref  | KPI  | Unit of Measurement   | Ward | Previous year actuals | Overall performance for 2020/21 |        |        |        |        |        |    |
|--|--|---|------|-----------------------|---------------------------------|--------|--------|--------|--------|--------|----|
|  |  |   |      |                       | Target                          |        |        |        |        | Actual |    |
|  |  |   |      |                       | Q1                              | Q2     | Q3     | Q4     | Annual |        |    |
| be revisit in order to ensure that the target be met with regards to refuse removal services in future |  |   |      |                       |                                 |        |        |        |        |        |    |
| TL16   | Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2021  | Number of residential properties that receive piped water as per the Promun Financial System as at 30 June 2021   | All  | 14 975                | 13 750                          | 13 750 | 15 000 | 15 000 | 15 000 | 15 115 | G2 |
| TL17   | Provide electricity to residential properties connected to the municipal electrical infrastructure network and billed for the service as well as prepaid electrical metering as at 30 June 2021  | Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as per the Promun Financial System as at 30 June 2021. The Ontec management report is also used as unit of measurement | All  | 17 289                | 13 750                          | 13 750 | 17 500 | 17 500 | 17 500 | 17 071 | O  |
| <b>Corrective Action</b>   |  | The targets will be adjusted to correspond with the figures from the Finance Department   |      |                       |                                 |        |        |        |        |        |    |
| TL18   | Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2021 | Number of residential properties which are billed for sewerage in accordance with the Promun Financial System as at 30 June 2021  | All  | 14 902                | 13 750                          | 13 750 | 15 000 | 15 000 | 15 000 | 15 028 | G2 |

Table 62: To provide basic services to all residents in an environmentally sustainable manner

| Summary of Results: To provide basic services to all residents in an environmentally sustainable manner |                        |          |
|---|------------------------|----------|
|   | KPI Not Met            | 0        |
|   | KPI Almost Met         | 4        |
|   | KPI Met                | 0        |
|   | KPI Well Met           | 4        |
|   | KPI Extremely Well Met | 0        |
| <b>Total KPIs</b>   |                        | <b>8</b> |

Table 63: Summary of Results: To provide basic services to all residents in an environmentally sustainable manner

## 3.2.7 Service Provider Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered a service delivery agreement. A service provider means:

- ⇒ A person or institution or any combination of persons and institutions which provide a municipal service
- ⇒ An external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- ⇒ A Service delivery agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality

During the year under review the Municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

## 3.2.8 Municipal Functions

### a) Analysis of Functions

The table below indicates the functional areas that the Municipality are responsible for in terms of the Constitution:

| Municipal Function  | Municipal Function<br>Yes / No |
|---|--------------------------------|
| <b>Constitution Schedule 4, Part B functions:</b>   |                                |
| Air pollution   | Yes                            |
| Building regulations  | Yes                            |
| Child care facilities   | Yes                            |
| Electricity and gas reticulation  | Yes                            |
| Firefighting services   | Yes                            |
| Local tourism   | Yes                            |
| Municipal airports  | No                             |
| Municipal planning  | Yes                            |
| Municipal health services   | No                             |
| Municipal public transport  | Yes                            |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | Yes                            |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto   | No                             |
| Stormwater management systems in built-up areas   | Yes                            |
| Trading regulations   | Yes                            |

| Municipal Function   | Municipal Function<br>Yes / No |
|--|--------------------------------|
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems | Yes                            |
| <b>Constitution Schedule 5, Part B functions:</b>  |                                |
| Billboards and the display of advertisements in public places  | Yes                            |
| Cemeteries, funeral parlours and crematoria  | Yes                            |
| Cleansing  | Yes                            |
| Control of public nuisances  | Yes                            |
| Control of undertakings that sell liquor to the public   | Yes                            |
| Facilities for the accommodation, care and burial of animals   | Yes                            |
| Fencing and fences   | Yes                            |
| Licensing of dogs  | Yes                            |
| Licensing and control of undertakings that sell food to the public   | Yes                            |
| Local amenities  | Yes                            |
| Local sport facilities   | Yes                            |
| Markets  | Yes                            |
| Municipal abattoirs  | Yes                            |
| Municipal parks and recreation   | Yes                            |
| Municipal roads  | Yes                            |
| Noise pollution  | Yes                            |
| Pounds   | No                             |
| Public places  | Yes                            |
| Refuse removal, refuse dumps and solid waste disposal  | Yes                            |
| Street trading   | Yes                            |
| Street lighting  | Yes                            |
| Traffic and parking  | Yes                            |

Table 64: Functional Areas



## 3.3 Component A: Basic Services

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

### 3.3.1 Water Services

#### a) Introduction to Water Services

The Klein Karoo Region, the valley between the Swartberg and Langeberg Mountains, is a water scarce area with an average precipitation ranging between 280 mm and 360 mm per annum.

The Melville Dam and Koos Raubenheimer Dam, both owned by the Municipality, supply Oudtshoorn with water. This supply is augmented with water diverted from the Rust en Vrede Stream into the Raubenheimer Dam. These dams supply water to the urban and industrial consumers in Oudtshoorn, as well as to rural users along the pipeline route.

Exploration of deep groundwater resources in the Oudtshoorn area has confirmed the potential of deep aquifers to augment existing supplies. Potential synergy and increased assurance of supply could be achieved with the linking of different schemes in the Klein Karoo, especially via the Klein Karoo Rural Water Supply Scheme (KKRWSS).

The KKRWSS area covers the town of Dysseldorp, as well as rural communities and farms in the Olifantsrivier Valley and Gamka River Valley. The scheme is supplied from several wellfields between the Kammanassie Mountains and Calitzdorp, while the Vermaaks River Wellfield taps into the Peninsula Aquifer. All the other KKRWSS boreholes are located in the Nardouw Aquifer. A collector well, near Dysseldorp, is used to extract water from the alluvial aquifer along the Olifantsriver.

The raw water is taken directly from the KKRWSS boreholes into the two treatment works:

- ⇒ The Dysseldorp Water Treatment Works (WTW) (East) is designed for 3.5 million m<sup>3</sup>/a (cubic metres per annum) and operates at 1.1 million m<sup>3</sup>/a.
- ⇒ The Calitzdorp WTW (West) is designed for 0.9 million m<sup>3</sup>/a, but operates at only 0.1 million m<sup>3</sup>/a.

De Rust/Blomnek can extract 143 000 m<sup>3</sup>/a from a weir at the Huis River, which is diverted into the De Rust Reservoir. Whilst the source is generally able to provide sufficient water, the river flow during the dry season is lower than the town's allocation. This also corresponds with those periods (November to February) of the highest consumption.

## b) Highlights: Water Services

The table below specifies the highlights for the year:

| Highlights                                     | Description  |
|--|--|
| Blossoms Wellfield Development                 | <p>A total of R50m was received from Department Water and Sanitation (DWS) and was spend by the end of June 2021. The funds were mainly used to finalize the designs, purchase all the material (pipes and pumps) and to install the first 6km of pipeline.</p> <p>All the pipe material was ordered and delivered to the Municipality by the beginning of December 2020. The mechanical items were delivered to the Municipality during May 2021. The installation of these will take place once the pipeline in completed.</p> <p>The civil contractor was appointed to commence with the installation of the pipeline with the balance of the funds (R14m) following the purchasing of the material. The site was handed over to him end of December 2020. The construction commenced in February 2021 and was completed by end of June 2021. They are currently busy with cleaning up and completing minor outstanding items. With the available funds, approximately 6kms of pipeline was be installed. Due to the landowner agreements not being in place, the sections of pipeline on Municipal and Government properties as well as private land where agreement was reached was installed first</p> |
| Network upgrading                              | The program to replace old asbestos cement (AC) pipes continued and approximately 4 000m of pipes between 75mm and 110mm in diameter were replaced in the Bridgton area as well in Victoria Street in Oudtshoorn   |
| Bulk water meters and telemetry                | Bulk water meters and a telemetry system has been installed to assist in monitoring water supply and reduce losses   |
| Refurbishment of the KKWSS and Dysselsdorp WTW | Sections of the KKWSS, which included a number of pipe bridges and river crossings was refurbished or replaced. The mechanical works at the WTW at Dysselsdorp was also refurbished  |
| Water supply line from Huis River to De Rust   | The pipeline supplying water from the weir in the Huis River to the town of De Rust was replaced with a new PVC pipe   |
| Repair of the Old East Reservoir               | The Old East Reservoir, which has been leaking for a number of years, was repaired and are now functioning at 100% capacity  |

Table 65: Water Services Highlight

## c) Challenges: Water Services

The table below specifies the challenges for the year:

| Description   | Actions to address   |
|---|--|
| Oudtshoorn is still locked in the midst of the worst drought for many years and the water sources are under constant pressure | Augmentation from the Blossoms wellfield must be completed and additional water sources are being investigated   |
| Ageing infrastructure leading to constant pipe breakages  | The water reticulation network is ageing and a program was launched to systematically replace old infrastructure |
| Outdated Master Plan  | Funding applications were submitted to update the Water  |

| Description | Actions to address |
|-------------|--------------------|
|             | Master Plan        |

Table 66: Water Services Challenges

## d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

| Households  |               |               |
|---|---------------|---------------|
| Description                                       | 2019/20       | 2020/21       |
|   | Actual        | Actual        |
|   | No.           | No.           |
| <b>Water: (above min level)</b>                   |               |               |
| Piped water inside dwelling                       | 15 009        | 15 115        |
| Piped water inside yard (but not in dwelling)     | 0             | 0             |
| Using public tap (within 200m from dwelling)      | 369           | 110           |
| Other water supply (within 200m)                  | 0             | 0             |
| <b>Minimum Service Level and Above sub-total</b>  | <b>15 378</b> | <b>15 225</b> |
| <b>Minimum Service Level and Above Percentage</b> | <b>98.66%</b> | <b>98.64%</b> |
| <b>Water: (below min level)</b>                   |               |               |
| Using public tap (more than 200m from dwelling)   | 0             | 0             |
| Other water supply (more than 200m from dwelling) | 210           | 210           |
| No water supply                                   | 0             | 0             |
| <b>Below Minimum Service Level sub-total</b>      | <b>210</b>    | <b>210</b>    |
| <b>Below Minimum Service Level Percentage</b>     | <b>1.34%</b>  | <b>1.36%</b>  |
| <b>Total number of households</b>                 | <b>15 588</b> | <b>15 435</b> |
| <b>Include informal settlements</b>               |               |               |

Table 67: Water Service Delivery Levels: Households

| Access to Water   |  |   |   |
|---|--|---|---|
| Financial year  | Number/Proportion of households with access to water points* | Proportion of households with access to piped water | Number /Proportion of households receiving free basic water |
| 2019/20   | 369  | 98.66%  | 7 276   |
| 2020/21   | 110  | 98.64%  | 7 573   |
| <b>6,000 litres of potable water supplied per formal connection per month</b> |  |   |   |

Table 68: Access to Water

## e) *Employees: Technical Services*

The following tables indicates the staff composition for this division:

| <b>Employees: Office of the Director Technical Services</b> |                |                  |   |  |
|---|----------------|------------------|---|--|
| <b>Job Level</b>  | <b>2020/21</b> |                  |   |  |
|   | <b>Posts</b>   | <b>Employees</b> | <b>Vacancies (fulltime equivalents)</b> | <b>Vacancies (as a % of total posts)</b> |
|   | <b>No.</b>     | <b>No.</b>       | <b>No.</b>                              | <b>%</b>                                 |
| 0 - 3   | 0              | 0                | 0                                       | 0  |
| 4 - 6   | 0              | 0                | 0                                       | 0  |
| 7 - 9   | 1              | 1                | 0                                       | 0  |
| 10 - 12   | 0              | 0                | 0                                       | 0  |
| 13 - 15   | 0              | 0                | 0                                       | 0  |
| 16 - 18   | 0              | 0                | 0                                       | 0  |
| 19 - 20   | 0              | 0                | 0                                       | 0  |
| <b>Total</b>  | <b>1</b>       | <b>1</b>         | <b>0</b>                                | <b>0</b>                                 |

**Employees and post numbers are as at 30 June**

Table 69: *Employees: Office of the Director Technical Services*

| <b>Employees: Water &amp; Sewerage (Purification, KKRSWSS, Networks, Sewerage)</b> |                |                  |   |  |
|--|----------------|------------------|---|--|
| <b>Job Level</b>   | <b>2020/21</b> |                  |   |  |
|  | <b>Posts</b>   | <b>Employees</b> | <b>Vacancies (fulltime equivalents)</b> | <b>Vacancies (as a % of total posts)</b> |
|  | <b>No.</b>     | <b>No.</b>       | <b>No.</b>                              | <b>%</b>                                 |
| 0 - 3  | 74             | 55               | 19                                      | 25.60                                    |
| 4 - 6  | 41             | 27               | 14                                      | 34.10                                    |
| 7 - 9  | 2              | 1                | 1                                       | 50                                       |
| 10 - 12  | 12             | 12               | 0                                       | 0  |
| 13 - 15  | 3              | 1                | 2                                       | 66.66                                    |
| 16 - 18  | 1              | 1                | 0                                       | 0  |
| 19 - 20  | 0              | 0                | 0                                       | 0  |
| <b>Total</b>   | <b>133</b>     | <b>97</b>        | <b>36</b>                               | <b>27.06</b>                             |

**Employees and post numbers are as at 30 June**

Table 70: *Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)*

| Employees: Dysselsdorp |          |           |                                  |                                   |
|------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level              | 2020/21  |           |                                  |                                   |
|                        | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                        | No.      | No.       | No.                              | %                                 |
| 0 - 3                  | 0        | 0         | 0                                | 0                                 |
| 4 - 6                  | 0        | 0         | 0                                | 0                                 |
| 7 - 9                  | 0        | 0         | 0                                | 0                                 |
| 10 - 12                | 0        | 0         | 0                                | 0                                 |
| 13 - 15                | 1        | 1         | 0                                | 0                                 |
| 16 - 18                | 0        | 0         | 0                                | 0                                 |
| 19 - 20                | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>           | <b>1</b> | <b>1</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 71: Employees: Dysselsdorp

| Employees: De Rust |           |           |                                  |                                   |
|--------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level          | 2020/21   |           |                                  |                                   |
|                    | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                    | No.       | No.       | No.                              | %                                 |
| 0 - 3              | 16        | 3         | 13                               | 81.25                             |
| 4 - 6              | 4         | 2         | 2                                | 50                                |
| 7 - 9              | 2         | 2         | 0                                | 0                                 |
| 10 - 12            | 1         | 0         | 1                                | 100                               |
| 13 - 15            | 0         | 0         | 0                                | 0                                 |
| 16 - 18            | 0         | 0         | 0                                | 0                                 |
| 19 - 20            | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>       | <b>23</b> | <b>7</b>  | <b>16</b>                        | <b>69.56</b>                      |

Employees and post numbers are as at 30 June

Table 72: Employees: De Rust

| Employees: Capital Projects |          |           |                                  |                                   |
|-----------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                   | 2020/21  |           |                                  |                                   |
|                             | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                             | No.      | No.       | No.                              | %                                 |
| 0 - 3                       | 0        | 0         | 0                                | 0                                 |
| 4 - 6                       | 1        | 1         | 0                                | 0                                 |
| 7 - 9                       | 1        | 1         | 0                                | 0                                 |
| 10 - 12                     | 3        | 3         | 0                                | 0                                 |
| 13 - 15                     | 1        | 0         | 1                                | 100                               |
| 16 - 18                     | 0        | 0         | 0                                | 0                                 |
| 19 - 20                     | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                | <b>6</b> | <b>5</b>  | <b>1</b>                         | <b>16.66</b>                      |

Employees and post numbers are as at 30 June

Table 73: Employees: Capital Projects

## f) Capital: Water Services

The following table indicates the capital expenditure for this division:

| Capital Expenditure 2020/21: Water Services     |         |                   |                    |                                 |
|---|---------|-------------------|--------------------|---------------------------------|
| Capital Projects                                | 2020/21 |                   |                    |                                 |
|   | R'000   |                   |                    |                                 |
|   | Budget  | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Bulk water supply                               | 544     | 544               | 541                | 3                               |
| Pipe replacement                                | 13 397  | 13 397            | 1 981              | 11 416                          |
| Pipe replacement                                | 2 313   | 2 313             | 1 555              | 758                             |
| Blossoms pipeline-ground water project          | 13 608  | 13 608            | 13 545             | 63                              |
| Raubenheimer Dam inlet tower                    | 35      | 35                | 35                 | 0                               |
| Groundwater augmentation - KKRWS - West         | 1 304   | 1 304             | 1 029              | 275                             |
| Refurbishment of reservoirs                     | 816     | 816               | 816                | 0                               |
| Refurbishment and replacement of control valves | 1 275   | 1 275             | 355                | 920                             |
| Refurbishment De Rust reservoir                 | 138     | 138               | 138                | 0                               |
| De Rust New Bulk Line                           | 2 186   | 2 186             | 2 186              | 0                               |
| KKRWVS refurbishment of network equipment       | 12 501  | 12 501            | 12 925             | (424)                           |
| KKRWVS supply of water to remote areas          | 63      | 63                | 63                 | 0                               |
| Acquisitions                                    | 6 077   | 6 077             | 6 055              | 22                              |

| Capital Expenditure 2020/21: Water Services |               |                   |                    |                                 |
|---|---------------|-------------------|--------------------|---------------------------------|
| Capital Projects                            | 2020/21       |                   |                    |                                 |
|   | R'000         |                   |                    |                                 |
|   | Budget        | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Water distribution                          | 1 142         | 1 142             | 0                  | 1 142                           |
| <b>Total</b>                                | <b>24 198</b> | <b>24 198</b>     | <b>22 538</b>      | <b>14 175</b>                   |

Table 74: Capital Expenditure: Water Services

### 3.3.2 Waste Water (Sanitation) Provision

#### a) Introduction to Waste Water (Sanitation) Provision

Greater Oudtshoorn currently has 4 Waste Water Treatment Works (WWTW) serving the extended community of Oudtshoorn i.e. Oudtshoorn WWTW (10 ML/d), Dysselsdorp (2 ML/d), De Rust (0.2 ML/d) and Cango Caves (30 KL/d). For most part, the sewage gravitates through a waterborne network, and in some instances with the help of a few pump stations, to the various WWTW's. Some of the rural areas as well as the old part of De Rust makes use of conservancy tanks.

#### b) Highlights: Waste Water (Sanitation) Provision

The table below specify the highlight for the year:

| Highlight                           | Description  |
|-------------------------------------|--|
| Refurbishment of WWTW in Oudtshoorn | Existing civil and mechanical plant at the Oudtshoorn WWTW were refurbished with funding received from MIG |

Table 75: Waste Water (Sanitation) Provision Highlights

#### c) Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

| Description           | Actions to address   |
|-----------------------|--|
| Ageing infrastructure | The sewer network is ageing and a program has been launched to systematically replace old infrastructure |
| Outdated Master Plan  | Applications for funds has been submitted to enable the updating of the Sewer Master Plan                |

Table 76: Waste Water (Sanitation) Provision Challenge

## d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

| Households  |               |               |
|---|---------------|---------------|
| Description   | 2019/20       | 2020/21       |
|   | Outcome       | Actual        |
|   | No.           | No.           |
| <b>Sanitation/sewerage: (above minimum level)</b>     |               |               |
| Flush toilet (connected to sewerage)                  | 15 032        | 15 028        |
| Flush toilet (with septic tank)                       | 601           | 0             |
| Chemical toilet                                       | 577           | 736           |
| Pit toilet (ventilated)                               | 216           | 118           |
| Other toilet provisions (above minimum service level) | 60            | 0             |
| <b>Minimum Service Level and Above sub-total</b>      | <b>16 486</b> | <b>15 882</b> |
| <b>Minimum Service Level and Above Percentage</b>     | <b>100</b>    | <b>100</b>    |
| <b>Sanitation/sewerage: (below minimum level)</b>     |               |               |
| Bucket toilet   | 0             | 0             |
| Other toilet provisions (below minimum service level) | 0             | 0             |
| No toilet provisions                                  | 0             | 0             |
| <b>Below Minimum Service Level sub-total</b>          | <b>0</b>      | <b>0</b>      |
| <b>Below Minimum Service Level Percentage</b>         | <b>0</b>      | <b>0</b>      |
| <b>Total households</b>                               | <b>16 486</b> | <b>15 882</b> |
| <b>Including informal settlements</b>                 |               |               |

Table 77: Waste Water (Sanitation) Provision Service Delivery Levels

## e) Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

| Capital Expenditure 2020/21:Waste Water (Sanitation) |         |                   |                    |                                 |
|--|---------|-------------------|--------------------|---------------------------------|
| Capital Projects                                     | 2020/21 |                   |                    |                                 |
|  | R'000   |                   |                    |                                 |
|  | Budget  | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Upgrade WWTW-MIG                                     | 4 687   | 4 687             | 4 665              | 22                              |
| De Rust sewer pipe replacement                       | 184     | 184               | 184                | 0                               |
| Refurbishment of sewer pump stations                 | 546     | 546               | 483                | 63                              |
| Refurbishment of plant equipment                     | 259     | 259               | 165                | 94                              |
| Sewerage purification plant                          | 2 137   | 2 137             | 2 112              | 25                              |



| Capital Expenditure 2020/21:Waste Water (Sanitation) |              |                   |                    |                                 |
|--|--------------|-------------------|--------------------|---------------------------------|
| Capital Projects                                     | 2020/21      |                   |                    |                                 |
|  | R'000        |                   |                    |                                 |
|  | Budget       | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| <b>Total</b>   | <b>7 813</b> | <b>7 813</b>      | <b>7 609</b>       | <b>204</b>                      |

Table 78: Capital Expenditure: Waste Water (Sanitation) Provision

### 3.3.3 Electro Technical Services

#### a) Introduction to Electro Technical Services

The local government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

Oudtshoorn Municipality sources electricity in bulk from Eskom and is responsible for the distribution thereof within its approved area of supply, under license of the National Energy Regulator of South Africa. Electricity is supplied by Eskom at four intake substations at 11 000 volts and 22 000 volts respectively and redistributed to the resultant consumer via a series of cables, lines and substations in the traditional Oudtshoorn, Dysseldorp and De Rust areas. With the exception of the scenic Cango Valleys and Matjiesrivier, Eskom supplies electricity to the extensive Oudtshoorn rural areas and remote settlements.

Electricity provision at a household level requires at least the minimum levels of service in order to function effectively. All households connected to the Greater Oudtshoorn electricity networks benefit from at least a service level five connection, i.e. a medium to high wattage supply to the premises with appropriate street lighting.

Such a service level is built upon firm thrust, as well as suitably maintained and technically rated infrastructure components supported by educated and skilled human resources. To this effect the electricity department at present embarks on the filling of sixty percent of all vacant posts, as well as expanding its asset management capacity. It is envisaged that the said strategy will have a damping effect on escalating operational expenditure thus enhancing economic efficiency.

The asset management capacity was increased by having the asset register linked to Geographic Information System (GIS) and verified by the Department as well as an asset management consulting company. Whereas the department is responsible for all technical data and the consulting company the non-technical data.

Furthermore, the objective is to expand electrical services to all households in the Greater Oudtshoorn area.

The energy losses for the 2020/21 financial year were 7.29%, compared to 5.78%, in 2019/20.

The Electro-Technical Services Department is responsible for:

- ⇒ The construction and maintenance of the distribution network, as well as providing new infrastructure to ensure a reliable and affordable supply of electricity to all
- ⇒ The effective management of revenue by ensuring that all supplied electricity is billed and by reducing losses in order to cover operating and capital expenses
- ⇒ The provision of a reliable and acceptable level of public lighting to improve the safety and living standard of residents
- ⇒ Ensure the effective utilisation of the municipal vehicle and plant fleet

## b) **Highlights: Electro Technical Services**

The table below specifies the highlights for the year:

| Highlights   | Description                             |
|--|---|
| Integrated National Electrification Programme (INEP) | INEP was rolled out for less privileged |
| Reduction in staff                                   | Critical staff went into retirement     |

Table 79: *Electro Technical Services Highlights*

## c) **Challenges: Electro Technical Services**

The table below specifies the challenges for the year:

| Description       | Actions to address   |
|-------------------|--|
| Procurement       | Streetlights not received on desired specifications.<br>SCM runs out of critical stock items, minimum and maximum threshold for stock items should be set  |
| Staff recruitment | Critical staff have vacated their posts over this year, yet only one of these posts have been filled. Previous years have seen a number of critical staff retire or passed away and none of these posts have been filled over the years.<br>General labourers are being utilised as assistants and assistants are being trained by electricians to take up the work of line-workers.<br>Electricians and Technicians are working without assistants in the field due to staff shortages (this is very dangerous and a high risk).<br>Only 50.7% of all posts are filled within the department. And the filling of these vacancies should be investigated |

Table 80: *Electro Technical Services Challenges*

## d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

| Households  |               |               |
|---|---------------|---------------|
| Description                                       | 2019/20       | 2020/21       |
|   | Actual        | Actual        |
|   | No.           | No.           |
| <b>Energy: (above minimum level)</b>              |               |               |
| Electricity (at least minimum service level)      | 2 330         | 2 289         |
| Electricity - prepaid (minimum service level)     | 14 625        | 14 782        |
| <b>Minimum Service Level and Above sub-total</b>  | <b>16 955</b> | <b>17 071</b> |
| <b>Minimum Service Level and Above Percentage</b> | <b>100%</b>   | <b>100%</b>   |
| <b>Energy: (below minimum level)</b>              |               |               |
| Electricity (< minimum service level)             | 0             | 0             |
| Electricity - prepaid (< min. service level)      | 0             | 0             |
| Other energy sources                              | 0             | 0             |
| <b>Below Minimum Service Level sub-total</b>      | <b>0</b>      | <b>0</b>      |
| <b>Below Minimum Service Level Percentage</b>     | <b>0%</b>     | <b>0%</b>     |
| <b>Total number of households</b>                 | <b>16 955</b> | <b>17 071</b> |

Table 81: Electro Technical Service Delivery Levels

## e) Employees: Electro Technical Services

The following table indicates the staff composition for this division:

| Employees: Electro Technical Services |           |           |                                  |                                   |
|---------------------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                             | 2020/21   |           |                                  |                                   |
|                                       | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                       | No.       | No.       | No.                              | %                                 |
| 0 - 3                                 | 21        | 9         | 12                               | 57.14                             |
| 4 - 6                                 | 33        | 15        | 18                               | 54.54                             |
| 7 - 9                                 | 1         | 1         | 0                                | 0                                 |
| 10 - 12                               | 17        | 11        | 6                                | 35.29                             |
| 13 - 15                               | 4         | 3         | 1                                | 25                                |
| 16 - 18                               | 2         | 0         | 2                                | 100                               |
| 19 - 20                               | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                          | <b>78</b> | <b>39</b> | <b>39</b>                        | <b>50</b>                         |

Employees and post numbers are as at 30 June

Table 82: Employees: Electro Technical Services

## f) Capital: Electro Technical Services

The following table indicates the capital expenditure for this division:

| Capital Expenditure 2020/21: Electricity |              |                   |                    |                                 |
|--|--------------|-------------------|--------------------|---------------------------------|
| Capital Projects                         | 2020/21      |                   |                    |                                 |
|  | R'000        |                   |                    |                                 |
|  | Budget       | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Fencing Bridgton substation              | 300          | 300               | 167                | 133                             |
| Office furniture equipment               | 31           | 31                | 33                 | (2)                             |
| Dysselsdorp bulk infrastructure          | 2 609        | 2 609             | 330                | 2 279                           |
| New high mast light                      | 575          | 575               | 0                  | 0                               |
| Substation switch gear ward 2            | 737          | 737               | 637                | 100                             |
| Upgrade 11 KV                            | 1 000        | 1 000             | 979                | 21                              |
| Electricity distribution                 | 872          | 872               | 800                | 72                              |
| <b>Total</b>                             | <b>6 124</b> | <b>6 124</b>      | <b>2 946</b>       | <b>2 603</b>                    |

Table 83: Capital Expenditure: Electro Technical Services

### 3.3.4 Waste Management (Refuse collections, waste disposal, street cleaning and recycling)

#### a) Introduction to Waste Management

Successful waste management is complimented by a workforce that efficiently deals with the following tasks:

- ⇒ Street cleansing including the sweeping of streets
- ⇒ Cleaning of open spaces, dumping areas and communal skip operations
- ⇒ Refuse removal in households once a week, using black plastic bags
- ⇒ Kerbside cleansing that occurs once a week outside the households

#### b) Highlights: Waste Management

The table below specify the highlight for the year:

| Highlight        | Description  |
|------------------|--|
| Service delivery | Despite the limitation brought on by the COVID-19 pandemic, the department still managed to execute assigned task and delivery services to the community |

Table 84: Waste Management Highlights

## c) Challenges: Waste Management

The table below specifies the challenges for the year:

| Description   | Actions to address   |
|---|--|
| Illegal dumping on open spaces  | Awareness champions must be launched to create awareness on the negative impact of illegal dumping |
| Lack of machinery to render quality service (Digger loader, and more tipper trucks) | Procure vehicles for better service delivery   |
| Limited Staff   | Vacancies should be filled and provision of additional position                                    |

Table 85: Waste Management Challenges

## d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

| Description                                       | 2019/20       | 2020/21       |
|---|---------------|---------------|
|   | Actual        | Actual        |
| <b>Household</b>                                  |               |               |
| <b>Refuse Removal: (Minimum level)</b>            |               |               |
| Removed at least once a week                      | 14 567        | 14 582        |
| <b>Minimum Service Level and Above Percentage</b> | <b>100%</b>   | <b>100%</b>   |
| <b>Refuse Removal: (Below minimum level)</b>      |               |               |
| Removed less frequently than once a week          | 0             | 0             |
| Using communal refuse dump                        | 0             | 0             |
| Using own refuse dump                             | 0             | 0             |
| Other rubbish disposal                            | 0             | 0             |
| No rubbish disposal                               | 0             | 0             |
| <b>Below Minimum Service Level Sub-total</b>      | <b>0</b>      | <b>0</b>      |
| <b>Below Minimum Service Level percentage</b>     | <b>0</b>      | <b>0</b>      |
| <b>Total number of households</b>                 | <b>14 567</b> | <b>14 582</b> |

Table 86: Waste Management Service Delivery Levels

## e) **Employees: Cleansing Services**

The following table indicates the staff composition for this division:

| <b>Employees: Cleansing Services</b> |                |                  |   |  |
|--------------------------------------|----------------|------------------|---|--|
| <b>Job Level</b>                     | <b>2020/21</b> |                  |   |  |
|                                      | <b>Posts</b>   | <b>Employees</b> | <b>Vacancies (fulltime equivalents)</b> | <b>Vacancies (as a % of total posts)</b> |
|                                      | <b>No.</b>     | <b>No.</b>       | <b>No.</b>                              | <b>%</b>                                 |
| 0 - 3                                | 81             | 63               | 18                                      | 22.22                                    |
| 4 - 6                                | 11             | 10               | 1                                       | 9.09                                     |
| 7 - 9                                | 3              | 3                | 0                                       | 0  |
| 10 - 12                              | 1              | 0                | 1                                       | 100                                      |
| 13 - 15                              | 1              | 1                | 0                                       | 0  |
| 16 - 18                              | 0              | 0                | 0                                       | 0  |
| 19 - 20                              | 0              | 0                | 0                                       | 0  |
| <b>Total</b>                         | <b>97</b>      | <b>77</b>        | <b>20</b>                               | <b>20.61</b>                             |

**Employees and post numbers are as at 30 June**

Table 87: Employees: Cleansing Services

## 3.3.5 Housing

### a) **Introduction to Housing**

The Human Settlements Department's core function is to provide housing opportunities to deserving beneficiaries largely through two main programs. The programmes being Upgrading of Informal Settlements Program (UISP) and Integrated Residential Development (IRDP). IRDP includes residential serviced sites, Breaking New Ground (BNG), GAP Housing and the environment for private housing, as well as social economic sites.

Overall, the department experienced a mixed year with reasonable performance, despite COVID-19 from March 2020 to date.

Efforts were focussed on project readiness, thus, with respect to Land and Forward Planning 5 areas received attention:

- ⇒ Oudtshoorn Central Informal Settlements UISP (GG Kamp; Kanaal and Black Joint Tavern) (600). The planning processes stalled due to COVID-19; however, could proceed October/November 2020
- ⇒ Spekkop IRDP (880-5000). Reached final phase of planning with Environmental Impact Assessment (EIA) decision by June 2021. Although this project was in the planning stage, it has been placed on hold by the Oudtshoorn Municipal Council
- ⇒ Dysselsdorp UISP (534) - Project Implementation Readiness Report (PIRR) got approval, resolution signed and now in state of readiness to go on construction of top structures in August 2021

- ⇒ Rose Valley Phase (IV) UISP (132). All approvals in place, except PIRR, with a view to start construction of underground services

New qualifying criteria regarding the issuing of houses has been introduced by the Provincial Department, namely;

- ⇒ Only old age people (60 and above)
- ⇒ Military veterans
- ⇒ Longest on the waiting list (that includes backyarders)
- ⇒ Child-headed households

This criteria is only related to new housing projects from 1 April 2021.

## **Informal Settlements:**

There are 23 recognised Informal Settlement areas where 2020 structures are established. The temporary toilet services provided by this department (of which function should shift to Technical Services Department) consists of mainly the provision and maintenance of chemical toilets.

There is a total of 832 chemical toilets and 118 ventilated improved pit (VIP) toilets. This means that the relationship between structures and toilets is a ratio of 2:3. The National Government Guidelines prescribes a 5:1 ratio.

This does not mean that everything is "rosy" as there are families who have 1 toilet per structure. That said, there are pockets that are receiving attention in tandem with affordability and budget in increasing services where pockets are not fair (toilets for paraplegics are also made available).

The tender for chemical toilets expired in December 2019. It was continued, on a month-to-month basis until a new Supply Chain Management (SCM) process was carried out and closed in April 2021. A new supplier was appointed and is due to start with its services on 1 September 2021.

The Informal Settlements team have assisted 374 families affected by fire, flood, evictions and destitution during the year. Further emergency assistance was in the form of provision with gunplus pieces of plastic.

They have continued the emergency response efficiently with a delivery of service to all Informal Settlements (legal and illegal).

They have also supported the new housing project of Dysseisdorp in the relocation of structures, of which work comprised of taking down structures, building new structures and transporting material and furniture, etc. in a coordinated way. Also ensuring that toilets and other services are available.

This unit took strain during land invasions. They feel defeated by the outstanding requests for overcrowded conditions. The illegal invasions had a big impact on our budget. The more illegal invasions erupted, the more services were needed.

There are currently a total 12 new illegal informal settlements areas.

## **A UISP Committee was established to ensure maximum participation.**

With respect to new housing, the Dysselsdorp project of 534 opportunities kicked off with underground works, spade into the ground, in September 2019. This has been fully completed.

Bulk services to the value of R5 million (R9 million allocated) has been placed and 70% of the internal services to value of R38 million were completed by 29 October 2020 i.e. ±370 of 534 sites. In all cases where payment should be made, Province paid the service provider (ASLA) directly, which means that no funding from Province is in the coffers of the Oudtshoorn Municipality.

This project is firstly a UISP of ±300 opportunities and remainder for people on waiting list in Dysselsdorp from 1994 to 1997 On 17 and 18 March 2020 completion of subsidies kicked off. On 5 and 6 August 2020, 82 subsidies were completed. Another 78 subsidies were completed on 17 September 2020. 324 Invites were sent to Dysselsdorp informal settlement beneficiaries for completion of subsidies. 232 Subsidies were completed and 172 were approved, while the other were declined for various reasons. 150 Invites were sent to Dysselsdorp waiting list beneficiaries. On 8 and 9 December 2020, 35 Subsidy applications were completed for Dysselsdorp waiting list and disabled beneficiaries and are currently being considered by the department.

Currently, there are no other new sites under construction. Preparation done for beneficiaries of Phase IV took place "non-qualifiers" and remainder approved subsidies. The only downtime time was the COVID 19 Lockdown period.

The Social Housing arena was dismal. Human Settlements have had 3 start stop situations with filling the post. A policy was agreed to in November 2018. The Organogram approved in December 2018, but the department was not allowed by Council, to fill the post. The province had 2 social housing rental projects set aside for Oudtshoorn (ie Morester and Auriel College).

The department have been compliant with respect to reporting grant funding having sent in monthly reports on all capital projects i.e. bulk and internal services infrastructure and houses projects and planning funding.

21 Title deeds have been received for the financial year. A dent was made into dealing with Historical Title Deeds i.e. prior 1994 of old council houses and the cases of 1994 to 2011. Old RDP houses, with the appointment of conveyancers. Sadly, the process came to halt due to COVID-19.

Two (2) Finance Linked Individual Subsidies (FLISP) were approved (for people whose household income is between R3 501 and R22 000 p.m. Twelve (12) Individual Subsidies (for people's household income of less than R3 500 p.m.) were applied for; 9 were approved and 3 declined. The operating budget was spent, well with the small overtime budget controlled well.



## b) Highlights: Housing

The table below specifies the highlights for the year:

| Highlights  | Description   |
|---|---|
| Dysselsdorp (534) bulk services                                   | Underground services were fully completed on 29 October 2020  |
| Dysselsdorp UISP/IRDP Housing Project                             | Invitations for completion of subsidies- 324 invites were delivered to beneficiaries for the completion of subsidy applications.<br>Subsidies completion - July 2020 till December 2020- 267 subsidies complete               |
| Emergency Housing Assistance Policy                               | This policy was approved by Council on 25 June 2021. This policy gives guidance for the provision of emergency building material in case of flooding, fire, and destitution   |
| Appointment of Acting Head of Department (HOD) on 9 November 2020 | After the departure of the former Acting Director, there was no official responsible to oversee and manage the activities of the department, which rendered the department in a state of anarchy and disarray and uncertainty |

Table 88: Housing Highlights

## c) Challenges: Housing

The table below specifies the challenges for the year:

| Description  | Actions to address  |
|--|---|
| Illegal invasions in open spaces: It adversely affected our budget (increased demand and supply of basic services)   | Proper control measures to be sought to prevent illegal land invasions  |
| Impact of COVID-19 pandemic: <ul style="list-style-type: none"> <li>Reduced funding by national and provincial government due to budgetary constraints</li> <li>Shacks spring up with no control</li> <li>Delays in implementation of projects</li> </ul>  | Striking of balance to sustain economic growth as well as maintaining control in the spreading of the virus   |
| Dysselsdorp (534) - subsidy completion: <ul style="list-style-type: none"> <li>Most of the beneficiaries works outside the residential area and are hard to find for handing over of invitations</li> <li>Due to protest actions at Dysselsdorp offices subsidies could not be completed</li> <li>Not all the beneficiaries that got invitations complete their subsidy applications</li> </ul> <p>Due to COVID-19 restrictions only a few beneficiaries could complete their subsidy applications daily</p> | <ul style="list-style-type: none"> <li>Beneficiaries to be educated on the importance of the completion of the subsidy process</li> <li>Provision be made for officials to work overtime (weekends) for those beneficiaries who cannot be reached during normal working days as some work outside of their residential areas</li> </ul> |

Table 89: Housing Challenges

## d) Employees: Human Settlements

The following table indicates the staff composition for this division:

| Employees: Policy, Education & Research |          |           |                                  |                                   |
|---|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                               | 2020/21  |           |                                  |                                   |
|   | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.      | No.       | No.                              | %                                 |
| 0 - 3                                   | 0        | 0         | 0                                | 0                                 |
| 4 - 6                                   | 1        | 0         | 1                                | 100                               |
| 7 - 9                                   | 0        | 0         | 0                                | 0                                 |
| 10 - 12                                 | 0        | 0         | 0                                | 0                                 |
| 13 - 15                                 | 1        | 0         | 1                                | 100                               |
| 16 - 18                                 | 0        | 0         | 0                                | 0                                 |
| 19 - 20                                 | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                            | <b>2</b> | <b>0</b>  | <b>2</b>                         | <b>100</b>                        |

Employees and post numbers are as at 30 June

Table 90: Employees: Policy, Education & Research

| Employees: Land and Forward Planning |          |           |                                  |                                   |
|--------------------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                            | 2020/21  |           |                                  |                                   |
|                                      | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                      | No.      | No.       | No.                              | %                                 |
| 0 - 3                                | 0        | 0         | 0                                | 0                                 |
| 4 - 6                                | 1        | 0         | 1                                | 100                               |
| 7 - 9                                | 0        | 0         | 0                                | 0                                 |
| 10 - 12                              | 0        | 0         | 0                                | 0                                 |
| 13 - 15                              | 1        | 0         | 1                                | 100                               |
| 16 - 18                              | 0        | 0         | 0                                | 0                                 |
| 19 - 20                              | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                         | <b>2</b> | <b>0</b>  | <b>2</b>                         | <b>100</b>                        |

Employees and post numbers are as at 30 June

Table 91: Employees: Land and Forward Planning

| Employees: New Housing |          |           |                                  |                                   |
|------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level              | 2020/21  |           |                                  |                                   |
|                        | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                        | No.      | No.       | No.                              | %                                 |
| 0 - 3                  | 0        | 0         | 0                                | 0                                 |
| 4 - 6                  | 4        | 1         | 3                                | 75                                |
| 7 - 9                  | 0        | 0         | 0                                | 0                                 |
| 10 - 12                | 4        | 0         | 4                                | 100                               |
| 13 - 15                | 1        | 0         | 1                                | 100                               |
| 16 - 18                | 0        | 0         | 0                                | 0                                 |
| 19 - 20                | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>           | <b>9</b> | <b>1</b>  | <b>8</b>                         | <b>88.88</b>                      |

Employees and post numbers are as at 30 June

Table 92: Employees: New Housing

| Employees: Social Housing (Rental) |          |           |                                  |                                   |
|------------------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                          | 2020/21  |           |                                  |                                   |
|                                    | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                    | No.      | No.       | No.                              | %                                 |
| 0 - 3                              | 0        | 0         | 0                                | 0                                 |
| 4 - 6                              | 1        | 0         | 1                                | 100                               |
| 7 - 9                              | 0        | 0         | 0                                | 0                                 |
| 10 - 12                            | 0        | 0         | 0                                | 0                                 |
| 13 - 15                            | 1        | 0         | 1                                | 100                               |
| 16 - 18                            | 0        | 0         | 0                                | 0                                 |
| 19 - 20                            | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                       | <b>2</b> | <b>0</b>  | <b>2</b>                         | <b>100</b>                        |

Employees and post numbers are as at 30 June

Table 93: Employees: Social Housing (Rental)

| Employees: Strategic Support |          |           |                                  |                                   |
|------------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                    | 2020/21  |           |                                  |                                   |
|                              | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                              | No.      | No.       | No.                              | %                                 |
| 0 - 3                        | 0        | 0         | 0                                | 0                                 |
| 4 - 6                        | 1        | 0         | 1                                | 100                               |
| 7 - 9                        | 0        | 0         | 0                                | 0                                 |
| 10 - 12                      | 0        | 0         | 0                                | 0                                 |
| 13 - 15                      | 1        | 0         | 1                                | 100                               |
| 16 - 18                      | 0        | 0         | 0                                | 0                                 |
| 19 - 20                      | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                 | <b>2</b> | <b>0</b>  | <b>2</b>                         | <b>100</b>                        |

Employees and post numbers are as at 30 June

Table 94: Employees: Strategic Support

| Employees: Informal Settlements |           |           |                                  |                                   |
|---------------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                       | 2020/21   |           |                                  |                                   |
|                                 | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                 | No.       | No.       | No.                              | %                                 |
| 0 - 3                           | 2         | 2         | 0                                | 0                                 |
| 4 - 6                           | 7         | 1         | 6                                | 85.71                             |
| 7 - 9                           | 0         | 0         | 0                                | 0                                 |
| 10 - 12                         | 0         | 0         | 0                                | 0                                 |
| 13 - 15                         | 1         | 0         | 1                                | 100                               |
| 16 - 18                         | 0         | 0         | 0                                | 0                                 |
| 19 - 20                         | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                    | <b>10</b> | <b>3</b>  | <b>7</b>                         | <b>70</b>                         |

Employees and post numbers are as at 30 June

Table 95: Employees: Informal Settlements

| Employees: Administration |           |           |                                  |                                   |
|---------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                 | 2020/21   |           |                                  |                                   |
|                           | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                           | No.       | No.       | No.                              | %                                 |
| 0 - 3                     | 0         | 0         | 0                                | 0                                 |
| 4 - 6                     | 10        | 7         | 3                                | 30                                |
| 7 - 9                     | 1         | 1         | 0                                | 0                                 |
| 10 - 12                   | 0         | 0         | 0                                | 0                                 |
| 13 - 15                   | 1         | 0         | 1                                | 100                               |
| 16 - 18                   | 0         | 0         | 0                                | 0                                 |
| 19 - 20                   | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>              | <b>12</b> | <b>8</b>  | <b>4</b>                         | <b>33.33</b>                      |

Employees and post numbers are as at 30 June

Table 96: Employees: Administration

## f) Capital: Housing

The following table indicate the capital expenditure for this division:

| Capital Expenditure 2020/21: Housing |           |                   |                    |                                 |
|--------------------------------------|-----------|-------------------|--------------------|---------------------------------|
| Capital Projects                     | 2020/21   |                   |                    |                                 |
|                                      | R'000     |                   |                    |                                 |
|                                      | Budget    | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Projector                            | 60        | 60                | 0                  | 60                              |
| <b>Total</b>                         | <b>60</b> | <b>60</b>         | <b>0</b>           | <b>60</b>                       |

Table 97: Capital Expenditure: Housing

### 3.3.6 Free Basic Services and Indigent Support

#### a) Introduction

Basic municipal services are rendered to all urban areas and some rural areas within the municipal boundaries. Lack of funding is direly restricting progress within the extension of basic services to areas still requiring services or in need of improvements in existing services. The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than **R3 800** per month receive the allocated free basic services as prescribed by national policy.

| Financial year | Number of households |                        |       |                  |       |                       |       |                           |       |
|----------------|----------------------|------------------------|-------|------------------|-------|-----------------------|-------|---------------------------|-------|
|                | Total no of HH       | Free Basic Electricity |       | Free Basic Water |       | Free Basic Sanitation |       | Free Basic Refuse Removal |       |
|                |                      | No. Access             | %     | No. Access       | %     | No. Access            | %     | No. Access                | %     |
| 2019/20        | 14 584               | 7 237                  | 49.62 | 7 276            | 49.89 | 7 129                 | 48.88 | 7 140                     | 48.96 |
| 2020/21        | 15 115               | 7 310                  | 48.36 | 7 573            | 50.10 | 7 391                 | 48.90 | 7 394                     | 48.92 |

Table 98: Free Basic Services to Households

| Financial year | Electricity         |                   |             |                         |                   |             |                           |                   |             |
|----------------|---------------------|-------------------|-------------|-------------------------|-------------------|-------------|---------------------------|-------------------|-------------|
|                | Indigent Households |                   |             | Non-indigent households |                   |             | Households in Eskom areas |                   |             |
|                | No. of HH           | Unit per HH (kwh) | Value R'000 | No. of HH               | Unit per HH (kwh) | Value R'000 | No. of HH                 | Unit per HH (kwh) | Value R'000 |
| 2019/20        | 6 962               | 50                | 7 952       | 16 955                  | 0                 | 0           | 242                       | 50                | 166         |
| 2020/21        | 7 310               | 50                | 8 423       | 9 761                   | 0                 | 0           | 253                       | 50                | 222         |

Table 99: Free Basic Electricity Services to Indigent Households

| Financial year | Water               |                  |             |                         |                  |             |
|----------------|---------------------|------------------|-------------|-------------------------|------------------|-------------|
|                | Indigent Households |                  |             | Non-indigent households |                  |             |
|                | No. of HH           | Unit per HH (kl) | Value R'000 | No. of HH               | Unit per HH (kl) | Value R'000 |
| 2019/20        | 7 276               | 6kl              | 13 853      | 14 584                  | 0                | 0           |
| 2020/21        | 7 573               | 6kl              | 15 182      | 7 542                   | 0                | 0           |

Table 100: Free Basic Water Services to Indigent Households

| Financial year | Sanitation          |                |               |                         |                       |               |
|----------------|---------------------|----------------|---------------|-------------------------|-----------------------|---------------|
|                | Indigent Households |                |               | Non-indigent households |                       |               |
|                | No of HH            | R value per HH | Value (R'000) | No of HH                | Unit per HH per month | Value (R'000) |
| 2019/20        | 7 129               | 1 425          | 10 163        | 14 902                  | 0                     | 0             |
| 2020/21        | 7 391               | 1 729          | 11 018        | 7 637                   | 0                     | 0             |

Table 101: Free Basic Sanitation Services to Indigent Households

| Financial year | Refuse Removal      |                         |               |                         |                       |               |
|----------------|---------------------|-------------------------|---------------|-------------------------|-----------------------|---------------|
|                | Indigent Households |                         |               | Non-indigent households |                       |               |
|                | No of HH            | Service per HH per week | Value (R'000) | No of HH                | Unit per HH per month | Value (R'000) |
| 2019/20        | 7 140               | 1 538                   | 10 981        | 14 517                  | 0                     | 0             |
| 2020/21        | 7 394               | 1 866                   | 11 864        | 7 188                   | 0                     | 0             |

Table 102: Free Basic Refuse Removal Services to Indigent Households

## 3.4 Component B: Road Transport

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

### 3.4.1 Roads and Stormwater

#### a) Introduction to Roads and Stormwater

##### **Roads and Streets**

From the network definition and visual condition assessments as per the Rural Roads Asset Management System (RRAMS) 2018, the Oudtshoorn Municipal Area consists of approximately 192km of paved roads (asphalt/seal) and approximately 18.5kms of block paved roads with the network having a total replacement value of approximately R 800 million.

It can be appreciated that even with the funding scenario set at 2.5% (as per the World Banks yearly maintenance threshold) of the network replacement value, the backlog will still not be completely eradicated in ten (10) years' time, but however will have been reduced by more than 55%. This line of argument seems to suggest that at least more than R 12.53 million will have to be spent annually in order to be able to produce a profound impact towards backlog eradication.

The present overall condition of the road network is good with a Visual Condition Index of 62.7. If nothing is done with regards to maintaining the network, in the next seven (7) years, the network will reach a poor state. If the "do nothing" practice continues to be adopted the network will reach a state of collapse in over thirteen and a half (13.5) years.

##### **Public Transport**

The National Land Transport Transition Act (NLTTA), Act 22 of 2000, as amended by the National Land Transport Amendment Act, Act 26 of 2006, requires that district and local authorities compile a package of plans to give effect the requirements of these acts. As a further requirement three kinds of transport plans must be prepared by the different levels of government, i.e.:

- ⇒ A National Land Transport Strategic Framework (NLTSF), to be prepared by the National Department of Transport
- ⇒ A provincial Land Transport Framework (PLTF), to be prepared by provinces
- ⇒ Integrated Transport Plans (ITP's), to be prepared by municipalities

The ITP's are further categorised for three different types of planning authorities:

- ⇒ Type 1 Planning Authorities to prepare comprehensive Integrated Transport Plans
- ⇒ Type 2 Planning Authorities to prepare District Integrated Transport Plans
- ⇒ Type 3 Planning Authorities to prepare Local Integrated Transport Plans

Oudtshoorn Municipality is a Type 3 Planning Authority and therefore must prepare a Local Integrated Transport Plan (LITP).

The minimum content of a LITP is as follows:

- 1) Introduction
  - ⇒ Responsibility
  - ⇒ Status of plan
- 2) Transport status quo
  - ⇒ Summarised assessment of status quo in terms of problems and causes of problems
- 3) Transport needs assessment
  - ⇒ Problem areas
  - ⇒ Objectives
  - ⇒ Strategies
  - ⇒ Comprehensive list of projects
- 4) Transport improvements proposals
  - ⇒ Prioritisation of projects
  - ⇒ Budget constraints
- 5) Implementation budget and programme
  - ⇒ Sources of funding
  - ⇒ Cost estimates
  - ⇒ Programme and budgets
  - ⇒ Project plans

An Integrated Development Plan (IDP) is a requirement of the Local Government: Municipal Systems Act (MSA). It states that various integrated plans, of which the Integrated Transport Planning (ITP) is one, be taken up in the IDP. The Municipal Financial Management Act (MFMA) determines that projects identified in the IDP must be taken up in the municipal budget.

The existing transport system, in terms of the road system, traffic volumes, public transport services and facilities (minibus taxis, minibus taxi facilities, buses, rail services, non - motorised transport, parking areas, special needs passengers, freight) is then assessed and given an overview on.

As per the ITP of 2015, the following came out of the transport needs assessment from public meetings:

- ⇒ Oudtshoorn taxi rank is overcrowded and needs to be surveyed to identify reasons causing the overcrowding



- ⇒ A bus facility pick-up point is needed to prevent the long-distance buses from using the Pick 'n Pay parking lot as a pick-up point
- ⇒ A truck stop facility is needed. Previously, small islands were built in parking areas to prevent trucks from stopping in the parking areas. These trucks cause damage to roads, kerbs and parking. The trucks stop opposite the Ford garage on the way to Dysseisdorp and opposite the KFC.

## **Stormwater**

In 2012, Council adopted and approved a Stormwater Master Plan for the Oudtshoorn Municipal area. The master plan study area entails the towns of Oudtshoorn, Dysseisdorp and De Rust.

The master plan is furthermore made up of three (3) volumes:

- ⇒ Volume 1: Oudtshoorn Municipality - Oudtshoorn Stormwater Master Plan
- ⇒ Volume 2: Oudtshoorn Municipality - Dysseisdorp and De Rust Stormwater Master Plan
- ⇒ Volume 3: Oudtshoorn Municipality - Grobbelaars River Floodline Investigation

The holistic scope of the master plan, the compilation and the eventual execution of the master plan investigation included the following:

- ⇒ Continuous liaison with relevant officials from the Oudtshoorn Municipality inclusive of preliminary site visits
- ⇒ Continuous liaison with the other interested and affected parties, inclusive of amongst other residents, retired municipal officials, other consultants working for the Municipality and other consultants working for private developers
- ⇒ Visual investigations of the complete current stormwater infrastructure within the study area
- ⇒ Compilation of draft layout plans of all infrastructure within the study area
- ⇒ Surveying of all infrastructure on the draft layout plans within the study area
- ⇒ Capturing all surveyed data of all infrastructure within the study area in appropriate computer programs
- ⇒ Capturing all surveyed data of all infrastructure within the study area in analysis software
- ⇒ Compilation of a stormwater sub catchment model of the study area
- ⇒ Compilation of a stormwater drainage model of all infrastructure within the study area
- ⇒ Compilation of relevant hydrographs for the respective flood events (i.e. 1: 5 years, 1: 10 years floods, etc.)
- ⇒ Analysis and modelling of respective flood events
- ⇒ Report on the results of the stormwater model, flagging the deficiencies and shortcomings of the existing system
- ⇒ Recommendations on the rehabilitation of the deficiencies in the existing system
- ⇒ Hydrological and hydraulic study of the Grobbelaars River through Oudtshoorn to determine the floodlines of the river

The 1 in 5-year recurrence interval is normally seen as the minor flood event where the system is intended to function up to and including this event, i.e. all normal rain events up to and including a 1 in 5-year event. Since the 1 in 5-year minor flood event is critical for the analysis of the normal functioning of the minor stormwater system, insufficient capacities in drainage lines in this analysis need to be addressed.

The 1 in 50 year flood event is seen as a major flood event, where the major system (overflow system) is intended to handle up to and including this 1 in 50 year event. Upgrades to cater for these events will however be costly.

The table below consists of recommended upgrades to capacity constraints as well proposed general upgrades to the system for the study area.

Recommended upgrades to capacity constraints normally entail one or more of the following:

- ⇒ Increase stormwater pipe diameter size
- ⇒ Additional stormwater pipes
- ⇒ Inlet and outlet control
- ⇒ Erosion protection
- ⇒ Kerbing
- ⇒ Maintenance to existing stormwater infrastructure

General upgrades to the system, on the other hand, entail constructing new stormwater infrastructure where such infrastructure is practically non-existent.

The study of the flood lines of the Grobbelaars River will assist the Municipality in issues related to town planning, i.e. how far from the riverbanks future development must take place, etc.

The following table illustrates recommended upgrades to the existing system.

| Town                    | Recommended upgrades - Cost inclusive VAT | Proposed general upgrades - Cost inclusive of VAT |
|-------------------------|---|---|
| Oudtshoorn              | ±R30m                                     | ±R30m   |
| Dysselsdorp and De Rust | ±R15m                                     | ±R15m   |

Over and above the cost illustrated, the establishment of new stormwater infrastructure in areas where systems are non-existent, is immense and must be appropriated for in future.

An amount of approximately R7.7 million was appropriated out of MIG for the upgrade of stormwater systems in Oudtshoorn and Dysselsdorp.

## b) Highlights: Roads and Stormwater

The table below specify the highlight for the year:

| Highlight         | Description  |
|-------------------|--|
| Reseal of streets | Street were re-sealed with municipal funding of approximately R9 million |

Table 103: Roads and Stormwater Highlights

## c) Challenges: Roads and Stormwater

The table below specify the challenge for the year:

| Description                      | Action to address  |
|----------------------------------|--|
| Backlog of street rehabilitation | Council should appropriate sufficient funding in order to address the backlog of street rehabilitation |

Table 104: Road and Stormwater Challenges

## d) Services Delivery Levels

The tables below specify the service delivery levels for the year:

Tarred (Asphalted) Roads

| Financial year | Total km tarred roads | Km of new tar & paved roads | Km existing tar roads re-tarred | Km of existing tar roads re-sheeted | Km tar roads maintained |
|----------------|-----------------------|-----------------------------|---------------------------------|-------------------------------------|-------------------------|
| 2019/20        | 192                   | 0.0                         | 0.0                             | 0.0                                 | 80                      |
| 2020/21        | 192                   | 0.00                        | 0.5                             | 5.5                                 | 90                      |

Table 105: Tarred (Asphalted) Roads

Gravel Roads

| Financial year | Total km gravel roads | Km new gravel roads constructed | Km gravel roads upgraded to tar / block paving | Km gravel roads graded/maintained |
|----------------|-----------------------|---------------------------------|--|-----------------------------------|
| 2019/20        | 19.5                  | 0.0                             | 0.5  | 5                                 |
| 2020/21        | 19..5                 | 0.0                             | 0.0  | 12                                |

Table 106: Gravel Roads

Tar roads are maintained in line with the reports of problems received or as maintenance is required. The table below shows the desired costs involved for the maintenance and construction of roads within the municipal area:

| Financial year | New and Replacements | Resealed | Maintained |
|----------------|----------------------|----------|------------|
|                | R'000                |          |            |
| 2019/20        | 52 829               | 3 848    | 7 260      |
| 2020/21        | 55 000               | 9 000    | 4 000      |

Table 107: Cost of Construction/Maintenance of Roads

## e) **Employees: Roads and Stormwater**

The following table indicates the staff composition for this division:

| Employees: Roads and Stormwater |            |           |                                  |                                   |
|---------------------------------|------------|-----------|----------------------------------|-----------------------------------|
| Job Level                       | 2020/21    |           |                                  |                                   |
|                                 | Posts      | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                 | No.        | No.       | No.                              | %                                 |
| 0 - 3                           | 66         | 42        | 24                               | 36.36                             |
| 4 - 6                           | 23         | 15        | 8                                | 34.78                             |
| 7 - 9                           | 9          | 6         | 3                                | 33.33                             |
| 10 - 12                         | 4          | 3         | 1                                | 25                                |
| 13 - 15                         | 3          | 1         | 0                                | 0                                 |
| 16 - 18                         | 0          | 0         | 0                                | 0                                 |
| 19 - 20                         | 0          | 0         | 0                                | 0                                 |
| <b>Total</b>                    | <b>105</b> | <b>67</b> | <b>36</b>                        | <b>34.29</b>                      |

Employees and post numbers are as at 30 June

Table 108: Employees: Roads and Stormwater

## f) **Capital: Roads and Stormwater**

The following table indicates the capital expenditure for this division:

| Capital Expenditure 2020/21: Roads and Stormwater |              |                   |                    |                                 |
|---|--------------|-------------------|--------------------|---------------------------------|
| Capital Projects                                  | 2020/21      |                   |                    |                                 |
|   | R'000        |                   |                    |                                 |
|   | Budget       | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Air conditioners                                  | 30           | 30                | 0                  | 30                              |
| Rehabilitation: Streets & Stormwater-MIG          | 896          | 896               | 896                | 0                               |
| Upgrade of stormwater system-De Rust              | 2 188        | 2 188             | 2 188              | 0                               |
| Upgrade of stormwater system-Dysselsdorp          | 1 907        | 1 907             | 1 907              | 0                               |
| Upgrade of stormwater systems                     | 872          | 872               | 1 105              | (233)                           |
| Paving of streets                                 | 1 739        | 1 739             | 1 773              | (34)                            |
| Office furniture/equipment                        | 30           | 30                | 16                 | 14                              |
| Upgrade stormwater systems - Oudtshoorn           | 6 000        | 6 000             | 6 994              | (994)                           |
| Roads & stormwater management                     | 3 000        | 3 000             | 2 112              | 888                             |
| <b>Total</b>                                      | <b>7 662</b> | <b>13 662</b>     | <b>16 991</b>      | <b>(329)</b>                    |

Table 109: Capital Expenditure: Roads and Stormwater

## 3.5 Component C: Planning and Local Economic Development

### 3.5.1 Planning and Development

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#### a) *Introduction to Planning and Development*

Planning and Development comprise of:

- ⇒ Spatial planning
- ⇒ Land use management
- ⇒ Building control
- ⇒ Environmental health management and heritage matters

The Oudtshoorn Municipality has a credible Spatial Development Framework, known as the Oudtshoorn Spatial Development Framework, 2020 (OSDF), which has been adopted in May 2020, as a core component of the Oudtshoorn IDP.

The OSDF is a framework that seeks to guide overall spatial distribution of current and desirable land uses, within the municipality in order to give effect to the vision, goals and objectives of the municipal IDP. The aims of the OSDF are to promote sustainable functional and integrated human settlements, maximise resource efficiency, and enhance regional identity and unique character of a place. The OSDF:

- ⇒ addresses the impact of the economic downturn, custodianship over biodiversity areas, development of infrastructure and rural development; and
- ⇒ facilitates decision making on land development applications.

The Planning and Development Department is committed to deliver planning outcomes that addresses the plight of the poor and broaden development objectives. Planning and Development is, furthermore, in respect of building control, committed to providing an innovative and progressive service in order to achieve quality buildings that fully comply with the complex Building Regulations. A comprehensive plan checking process and regular, reliable site inspections by qualified Building Control Officials, help to ensure that the Building Regulation requirements are incorporated into each building project.

With respect to the Environmental, Health and Heritage component, the Planning and Development section is committed to address and / or respond to all heritage and environmental related matters within the Greater Municipal Area. Compliance to and enforcement of applicable legislation, is one of the major responsibilities in this regard, hence site and follow-up inspections and the attendance of environmental forum meetings and regular heritage meetings, to ensure compliance and efficient and effective service delivery. In terms of Heritage, the Municipality also attends heritage permit meetings on a 2 weekly basis to assist in considering applications in respect of buildings older than 60 years and to make recommendations to Western Cape Heritage.

The mission of the Planning and Development Department is to:

- ⇒ Strive toward administrative excellence, by reviewing and developing operating procedures on a continuous basis, with the aim of delivering a service that is effective, fair, transparent and compliant
- ⇒ Recognize the key role it plays in ensuring an enabling environment for economic development as a means to sustainable livelihoods for its residents. Building a sustainable economic position that capitalizes on the natural endowment of Oudtshoorn and its broader locality and creates opportunities for collaboration and economic opportunities
- ⇒ Continuously aim to deliver a service that is effective, fair, transparent and compliant

## b) **Highlights: Planning and Development**

The table below specifies the highlights for the year:

| Highlights  | Description   |
|---|---|
| Oudtshoorn Spatial Development Framework, 2020 (OSDF)   | The OSDF was adopted by Council in May 2020, though also as a core component of the IDP for Oudtshoorn. The Implementation of the OSDF commenced within the financial year under review   |
| Town Planning Applications  | Final decisions, with respect to all Town Planning Applications, were taken within the timeframe, as prescribed by legislation. Section 54(1)(b) of the Land Use Planning Act, 2014 (Act 3 of 2014) the Head of Department must decide on a land development application within seven months of receipt thereof   |
| Building Plan Applications  | Final decisions in respect of 98% of all building plan applications were taken within the prescribed timeframes: <ul style="list-style-type: none"> <li>• where the architectural area of the building to which the application relates is less than 500 square meters, a period of 30 days after receipt of the application; and</li> <li>• where the architectural area of such building is 500 square meters or larger, within a period of 60 days after receipt of the application</li> </ul> |
| Responses to directives and pre-directives in terms of the National Environmental Management Act (NEMA) | The Environmental Health and Heritage Officer, in collaboration with the Manager: Planning and Development, responded, within the required timeframes and in a detailed manner, to directives and pre-directives issued by the provincial department  |
| Intergovernmental Relationship with the Department of Environmental Affairs and Development Planning    | The Municipality has an established intergovernmental relationship regarding environmental matters with the department. The department is delighted to work together with the Oudtshoorn Municipality to protect the environment in the Oudtshoorn area   |

Table 110: Planning and Development Highlights

## c) **Challenges: Planning and Development**

The table below specifies the challenges for the year:

| Description   | Actions to address  |
|---|---|
| Extension of the existing Oudtshoorn Cemetery and identification of a new site for the purposes of a cemetery | An Environmental Practitioner Firm was appointed to conduct an basic assessments and other specialized studies. |

| Description                                      | Actions to address  |
|--|---|
|  | The studies were completed approval form Department of Environmental Affairs and Development Planning (DE&DP) should be obtained not later than 30 June 2022  |
| Development of a Mixed-Use Overlay Zone          | An "overlay" district is a zoning district that is superimposed over one or more existing districts in order to impose additional restrictions, permit additional uses, or implement density bonuses or incentive zoning to achieve community goals.<br><br>In the case of mixed use zoning, it is used to allow added uses and to provide incentives to achieve local goals. Thus, developers can develop either according to the underlying zoning or according to more flexible mixed use provisions.<br><br>In developing a Mixed Use Overlay Zone, communities should select the advantages that best apply and structure the provisions to accomplish these goals |
| Appointment of a Chief Town and Regional Planner | With the revision of organogram, the proposal will be to appoint a Senior Town and Regional Planner to ensure achievement of key performance targets and broader Town Planning, Environmental Health and Heritage objectives  |

Table 111: Planning and Development Challenges

## d) Service Delivery Levels

The table below specifies the service delivery levels for the year:

| Type of service   | 2019/20                                 | 2020/21                                |
|---|---|--|
| Building plan applications processed                                  | 214                                     | 379                                    |
| Total surface (m <sup>2</sup> )(Value)                                | 809 380                                 | 1 344 945                              |
| Approximate value of building work in (Rand)                          | 151 855 125<br>(21 313 m <sup>2</sup> ) | 398 610 00<br>(53 148 m <sup>2</sup> ) |
| Approximate value (Rand)  | 137                                     | 283                                    |
| Land use applications processed                                       | 442 730                                 | 1 027 216                              |
| Complaint handling and responses to directives (Environment/Heritage) | 238                                     | 245                                    |

Table 112: Additional Performance Planning and Development

## e) Employees: Planning and Development

The following table indicates the staff composition for this division:

| Employees: Planning and Development |         |           |                                  |                                   |
|-------------------------------------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                           | 2020/21 |           |                                  |                                   |
|                                     | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                     | No.     | No.       | No.                              | %                                 |
| 0 - 3                               | 0       | 0         | 0                                | 0                                 |
| 4 - 6                               | 3       | 3         | 0                                | 100                               |
| 7 - 9                               | 0       | 0         | 0                                | 0                                 |

| Employees: Planning and Development |           |           |                                  |                                   |
|-------------------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                           | 2020/21   |           |                                  |                                   |
|                                     | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                     | No.       | No.       | No.                              | %                                 |
| 10 - 12                             | 9         | 5         | 4                                | 44.44                             |
| 13 - 15                             | 4         | 3         | 1                                | 25                                |
| 16 - 18                             | 1         | 0         | 1                                | 100                               |
| 19 - 20                             | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                        | <b>17</b> | <b>11</b> | <b>6</b>                         | <b>35.29</b>                      |

Employees and post numbers are as at 30 June

Table 113: Employees: Planning and Development

## f) Capital: Planning and Development

The following table indicates the capital expenditure for this division:

| Capital Expenditure 2020/21: Planning and Development |              |                   |                    |                                 |
|---|--------------|-------------------|--------------------|---------------------------------|
| Capital Projects                                      | 2020/21      |                   |                    |                                 |
|   | R'000        |                   |                    |                                 |
|   | Budget       | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Office furniture/equipment                            | 45           | 45                | 39                 | 6                               |
| Upgrade of airport                                    | 435          | 435               | 369                | 66                              |
| Airport lightning                                     | 25           | 25                | 25                 | 0                               |
| Upgrade of airport                                    | 761          | 761               | 761                | 0                               |
| Corporate wide strategic planning                     | 30           | 30                | 0                  | 30                              |
| Corporate wide strategic planning                     | 300          | 300               | 0                  | 300                             |
| <b>Total</b>  | <b>1 596</b> | <b>1 596</b>      | <b>1 194</b>       | <b>402</b>                      |

Table 114: Capital Expenditure: Planning and Development

## 3.5.2 Local Economic Development (LED)

The town's economic future lies in improving and expanding on current initiatives in learning and teaching, agriculture, tourism and industrial development. With firms already concentrating on the above key economic sectors, our longer-term Vision 2030 strategy must be adjusted to build on the foundation provided by the town's current strengths. In the process of expanding the economy, we need to ensure that all projects and programmes focus on the following development objectives:

- ⇒ **Create business opportunities:** Create and maximize opportunities to produce and sell products or provide services for existing and new businesses



- ⇒ **Become a leader:** Maintain and increase leadership positions in training, agriculture and tourism
- ⇒ **Regeneration of disadvantaged areas:** Achieve economic prosperity in all wards and specifically the previously disadvantaged areas by implementing a regeneration strategy per ward
- ⇒ **Promote Black Economic Empowerment (BEE) and Small, Medium and Micro-sized Enterprise (SMME) development:** Enhance SMME development and BEE by utilising various new initiatives and strategies

What has been identified as vital to the LED program, is strategically located pockets of land that can be targeted for integrated mixed-use development to benefit all sectors of society, including land owned by the Municipality, public agencies and the private sector.

Oudtshoorn has a robust local economy that is rapidly diversifying. The economy has the ability to attract larger investments (i.e. in ecotourism, potential manufacturing activity or a regional airport hub). The Oudtshoorn Municipality understands that they should **'get the basics right'** by delivering basic services (such as water, sanitation, electricity, roads and street lighting), supporting the creation of adequate settlements and housing opportunities, contributing to a robust local economy that creates and sustains job opportunities.

The Oudtshoorn Municipality therefore aims to initiate an ambitious, sustainable infrastructure and integrated human settlement system that can create new opportunities for the following:

- ⇒ Increasing population density through socially diverse residential developments
- ⇒ Transforming the townships into attractive, safe and vibrant neighbourhoods
- ⇒ Local economic development including commercial, industrial, tourism, arts and crafts
- ⇒ Educational and training facilities and opportunities
- ⇒ Environmental rehabilitation of open spaces and the beautification of public and natural areas
- ⇒ Transportation, with special reference to the reinforcement of public transport, through infrastructure projects
- ⇒ Use of strategic pockets of land for commercial and residential development to increase the tax base of the town
- ⇒ Use the current aerodrome as a catalyst for economic growth

## a) **Highlights: LED**

The following performance highlights with regard to the implementation of the LED Strategy are:

| Highlights   | Description   |
|--|---|
| Partnership with the Provincial Department of Public Works and Transport | The Municipality facilitated a process with the department to secure an old hostel to host the Adult Learning Centre, Southern Youth Film Festival (SUFF), Youth Academy and Access Learning Computer Centre. A new fence was erected, and this building is earmarked for a for a government precinct in partnership with National Public Works |
| Bridgton Business Centre   | The Municipality coordinated the development of a business centre containing various retail shops to the estimate value of  |

| Highlights  | Description   |
|---|---|
|   | R24 million. The project will commence with the construction phase in April 2022 and is due for completion in November 2022   |
| Partnership with Pick 'n Pay  | Partnership with Pick 'n Pay for informal trading spaces with new retail shops. The new additions to the Pick 'n Pay mall is almost completed with space for new trading and parking spaces behind the library  |
| Container Business Thusong Centre 2022  | An application was submitted for booster funds for the erection of containers next to Thusong Centre. Council received R2 million from DEADAT and first payments already in our account. Site clearance took place as well as interviews with prospective occupants of the containers |
| Contractor Development Training   | Contractor training to be provided in partnership with Small Enterprise Development Agency (Seda), Supply Chain Management (SCM) and Technical Directorate  |
| Adoption of Informal Traders Policy   | Review and adoption of new Informal Traders Policy  |
| Adoption of Contractor Policy   | Adoption of newly Contractor Policy to assist grade 1-3 contractors. Workshops with contractors completed and only left for Council to discuss the policy and adopt   |
| Adoption of Incentive Policy  | Adoption of business incentive policy to enhance economic growth. Adoption took place in October 2021 and put on the municipal website  |
| Small Famer Development   | Various trainings were offered to small farmers in partnership with Department of Agriculture. Farmers were assisted to apply for various funding from the Department of Rural Development and Land Reform  |
| Training of artists   | A business plan was submitted for the training of artists focusing on business practice and pricing and costing   |
| Beautification and assistance for entrepreneurs and artists program in conjunction with the Oudtshoorn and De Rust Tourism Bureau | Beautification at entrance areas of the town. Assistance in the form of gazebos for entrepreneurs and artists to provide a platform for trading in town   |

Table 115: LED Highlights

## b) Challenges: LED

The table below specifies the challenges for the year:

| Description  | Actions to address   |
|--|--|
| Available land for agricultural use specifically in the Dysselsdorp area as part of the Agri- Park initiatives | Compilation of IDP as integrative tool including all municipal departments and functions within the context of the SDF and LED Strategy. Discussions with the various government departments on dormant land suitable for Agricultural use |
| Lack of seed capital to assist upcoming entrepreneurs  | Support and develop the entrepreneurship and small business development. Second phase of the ABSA Entrepreneurs program  |
| Lack of funding for the Central Business District (CBD) renewable program                                      | The Municipality should collaborate with local Business Chamber for the upgrade / beautification of the CBD  |
| Lack of funding to renew the LED Strategy with the town as "Tourism and Sport Hub"                             | Establishment of a project management unit to ensure implementation of all projects in Greater Oudtshoorn  |
| Creation of an Informal Market whereby entrepreneurs could   | Approval of Council informal trading policy that would guide   |

| Description                              | Actions to address                           |
|--|--|
| showcase their products on regular basis | the creation of more open spaces for trading |

Table 116: Challenges LED

## c) LED Strategy

| Strategic Areas        | Description   |
|------------------------|---|
| Agriculture            | Diversify agriculture and add value through the implementation of processing systems                        |
| Industrial development | Promote and create incentives for new and modern industrial development in the community                    |
| Infrastructure economy | Upgrade and expand basic infrastructure such as water, electricity and roads to foster economic development |
| Tourism                | Transform and expand the tourism sector through new initiatives and vigorous marketing                      |

Table 117: LED Strategic Areas

## d) Tourism and Marketing

Oudtshoorn Municipality is embarking on a process of establishing a long-term strategic vision to guide both municipal and community decisions concerning achieved economic growth, as well as the regeneration of previously disadvantaged areas in all wards. The town stands on a threshold of economic growth and faces multiple challenges. To deal with current and future challenges, a far-sighted investment plan needs to be developed as part of a visionary statement for 2030.

The following challenges were experienced in relation to tourism and marketing:

- ⇒ Lack of funding
- ⇒ Lack cohesion in marketing efforts
- ⇒ Lack of resources that can be allocated to the development of tourism initiatives
- ⇒ Limited capacity available to coordinate tourism development and mobilise funding efforts
- ⇒ Ineffective economic empowerment and economic inclusion strategies
- ⇒ Limited involvement of previously disadvantaged communities
- ⇒ Inconsistent profiling of offered rural products

## e) Employees: LED

The following table indicates the staff composition for this division:

| Employees: LED |         |           |                                  |                                   |
|----------------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level      | 2020/21 |           |                                  |                                   |
|                | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                | No.     | No.       | No.                              | %                                 |
| 0 - 3          | 0       | 0         | 0                                | 0                                 |
| 4 - 6          | 0       | 0         | 0                                | 0                                 |
| 7 - 9          | 0       | 0         | 0                                | 0                                 |

| Employees: LED |          |           |                                  |                                   |
|----------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level      | 2020/21  |           |                                  |                                   |
|                | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                | No.      | No.       | No.                              | %                                 |
| 10 - 12        | 2        | 2         | 0                                | 0                                 |
| 13 - 15        | 1        | 1         | 0                                | 0                                 |
| 16 - 18        | 0        | 0         | 0                                | 0                                 |
| 19 - 20        | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>   | <b>3</b> | <b>3</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 118: Employees: LED

## 3.6 Component D: Community and Social Services

### 3.6.1 Libraries

#### a) Introduction to Libraries

The role of libraries is to promote literacy and the pure enjoyment of reading. Our libraries today has become community hubs, a place where people can go to get information and also have free access to internet, whether it's for leisure, study or for work. Each library is situated in the heart of the community and we help to create a sense of belonging and respond to the needs of the community. There are five libraries and a mini library (coming soon Rose Valley Library) in the Greater Oudtshoorn Municipality:

- ⇒ CJ Langenhoven Library
- ⇒ Bongolethu Library
- ⇒ Bridgton Library
- ⇒ De Rust Library
- ⇒ Dysselsdorp Library
- ⇒ Volmoed Mini Library

Our Goal:

We aim to provide opportunities for lifelong learning and to assist children and young people to develop imagination and creativity. We also aim to give adults adequate opportunities to learn about their cultural heritage.

Our Purpose:

We strive to be a dynamic, vital force in the development of our community, by extending our services to users and non-users of the libraries through both traditional and progressive methods and to maintain a warm, friendly and people- orientated atmosphere.

We also aim to provide resources and services in various forms of media, to meet the needs of individuals and groups concerning education, information and personal development.

## b) **Highlights: Libraries**

The table below specify the highlight for the year:

| Highlight   | Description  |
|---|--|
| Appointment of contractor to construct the new Rose Valley Public Library | The appointed contractor went on site on 30 June 2021 and completion of the library is scheduled at the end of February 2022 |

Table 119: Libraries Highlights

## c) **Challenges: Libraries**

The table below specifies the challenges for the year:

| Description   | Actions to address   |
|---|--|
| COVID-19 was a huge challenge in the past year. Library statistics throughout the country dropped significantly. Due the lockdown, no outreach programmes were not allowed and library users were limited to take out books and to use the library facilities | Library services will get back to normal after the COVID-19 lockdown restrictions are lifted   |
| Budget constrains   | The Mayor, Acting Municipal Manager and Acting Director: Community Services are to meet with the Member of the Executive Council (MEC) Anroux Marais and Provincial Library Services for extra funding to subsidise the library services of the Municipality |

Table 120: Libraries Challenges

## d) **Service Delivery Levels**

The table below specifies the service delivery levels for the year:

| Type of service         | 2019/20 | 2020/21 |
|-------------------------|---------|---------|
| Library members         | 125 031 | 133 534 |
| Books circulated        | 154 256 | 116 520 |
| Exhibitions held        | 72      | 61      |
| Internet users          | 28 854  | 6 048   |
| Children programmes     | 61      | 4       |
| Visits by school groups | 36      | 8       |

Table 121: Service Delivery Levels for Libraries

## e) **Employees: Community Services**

The following table indicates the staff composition for this division:

| Employees: Office of the Director Community Services |          |           |                                  |                                   |
|--|----------|-----------|----------------------------------|-----------------------------------|
| Job Level  | 2020/21  |           |                                  |                                   |
|  | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.      | No.       | No.                              | %                                 |
| 0 - 3  | 1        | 1         | 0                                | 0                                 |
| 4 - 6  | 0        | 0         | 0                                | 0                                 |
| 7 - 9  | 1        | 1         | 0                                | 0                                 |
| 10 - 12  | 0        | 0         | 0                                | 0                                 |
| 13 - 15  | 0        | 0         | 0                                | 0                                 |
| 16 - 18  | 0        | 0         | 0                                | 0                                 |
| 19 - 20  | 0        | 0         | 0                                | 0                                 |
| NS   | 1        | 0         | 1                                | 100                               |
| <b>Total</b>   | <b>3</b> | <b>2</b>  | <b>1</b>                         | <b>33.33</b>                      |

Employees and post numbers are as at 30 June

**Table 122:** Employees: Office of the Director Community Services

## f) **Employees: Libraries**

The following table indicates the staff composition for this division:

| Employees: Libraries |           |           |                                  |                                   |
|----------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level            | 2020/21   |           |                                  |                                   |
|                      | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                      | No.       | No.       | No.                              | %                                 |
| 0 - 3                | 8         | 8         | 0                                | 0                                 |
| 4 - 6                | 15        | 12        | 3                                | 20                                |
| 7 - 9                | 2         | 1         | 1                                | 50                                |
| 10 - 12              | 3         | 1         | 2                                | 66.66                             |
| 13 - 15              | 1         | 1         | 0                                | 0                                 |
| 16 - 18              | 0         | 0         | 0                                | 0                                 |
| 19 - 20              | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>         | <b>29</b> | <b>23</b> | <b>6</b>                         | <b>20.68</b>                      |

Employees and post numbers are as at 30 June

Table 123: Employees: Libraries

## 3.6.2 Cemeteries

### a) Introduction to Cemeteries

The Greater Oudtshoorn has 5 cemeteries in Oudtshoorn, Dysseisdorp and De Rust that are managed by a supervisor.

### b) Highlights: Cemeteries

The table below specify the highlight for the year:

| Highlight                      | Description   |
|--------------------------------|---|
| Acquisition of a digger loader | The acquisition of a digger loader will assist to address the high costs for equipment hire |

Table 124: Cemeteries Highlights

### c) Challenges: Cemeteries

The table below specifies the challenges for the year:

| Description  | Actions to address  |
|--|---|
| Limited burial space   | The Planning and Development Department is in the process of investigating the extension of existing cemeteries |
| Informal settlement occupies (invasion) possible extension space | This issue is currently being investigated by top management and the Legal Department                           |
| Limited staff  | Budgetary provision must be made to address the filling of vacant posts   |
| Theft of boundary fencing and vandalism                          | Incidents are reported to the South African Police Services (SAPS)  |
| Budget constraints   | No funding allocated for fencing of cemeteries and toilet facilities. Budgetary provision must be considered    |

Table 125: Cemeteries Challenges

### d) Services Delivery Levels

The table below specifies the service delivery level for the year:

| Type of service | 2019/20 | 2020/21 |
|-----------------|---------|---------|
| Burials         | 644     | 926     |

Table 126: Services Delivery Level for Cemeteries

## 3.6.3 Social Development

### a) Introduction to Social Development

The Manager: Special Programmes reports to the Executive Manager: Strategic Services on an administrative level and to the Chairperson of the Strategic Services Portfolio Committee on a political level. The objective of this section is to address social shortcoming in the community.

## Sports development

- ⇒ Development of sports codes and support to clubs
- ⇒ Sourcing of big sports events
- ⇒ Complete funding applications for sporting activities and infrastructure

## Youth development and vulnerable groups

- ⇒ Develop an integrated youth development plan and monitoring implementation
- ⇒ Develop and implement plan to focus on vulnerable groups
- ⇒ Promote youth and vulnerable group initiatives and projects
- ⇒ Ensure Council address youth and vulnerable group initiatives in all activities

## Social development

- ⇒ HIV/Aids and health issues
- ⇒ Developing an integrated HIV/Aids Plan for the Municipality
- ⇒ Develop and implement plan to address major health related issues
- ⇒ Monitoring implementation of donor funding to support groups
- ⇒ Sourcing of donor funding to support HIV/Aids and health issues

## Transversal issues

- ⇒ Develop and implement poverty alleviation strategy
- ⇒ Implementation of soup kitchens across the municipal area
- ⇒ Develop and source funding ECD and transversal issues

## Event management

- ⇒ Development of an Events Calendar
- ⇒ Develop and implement strategies in terms of the Events Calendar, to strengthen the economy of the town

## Arts and Culture

- ⇒ Develop an Integrated Arts and Culture Strategy
- ⇒ Support local Arts & Culture Initiatives in the community

### **b) Highlights: Social Development**

The table below specify the highlight for the year:

| Highlight                             | Description   |
|---------------------------------------|---|
| Social Relief of Distressed Programme | Rolling out of Social Relief of Distressed Programme and the distribution of food parcels to people in need |

Table 127: Social Development Highlights



## c) Challenges: Social Development

The table below specifies the challenges for the year:

| Description       | Actions to address  |
|-------------------|---|
| COVID-19 pandemic | An innovative approach to address the social challenges in communities  |
| Lack of funding   | Budgetary provision must be made and alternative funding must be sourced to assist with social development programmes |

Table 128: Social Development Challenges

## d) Employees: Social Development

| Employees: Social Development |          |           |                                  |                                   |
|-------------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                     | 2020/21  |           |                                  |                                   |
|                               | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                               | No.      | No.       | No.                              | %                                 |
| 0 - 3                         | 0        | 0         | 0                                | 0                                 |
| 4 - 6                         | 0        | 0         | 0                                | 0                                 |
| 7 - 9                         | 2        | 2         | 0                                | 0                                 |
| 10 - 12                       | 3        | 3         | 0                                | 0                                 |
| 13 - 15                       | 1        | 1         | 0                                | 0                                 |
| 16 - 18                       | 0        | 0         | 0                                | 0                                 |
| 19 - 20                       | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                  | <b>6</b> | <b>6</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 129: Employees: Social Development

## 3.7 Component F: Security and Safety

### 3.7.1 Traffic Services

A turn-around strategy for the Traffic Department was implemented in the year under review. Improved command and control, as well as discipline have largely contributed towards a more effective, efficient and cost-effective traffic department.

#### a) Highlights: Traffic Services

The table below specifies the highlights for the year:

| Highlights           | Description  |
|----------------------|--|
| Animal pound upgrade | The animal pound building was upgraded to enhance service delivery |

| Highlights                | Description  |
|---------------------------|--|
| Vehicle pound constructed | A Vehicle pound was constructed to properly address illegal public transport operations and abandoned vehicles |

Table 130: Traffic Services Highlights

## b) Challenges: Traffic Services

The table below specifies the challenges for the year:

| Challenges              | Actions to overcome   |
|-------------------------|---|
| Shortage of Personnel   | Restructuring of organogram is required   |
| COVID-19 pandemic       | Collective efforts by all role players to address pandemic  |
| Inadequate office space | Extend the current infrastructure to create a conducive workplace for all employees and to improve service delivery |

Table 131: Traffic Services Challenges

## c) Services Delivery Levels

The table below specifies the service delivery levels for the year:

| Details   | 2019/20   | 2020/21                        |
|---|-----------|--------------------------------|
| Motor vehicle licenses processed                  | 23 428    | 27 890                         |
| Learner driver licenses processed                 | 1 113     | 2 305                          |
| Driver licenses processed                         | 1 993     | 2 773                          |
| Driver licenses issued                            | 4 073     | 1 143                          |
| Fines issued for traffic offenses                 | 2 532     | 7 905 (including camera fines) |
| R-value of fines collected                        | 1 798 400 | 423 600                        |
| Roadblocks held                                   | 125       | 68                             |
| Complaints attended to by Traffic Officers        | 203       | 156                            |
| Number of officers in the field on an average day | 7         | 5                              |
| Number of officers on duty on an average day      | 7         | 5                              |

Table 132: Services Delivery Levels for Traffic Services

## d) Employees: Traffic Services

The following table indicates the staff composition for this division:

| Employees: Traffic Services |         |           |                                  |                                   |
|-----------------------------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                   | 2020/21 |           |                                  |                                   |
|                             | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                             | No.     | No.       | No.                              | %                                 |
| 0 - 3                       | 0       | 0         | 0                                | 0                                 |

| Employees: Traffic Services |          |           |                                  |                                   |
|-----------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                   | 2020/21  |           |                                  |                                   |
|                             | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                             | No.      | No.       | No.                              | %                                 |
| 4 - 6                       | 1        | 1         | 0                                | 0                                 |
| 7 - 9                       | 0        | 0         | 0                                | 0                                 |
| 10 - 12                     | 0        | 0         | 0                                | 0                                 |
| 13 - 15                     | 1        | 1         | 0                                | 0                                 |
| 16 - 18                     | 0        | 0         | 0                                | 0                                 |
| 19 - 20                     | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                | <b>2</b> | <b>2</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 133: Employees: Traffic Services

| Employees: Traffic Administration |           |           |                                  |                                   |
|-----------------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                         | 2020/21   |           |                                  |                                   |
|                                   | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                   | No.       | No.       | No.                              | %                                 |
| 0 - 3                             | 1         | 1         | 0                                | 0                                 |
| 4 - 6                             | 15        | 12        | 3                                | 20                                |
| 7 - 9                             | 1         | 1         | 0                                | 0                                 |
| 10 - 12                           | 5         | 4         | 1                                | 20                                |
| 13 - 15                           | 0         | 0         | 0                                | 0                                 |
| 16 - 18                           | 0         | 0         | 0                                | 0                                 |
| 19 - 20                           | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                      | <b>22</b> | <b>18</b> | <b>4</b>                         | <b>18.18</b>                      |

Employees and post numbers are as at 30 June

Table 134: Employees: Traffic Administration

| Employees: Law Enforcement |         |           |                                  |                                   |
|----------------------------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                  | 2020/21 |           |                                  |                                   |
|                            | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                            | No.     | No.       | No.                              | %                                 |
| 0 - 3                      | 0       | 0         | 0                                | 0                                 |
| 4 - 6                      | 12      | 12        | 0                                | 0                                 |
| 7 - 9                      | 2       | 2         | 0                                | 0                                 |
| 10 - 12                    | 15      | 10        | 5                                | 33.33                             |
| 13 - 15                    | 0       | 0         | 0                                | 0                                 |

| Employees: Law Enforcement |           |           |                                  |                                   |
|----------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                  | 2020/21   |           |                                  |                                   |
|                            | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                            | No.       | No.       | No.                              | %                                 |
| 16 - 18                    | 0         | 0         | 0                                | 0                                 |
| 19 - 20                    | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>               | <b>29</b> | <b>24</b> | <b>5</b>                         | <b>17.24</b>                      |

Employees and post numbers are as at 30 June

Table 135: Employees: Law Enforcement

## e) Capital: Traffic Services

The following table indicate the capital expenditure for this division:

| Capital Expenditure 2020/21: Traffic Services |            |                   |                    |                                 |
|---|------------|-------------------|--------------------|---------------------------------|
| Capital Projects                              | 2020/21    |                   |                    |                                 |
|   | R'000      |                   |                    |                                 |
|   | Budget     | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Upgrading testing centre                      | 492        | 492               | 24                 | 468                             |
| Air conditioners                              | 25         | 25                | 22                 | 3                               |
| Office furniture/equipment                    | 28         | 28                | 30                 | (2)                             |
| <b>Total</b>                                  | <b>545</b> | <b>545</b>        | <b>76</b>          | <b>469</b>                      |

Table 136: Capital Expenditure: Traffic Services

## 3.7.2 Fire Services and Disaster Management

### a) Introduction to Fire Services and Disaster Management

Fire and Disaster Management Services is a 24-hour service and we strive to serve the people of Oudtshoorn in the best way we possibly can on a daily basis. Our response time is within the prescribed guidelines of the Fire Act as well as the SANS Regulation, and we aim to serve the community as fast as possible. Currently, the manpower at the Fire Department consists of 19 permanent fire fighters. The Disaster Management Control Room have 8 permanent staff. All the municipal services are managed from the control room on a 24/7 basis and an average of 800 calls per month are successfully and efficiently attended to.

## b) Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

| Highlights  | Description  |
|---|--|
| Appointment of Control Room Operator              | A Control Room Operator was appointed  |
| Appointment of 14 permanent fire fighters         | 14 Contract workers were appointed permanently as fire fighters in vacant positions  |
| Purchasing of personal protective equipment (PPE) | Staff have for the first time been issued with the appropriate PPE for fighting fires to ensure their safety   |
| Purchasing of various equipment                   | Equipment was purchased with the combined efforts of the Municipality and provincial department to capacitate the department in dealing of emergencies. Equipment that has never been seen before at the Oudtshoorn Fire and Rescue Services are now available (Positive Pressure Ventilators, PASS Devices, Hazmat Equipment, Chainsaw) |
| COVID - 19 Joint Operations Centre (JOC)          | The activation of the JOC for COVID - 19 in March 2019 is still on going and stakeholder meetings take place on a regular basis  |
| Compliance with SANS Codes                        | Equipment was serviced and tested by an accredited company in order to comply with legislation and to ensure the safety of fire fighters   |

Table 137: Fire Services and Disaster Management Highlights

## c) Challenges: Fire Services and Disaster Management

The table below specifies the challenges for the year:

| Challenges  | Actions to overcome  |
|---|--|
| Oudtshoorn Fire, Rescue and Disaster Management Centre premises | Identification of appropriate land and to secure funding for the construction of the centre  |
| Dysselsdorp Fire and Rescue Services - Sub-station              | Currently the fire department is running from 1 room in the municipal building. This is not an ideal situation as it does not cater for the 24-hour services rendering. A permission and funding need to be allocated to address this matter |
| Personal Shortage   | The organogram needs to be reviewed and additional positions needs to be added to the organogram. Going with the changed organogram will be a budget for additional employees  |
| Appropriate vehicles  | Budget needs to be prioritised for the purchasing of specific vehicles in order for us to comply with legislation  |
| Equipment   | Budget needs to be prioritised for the purchasing of more equipment and replacing redundant equipment  |
| Sub stations in De Rust and Volmoed                             | Additional personal needs to be appointed, provision of vehicles and suitable buildings needs to be provided for sub-stations in De Rust and Volmoed   |

Table 138: Fire Services and Disaster Management Challenges

## d) Services Delivery Levels

The table below specifies the service delivery levels for the year:

| Details                              | 2019/20 | 2020/21                             |
|--------------------------------------|---------|-------------------------------------|
| Total fires handled in the year      | 351     | 361                                 |
| Total Rescue incidents in the year   | n/a     | 113                                 |
| Total Animal Rescues in the year     | n/a     | 9                                   |
| Total Fire Prevention Inspections    | n/a     | 95                                  |
| Reservists and volunteers trained    | 0       | 0                                   |
| Awareness Initiatives on Fire Safety | 13      | 0<br>(Due to COVID-19 restrictions) |

Table 139: Services Delivery Levels for Fire Services and Disaster Management

## e) Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

| Employees: Fire Services and Disaster Management |           |           |                                  |                                   |
|--|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level  | 2020/21   |           |                                  |                                   |
|  | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.       | No.       | No.                              | %                                 |
| 0 - 3  | 1         | 1         | 0                                | 0                                 |
| 4 - 6  | 26        | 25        | 1                                | 3.54                              |
| 7 - 9  | 1         | 1         | 0                                | 0                                 |
| 10 - 12  | 4         | 1         | 3                                | 75                                |
| 13 - 15  | 1         | 1         | 0                                | 0                                 |
| 16 - 18  | 0         | 0         | 0                                | 0                                 |
| 19 - 20  | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                                     | <b>33</b> | <b>29</b> | <b>4</b>                         | <b>12.12</b>                      |

Employees and Posts numbers are as at 30 June

Table 140: Employees: Fire Services and Disaster Management

## f) Capital: Fire Services and Disaster Management

The following table indicate the capital expenditure for this division:

| Capital Expenditure 2020/21: Fire Services and Disaster Management |            |                   |                    |                                 |
|--|------------|-------------------|--------------------|---------------------------------|
| Capital Projects   | 2020/21    |                   |                    |                                 |
|  | R'000      |                   |                    |                                 |
|  | Budget     | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Fire truck   | 154        | 154               | 154                | 0                               |
| Acquisitions   | 495        | 495               | 273                | 222                             |
| <b>Total</b>   | <b>649</b> | <b>649</b>        | <b>427</b>         | <b>222</b>                      |

Table 141: Capital Expenditure: Fire Services and Disaster Management

## 3.8 Component G: Sport and Recreation

### 3.8.1 Parks and Recreation

Parks and Recreation is a section of the Department Community Services. It is further divided into the following sub-sections: sport, cemeteries, environmental maintenance and resorts. Currently the section is managed and supervised by an acting manager, a superintendent of sport and recreation, superintendent of environmental management, a supervisor of cemeteries, supervisor of environmental management and a supervisor of sport and recreation. Sport and recreation serve an integral role in the community of Greater Oudtshoorn.

#### a) Highlights: Parks and Recreation

The table below specify the highlights for the year:

| Highlights                   | Description   |
|------------------------------|---|
| Acquisition of a crane truck | Maintenance of High Street trees has been a challenge and that has led to a backlog. The backlog will be addressed on delivery of the crane truck |

Table 142: Parks and Recreation Highlights

#### b) Challenges: Parks and Recreation

The table below specifies the challenges for the year:

| Description                                 | Actions to address   |
|---|--|
| Vandalism of facilities                     | This creates unnecessary expenditure and communities close to these facilities are encouraged to watch over these facilities |
| Limited staff and vacant positions          | Budgetary provision must be made to fill vacant positions and to create more positions                                       |
| Upgrade of open spaces, e.g. middle islands | Budgetary provision must be made to change the current landscape of open spaces  |

Table 143: Parks and Recreation Challenges

## c) Parks and Recreation Service Statistics

| Type of service                                    | 2019/20 | 2020/21         |
|--|---------|-----------------|
| <b>Community parks</b>                             |         |                 |
| Number of parks with play park equipment           | 11      | 10              |
| Number of wards with community parks               | 7       | 7               |
| <b>Swimming pools</b>                              |         |                 |
| Number of swimming pools                           | 5       | 5               |
| Number of visitors at swimming pools               | 14 672  | 1 350 (9events) |
| R-value collected from entrance fees               | 89 560  | 2 145           |
| <b>Sport fields</b>                                |         |                 |
| Number of wards with sport fields                  | 7       | 7               |
| Number of sport grounds or fields                  | 12      | 12              |
| Number of events hosted                            | 424     | 53              |
| R-value collected from utilisation of sport fields | 90 462  | 7 760           |
| <b>Sport halls</b>                                 |         |                 |
| Number of wards with sport halls                   | 1       | 1               |
| Number of sport associations utilising sport halls | 7       | 7               |
| R-value collected from rental of sport halls       | 59 683  | 21 970          |
| <b>Stadiums</b>                                    |         |                 |
| Number of stadiums                                 | 4       | 4               |
| Number of events hosted in stadiums                | 424     | 53              |

Table 144: Service Statistics Parks and Recreation

## d) Employees: Parks and Recreation

The following table indicates the staff composition for this division:

| <b>Employees: Parks and Recreation</b> |         |           |                                  |                                   |
|--|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                              | 2020/21 |           |                                  |                                   |
|  | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.     | No.       | No.                              | %                                 |
| 0 - 3                                  | 69      | 56        | 13                               | 18.84                             |
| 4 - 6                                  | 52      | 34        | 18                               | 34.61                             |
| 7 - 9                                  | 6       | 4         | 2                                | 33.33                             |
| 10 - 12                                | 3       | 2         | 1                                | 33.33                             |
| 13 - 15                                | 1       | 1         | 0                                | 0                                 |
| 16 - 18                                | 0       | 0         | 0                                | 0                                 |



| Employees: Parks and Recreation |            |           |                                  |                                   |
|---------------------------------|------------|-----------|----------------------------------|-----------------------------------|
| Job Level                       | 2020/21    |           |                                  |                                   |
|                                 | Posts      | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                 | No.        | No.       | No.                              | %                                 |
| 19 - 20                         | 0          | 0         | 0                                | 0                                 |
| <b>Total</b>                    | <b>131</b> | <b>97</b> | <b>34</b>                        | <b>25.95</b>                      |

Employees and post numbers are as at 30 June

Table 145: Employees: Parks and Recreation

## e) Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

| Capital Expenditure 2020/21: Sport and Recreation |              |                   |                    |                                 |
|---|--------------|-------------------|--------------------|---------------------------------|
| Capital Projects                                  | 2020/21      |                   |                    |                                 |
|   | R'000        |                   |                    |                                 |
|   | Budget       | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Upgrading Church Street swimming pool             | 200          | 200               | 78                 | 122                             |
| Swimming pool pump                                | 30           | 30                | 30                 | 0                               |
| Upgrading sport facility-Bongolethu sportsgrounds | 200          | 200               | 159                | 41                              |
| Acquisitions                                      | 200          | 200               | 227                | (27)                            |
| Cemeteries  | 1 199        | 1 199             | 0                  | 1 199                           |
| Parks garden                                      | 2 116        | 2 116             | 0                  | 2 116                           |
| <b>Total</b>                                      | <b>3 945</b> | <b>3 945</b>      | <b>494</b>         | <b>3 451</b>                    |

Table 146: Capital Expenditure: Sport and Recreation

## 3.8.2 Community Halls and Buildings

This section includes all the municipal buildings and facilities including community halls. There are 7 community halls that are rented out to the community of Oudtshoorn on a regular basis. The section is responsible for the cleansing and maintenance of municipal facilities, creating a friendly environment for the community members who rent our community halls and ensuring that our employees work in a clean, hygienic environment.

### a) Highlights: Community Halls and Buildings

The table below specifies the highlights for the year:

| Highlights      | Description  |
|-----------------|--|
| Toekomsrus Hall | The Toekomsrus Hall is utilised for the roll-out of the COVID-19 vaccination program |

| Highlights               | Description  |
|--------------------------|--|
| Thusong Centre           | A homework hub for the youth was established at the Thusong Centre   |
| Satellite Thusong Centre | The Dysselsdorp Community Hall was identified as a satellite Thusong Centre, securing more regular government services |

Table 147: Community Halls and Buildings Highlights

## b) Challenges: Community Halls and Buildings

The table below specifies the challenges for the year:

| Description  | Actions to address                        |
|--|---|
| COVID-19 and lockdown restrictions resulted in limited bookings and cancellations of venues. This in turn have limited the ability to generate revenue | The free usage of venue should be limited |

Table 148: Community Halls and Buildings Challenges

## c) Community Halls and Buildings Service Statistics

| Type of service           | 2019/20 | 2020/21 |
|---------------------------|---------|---------|
| Number of community halls | 7       | 7       |
| Number events hosted      | 514     | 275     |

Table 149: Service Statistics Community Halls and Buildings

## d) Employees: Community Halls and Buildings

The following table indicates the staff composition for this division:

| Employees: Community Halls and Buildings |           |           |                                  |                                   |
|--|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                                | 2020/21   |           |                                  |                                   |
|  | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.       | No.       | No.                              | %                                 |
| 0 - 3                                    | 37        | 25        | 12                               | 32.43                             |
| 4 - 6                                    | 8         | 6         | 2                                | 25                                |
| 7 - 9                                    | 7         | 3         | 4                                | 57.14                             |
| 10 - 12                                  | 5         | 1         | 4                                | 80                                |
| 13 - 15                                  | 1         | 1         | 0                                | 0                                 |
| 16 - 18                                  | 0         | 0         | 0                                | 0                                 |
| 19 - 20                                  | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                             | <b>58</b> | <b>36</b> | <b>22</b>                        | <b>37.93</b>                      |

Employees and post numbers are as at 30 June

Table 150: Employees: Community Halls and Buildings

## e) Capital: Community Halls and Buildings

The following table indicate the capital expenditure for this division:

| Capital Expenditure 2020/21: Community Halls and Buildings |               |                   |                    |                                 |
|--|---------------|-------------------|--------------------|---------------------------------|
| Capital Projects   | 2020/21       |                   |                    |                                 |
|  | R'000         |                   |                    |                                 |
|  | Budget        | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Upgrading of buildings                                     | 2 141         | 2 141             | 2 014              | 127                             |
| Office furniture/equipment                                 | 200           | 200               | 166                | 34                              |
| Office furniture/equipment                                 | 13            | 13                | 0                  | 13                              |
| Computers - software                                       | 70            | 70                | 52                 | 18                              |
| Computers - software                                       | 0             | 0                 | 18                 | (18)                            |
| New library - Rose Valley                                  | 8 700         | 8 700             | 1 942              | 6 785                           |
| Air conditioners   | 104           | 104               | 1                  | 103                             |
| Equipment  | 128           | 128               | 14                 | 114                             |
| Library services   | 174           | 174               | 0                  | 174                             |
| <b>Total</b>   | <b>11 530</b> | <b>115 30</b>     | <b>4 207</b>       | <b>7 350</b>                    |

Table 151: Capital Expenditure: Community Halls and Buildings

### 3.8.3 Cango Caves

#### a) Introduction to Cango Caves

Ecologically significant and impressively beautiful, the Cango Caves serve as an archaeological and historical highlight of the Klein Karoo and Garden Route.

It is a tourist attraction of many firsts and unique properties:

- ⇒ It is the first to be protected by environmental legislation
- ⇒ It is the first to employ a full-time tourist guide
- ⇒ It is South Africa's first and oldest tourist attraction
- ⇒ It is the biggest show cave system in Africa
- ⇒ It offers multi-lingual guided tours

The Cango Caves are open 364 days per year, every day except for 25 December. However, during 2020/21 the cave experienced various challenges in this regard due to the COVID-19 pandemic and lock down restrictions.

## b) Highlights: Congo Caves

The table below specifies the highlights for the year:

| Highlights   | Description  |
|--|--|
| Atmospheric recovery   | <p>Over the past year, the cave has shown great signs of atmospheric recovery. Typical data shows that in our busy times (over the same time of the year) we would have the following values in the cave, next to that, the readings we now see:</p> <ul style="list-style-type: none"> <li>• Outside CO<sub>2</sub> (average)- 235ppm</li> <li>• Botha's Hall (pre-lockdown average) - 1300ppm vs (average at present) - 675ppm</li> <li>• King Solomon's Mines (pre-lockdown average) - 12000ppm vs (average at present) - 8900ppm</li> </ul> <p>Temperature have also dropped from around 21.5°C pre-lockdown to as low as 18.9°C.</p> <p>These signs of recovery are absolutely phenomenal for the caves</p> |
| Regular Oudtshoorn Tourism Executive Meeting                                     | Oudtshoorn Tourism is the official tourism body responsible for marketing and promoting the town as a tourism destination. Congo Caves is a board member of this committee and meetings took place on a regular basis  |
| Opening of the caves after the national lockdown                                 | Congo Caves re-opened on 11 September 2020 after an enforced closure of 6 months due to the COVID-19 pandemic. Although South African's borders re-opened for international travellers, most visitors were domestic visitors   |
| Visit of ENCA TV crew  | ENCA visited the caves to report on the impact of the COVID-19 pandemic on Congo Caves, as well as to inform viewers that the heritage site has re-opened  |
| Southern African Tourism Services Association (SATSA) Mega Familiarisation Visit | Congo Caves is a long-standing member of SATSA. This mega excursion was organised in conjunction with Western Cape Tourist Guide Registration Office (WESGRO) to re-familiarise tour operators and agents with the tourism products in the Oudtshoorn area   |
| Site Inspection - Western Cape Tourist Guide Registration Office                 | It is mandatory that all tourist guides are registered with the Western Cape Tourist Guide office. Congo Caves guides are accredited as Site Guides. This was an oversight visit to assist in any queries or challenges we might have  |
| Advertisement - Oudtshoorn Tourism Discount Booklet                              | This initiative forms part of Congo Caves' Marketing Plan. The discounted vouchers make it more affordable for potential visitors to visit as many tourist activities in the Oudtshoorn area   |
| Sponsor - Eden FM Summer Campaign  | Eden Radio station promoted all tourism product in the Garden Route & Klein Karoo when activities could re-open on Leve 2  |
| Visit of Russian Tour Operators  | Congo Caves experienced an influx of Eastern European countries when we re-opened in September. A Russian TV Crew visited to capture Congo Caves as promotional material to "sell" South Africa to potential clients   |
| Familiarisation visit  | Big Tree Marketing, by directive of Oudtshoorn Tourism, brought 10 tour operators and agents to Oudtshoorn and De Rust to reacquaint themselves with our area and this created more exposure for the Congo Caves   |
| Educational - Hotspots Tour Operator   | Hotspots is a tour operator that "sell" Garden Route & Klein Karoo itineraries. Congo Caves is featured on the program. This visit formed part of re-familiarise trip to the area  |

| Highlights  | Description   |
|---|---|
| Cango Caves Board of Trustees Meeting   | Cango Caves is a Provincial Heritage Site. According to the Museum ordinance 8 of 1975, Cango Caves is classified as a museum. The Board consists of representative from the Oudtshoorn community, councillors and municipal officials. It is mandatory that four board of trustee's meetings are held annually |
| Educational - More of Africa  | More of Africa is a tour operator that "sell" Garden Route & Klein Karoo itineraries. Cango Caves is featured on the program. This visit formed part of re-familiarise trip to the area   |
| Visit of Deputy Minister of Tourism - Fish Mahlalela                            | Deputy Minister Fish Mahlalela visited the Cango Caves in Oudtshoorn, as part of his Domestic Tourism Activation Campaign   |
| Visit of Western Cape MEC of Finance and Economic Opportunities - David Maynier | MEC David Maynier, Minister of Finance and Economic Opportunities of the Western Cape Government, paid an oversight visit to Cango Caves  |
| Educational - ATG Africa Travel   | ATG Africa Travel is a tour operator that "sell" Garden Route and Klein Karoo itineraries. Cango Caves is featured on the program. This visit formed part of re-familiarise trip to the area  |
| Annual Department. Of Arts and Culture Museum Symposium                         | Cango Caves is a Provincial Heritage Site and classified as a museum according to the Museum ordinance 8 of 1975. The symposium is organised by the Western Cape Department of Arts and Culture - all museums and heritage sites are invited to attend  |

Table 152: Cango Caves Highlights

## c) **Challenges: Cango Caves**

### **Impact of COVID-19 Pandemic on the Cango Caves**

Cango Caves primarily generates its income through entrance fees and rental space secondarily. These income streams fund the operational budget and capital program. The bulk of the entrance fees are resultant from tour companies/operators.

Limitations on visitor numbers have been imposed as follows:

- ⇒ Only Heritage Tours are available. Adventure Tours are suspended till further notice
- ⇒ Only 25 visitors are allowed per Heritage Tour - this number includes visiting tour guides and tour leaders
- ⇒ Physical distancing measures is strictly enforced

The impact of COVID-19 on global tourism has been destructive as many international airlines, tour operators and travel agents had to close down. The more established tour companies are now able to operate on a smaller scale and have shifted their bookings to the 2022/23 season. That being said, our rates have to be competitive and affordable to ensure repeat business.

For the next 2-3 year we are unlikely to experience a strong a flow of visitors as we saw prior to the onset of the pandemic. We are for the foreseeable future, solely dependent on domestic tourism which has experienced a steep decline the last few years.

Three of our vendors have ceased trading as

- ⇒ Imali Foreign Exchange - permanently

- ⇒ Kraal Kraft Curios - the contract ended 30 June 2020
- ⇒ Spekboom Restaurant - closed again on 17 January 2021 after only re-opening during October 2020 due to low visitor numbers

## **The following measure are being put in place to address the challenges brought about by COVID-19**

### **Conference Facility**

We were in the planning stages to convert the 2<sup>nd</sup> level of the Cave Complex into a facility that hosts conferences/workshops/seminars to generate extra income. This is a long-term project.

### **Hosting of special events**

We have received numerous requests in the past to host special events in the caves.

Only by recommendation of the Cango Caves Board of Trustees and approval by the Department of Arts and Culture Western Cape, will permission granted to host such events. Cognizance must be taken around the conservation impact of these events and its advisable to put system in place the monitor the impact and approve events with no or minimal impact.

### **Marketing**

Cango Caves collaborates with Oudtshoorn Tourism Bureau by attending all domestic tourism exhibitions to promote the Caves and region. We will continue to do so when tourism marketing exhibitions are allowed to occur. At the onset of the national lockdown, we participated with other local tourism products in a social media campaign to enhance awareness to encourage visitors to our area when we would re-open.

We are active on our social media platforms:

[https://www.instagram.com/cango\\_caves/](https://www.instagram.com/cango_caves/)

<https://www.facebook.com/cangocaves>

[https://twitter.com/Cango\\_Caves](https://twitter.com/Cango_Caves)

<https://www.cango-caves.co.za/>

### **Vendors**

- ⇒ Spekboom Restaurant is set to re-open in August 2021

Curio Shop - it is not financially viable to advertise the tender in the current economic climate. We will advertise when it is conducive to do so

The table below specifies the challenges for the year:

| Description  | Actions to address  |
|--|---|
| Impact of COVID-19 Pandemic  | Various strategies have been introduced to address the impact of the pandemic   |
| Upgrade of Caves Complex: The lack of maintenance is a major eyesore. We require a major overhaul to waterproof the building and fix structural damage to the complex. This complex was last upgraded between 1998-1999  | Our small maintenance team can only do so much with a limited budget. Therefore, additional budgetary provision must be made in order to address the deteriorating infrastructure |
| Managing a heritage site/tourist attraction as a successful business entity. The aim has always been to manage Cango Caves as a fully fledged business entity. The caves are first and foremost a Heritage Site and the core function is to preserve this asset. Allowing more visitors to increase revenue will do major damage to the cave itself; increasing the entrance fee will deter our main source of income (tour companies) from including us in their packages - Cango Caves feature in 90% of all Garden Route & Klein Karoo itineraries. | Other revenue streams must be identified to boost income  |
| Staff / Organogram / Vacant Positions<br>The current organogram does not speak to the needs of a major tourist attraction such as Cango Caves.<br>The vacant positions of Conservation Office and Coordinator Interpretive Centre speak to the gap of the scientific and educational aspects not being addressed at Cango. Our core function is to preserve the cave and we can only do so by educating our youth in this regard   | The current organogram must be reviewed.<br>Critical vacant positions should be filled and the appointment of a general worker is in process                                      |
| Upgrade of Telemetry System<br>The current system is not functioning effectively and is also outdated. To install a new telemetry system, would cost approximately R250,000  | Assistance from Technical Services has been requested to assist with the upgrade of the Telemetry system  |

Table 153: Challenges: Cango Caves

## d) Employees: Cango Caves

The following table indicates the staff composition for this division:

| Employees: Cango Caves |         |           |                                  |                                   |
|------------------------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level              | 2020/21 |           |                                  |                                   |
|                        | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                        | No.     | No.       | No.                              | %                                 |
| 0 - 3                  | 8       | 7         | 1                                | 12.5                              |
| 4 - 6                  | 5       | 5         | 0                                | 0                                 |
| 7 - 9                  | 2       | 2         | 0                                | 0                                 |
| 10 - 12                | 16      | 14        | 2                                | 12.5                              |
| 13 - 15                | 2       | 1         | 1                                | 50                                |
| 16 - 18                | 0       | 0         | 0                                | 0                                 |
| 19 - 20                | 0       | 0         | 0                                | 0                                 |

| Employees: Cango Caves |           |           |                                  |                                   |
|------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level              | 2020/21   |           |                                  |                                   |
|                        | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                        | No.       | No.       | No.                              | %                                 |
| <b>Total</b>           | <b>33</b> | <b>29</b> | <b>4</b>                         | <b>12.12</b>                      |

Employees and post numbers are as at 30 June

Table 154: Employees: Cango Caves

## e) Capital: Cango Caves

The following table indicate the capital expenditure for this division:

| Capital Expenditure 2020/21: Cango Caves |           |                   |                    |                                 |
|--|-----------|-------------------|--------------------|---------------------------------|
| Capital Projects                         | 2020/21   |                   |                    |                                 |
|  | R'000     |                   |                    |                                 |
|  | Budget    | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Electrical equipment                     | 50        | 50                | 97                 | (47)                            |
| <b>Total</b>                             | <b>50</b> | <b>50</b>         | <b>97</b>          | <b>(47)</b>                     |

Table 155: Capital Expenditure: Cango Caves

## 3.9 Component H: Corporate Policy Offices and Other Services

### 3.9.1 Executive and Council

#### a) Highlights: Executive and Council

The table below specify the highlight for the year:

| Highlight   | Description                                    |
|---|--|
| Approval of the Medium-Term Revenue and Expenditure Framework 2021/22 | Approved budget for the 2021/22 financial year |

Table 156: Executive and Council Highlights

#### b) Challenges: Executive and Council

The table below specify the challenge for the year:

| Description                           | Actions to address  |
|---------------------------------------|---|
| Current drought in Greater Oudtshoorn | Financial assistance to complete the deep artesian borehole project at Blossoms |

Table 157: Executive and Council Challenges



## c) Employees: Office of the MM

The following table indicates the staff composition for this division:

| Employees: Office of the MM |          |           |                                  |                                   |
|-----------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                   | 2020/21  |           |                                  |                                   |
|                             | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                             | No.      | No.       | No.                              | %                                 |
| 0 - 3                       | 0        | 0         | 0                                | 0                                 |
| 4 - 6                       | 0        | 0         | 0                                | 0                                 |
| 7 - 9                       | 0        | 0         | 0                                | 0                                 |
| 10 - 12                     | 1        | 0         | 1                                | 100                               |
| 13 - 15                     | 0        | 0         | 0                                | 0                                 |
| 16 - 18                     | 0        | 0         | 0                                | 0                                 |
| 19 - 20                     | 0        | 0         | 0                                | 0                                 |
| NS                          | 1        | 0         | 1                                | 100                               |
| <b>Total</b>                | <b>2</b> | <b>0</b>  | <b>2</b>                         | <b>100</b>                        |

Employees and post numbers are as at 30 June

Table 158: Employees: Office of the MM

| Employees: Internal Audit |          |           |                                  |                                   |
|---------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                 | 2020/21  |           |                                  |                                   |
|                           | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                           | No.      | No.       | No.                              | %                                 |
| 0 - 3                     | 0        | 0         | 0                                | 0                                 |
| 4 - 6                     | 0        | 0         | 0                                | 0                                 |
| 7 - 9                     | 0        | 0         | 0                                | 0                                 |
| 10 - 12                   | 2        | 1         | 1                                | 50                                |
| 13 - 15                   | 0        | 0         | 0                                | 0                                 |
| 16 - 18                   | 1        | 1         | 0                                | 0                                 |
| 19 - 20                   | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>              | <b>3</b> | <b>2</b>  | <b>1</b>                         | <b>33.33</b>                      |

Employees and post numbers are as at 30 June

Table 159: Employees: Internal Audit

| Employees: Risk Management |          |           |                                  |                                   |
|----------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                  | 2020/21  |           |                                  |                                   |
|                            | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                            | No.      | No.       | No.                              | %                                 |
| 0 - 3                      | 0        | 0         | 0                                | 0                                 |
| 4 - 6                      | 0        | 0         | 0                                | 0                                 |
| 7 - 9                      | 0        | 0         | 0                                | 0                                 |
| 10 - 12                    | 0        | 0         | 0                                | 0                                 |
| 13 - 15                    | 1        | 1         | 0                                | 0                                 |
| 16 - 18                    | 0        | 0         | 0                                | 0                                 |
| 19 - 20                    | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>               | <b>1</b> | <b>1</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 160: Employees: Risk Management

| Employees: Dysselsdorp |          |           |                                  |                                   |
|------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level              | 2020/21  |           |                                  |                                   |
|                        | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                        | No.      | No.       | No.                              | %                                 |
| 0 - 3                  | 0        | 0         | 0                                | 0                                 |
| 4 - 6                  | 0        | 0         | 0                                | 0                                 |
| 7 - 9                  | 0        | 0         | 0                                | 0                                 |
| 10 - 12                | 0        | 0         | 0                                | 0                                 |
| 13 - 15                | 1        | 0         | 1                                | 100                               |
| 16 - 18                | 0        | 0         | 0                                | 0                                 |
| 19 - 20                | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>           | <b>1</b> | <b>0</b>  | <b>1</b>                         | <b>100</b>                        |

Employees and post numbers are as at 30 June

Table 161: Employees: Dysselsdorp

| Employees: De Rust |          |           |                                  |                                   |
|--------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level          | 2020/21  |           |                                  |                                   |
|                    | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                    | No.      | No.       | No.                              | %                                 |
| 0 - 3              | 0        | 0         | 0                                | 0                                 |
| 4 - 6              | 0        | 0         | 0                                | 0                                 |
| 7 - 9              | 0        | 0         | 0                                | 0                                 |
| 10 - 12            | 0        | 0         | 0                                | 0                                 |
| 13 - 15            | 1        | 0         | 1                                | 100                               |
| 16 - 18            | 0        | 0         | 0                                | 0                                 |
| 19 - 20            | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>       | <b>1</b> | <b>0</b>  | <b>1</b>                         | <b>100</b>                        |

Employees and post numbers are as at 30 June

Table 162: Employees: De Rust

| Employees: Performance, Monitoring & Evaluation |          |           |                                  |                                   |
|---|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                                       | 2020/21  |           |                                  |                                   |
|   | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.      | No.       | No.                              | %                                 |
| 0 - 3   | 0        | 0         | 0                                | 0                                 |
| 4 - 6   | 0        | 0         | 0                                | 0                                 |
| 7 - 9   | 5        | 0         | 5                                | 100                               |
| 10 - 12   | 0        | 0         | 0                                | 0                                 |
| 13 - 15   | 1        | 1         | 0                                | 0                                 |
| 16 - 18   | 0        | 0         | 0                                | 0                                 |
| 19 - 20   | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                                    | <b>6</b> | <b>1</b>  | <b>5</b>                         | <b>83.33</b>                      |

Employees and post numbers are as at 30 June

Table 163: Employees: Performance, Monitoring & Evaluation

| Employees: Political Office (Office of the Executive Mayor) |          |           |                                  |                                   |
|---|----------|-----------|----------------------------------|-----------------------------------|
| Job Level   | 2020/21  |           |                                  |                                   |
|   | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.      | No.       | No.                              | %                                 |
| 0 - 3   | 0        | 0         | 0                                | 0                                 |
| 4 - 6   | 0        | 0         | 0                                | 0                                 |
| 7 - 9   | 1        | 0         | 1                                | 100                               |
| 10 - 12   | 3        | 0         | 3                                | 100                               |
| 13 - 15   | 1        | 0         | 1                                | 100                               |
| 16 - 18   | 0        | 0         | 0                                | 0                                 |
| 19 - 20   | 0        | 0         | 0                                | 0                                 |
| NS  | 1        | 1         | 0                                | 0                                 |
| <b>Total</b>  | <b>6</b> | <b>1</b>  | <b>5</b>                         | <b>83.33</b>                      |

Employees and post numbers are as at 30 June

Table 164: Employees: Political Office: Office of the Executive Mayor

| Employees: Political Office (Office of the Deputy Mayor) |          |           |                                  |                                   |
|--|----------|-----------|----------------------------------|-----------------------------------|
| Job Level  | 2020/21  |           |                                  |                                   |
|  | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.      | No.       | No.                              | %                                 |
| 0 - 3  | 0        | 0         | 0                                | 0                                 |
| 4 - 6  | 0        | 0         | 0                                | 0                                 |
| 7 - 9  | 1        | 0         | 1                                | 100                               |
| 10 - 12  | 0        | 0         | 0                                | 0                                 |
| 13 - 15  | 0        | 0         | 0                                | 0                                 |
| 16 - 18  | 0        | 0         | 0                                | 0                                 |
| 19 - 20  | 0        | 0         | 0                                | 0                                 |
| NS   | 1        | 1         | 0                                | 0                                 |
| <b>Total</b>   | <b>2</b> | <b>1</b>  | <b>1</b>                         | <b>50</b>                         |

Employees and post numbers are as at 30 June

Table 165: Employees: Political Office: Office of the Deputy Mayor

| Employees: Political Office (Office of the Speaker) |          |           |                                  |                                   |
|---|----------|-----------|----------------------------------|-----------------------------------|
| Job Level   | 2020/21  |           |                                  |                                   |
|   | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.      | No.       | No.                              | %                                 |
| 0 - 3   | 0        | 0         | 0                                | 0                                 |
| 4 - 6   | 0        | 0         | 0                                | 0                                 |
| 7 - 9   | 0        | 0         | 0                                | 0                                 |
| 10 - 12   | 0        | 0         | 0                                | 0                                 |
| 13 - 15   | 1        | 1         | 0                                | 0                                 |
| 16 - 18   | 0        | 0         | 0                                | 0                                 |
| 19 - 20   | 0        | 0         | 0                                | 0                                 |
| NS  | 1        | 1         | 0                                | 0                                 |
| <b>Total</b>  | <b>2</b> | <b>2</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 166: Employees: Political Office: Office of the Speaker

## 3.9.2 Strategic Services

### a) Introduction to Strategic Services

The Department Strategic Services focus on alignment of municipal programmes and projects in the different departments in line with national and provincial key priorities. In addition, the department takes overall responsibility for management and implementation of LED, IDP, public participation, international relations, communications and town and regional planning, as well as social programs. The coordination of these functions must be developed through a long-term strategy which this department is also responsible for.

### b) Highlights: Strategic Services

The table below specifies the highlights for the year:

| Highlights                        | Description  |
|-----------------------------------|--|
| Social Relief Programs            | During the period under review the department successfully implement food relief programs in response to COVID-19                            |
| Booster Fund application          | The department secured funding from the Department of Economic Development to construct container hive to provide trading spaces for SMME's  |
| Airport upgrade                   | The department successfully implemented and spend the funding received from the Department Economic Development to upgrade runway and lights |
| Municipal Newsletters             | The department developed 12 monthly newsletters, issued to all residents to improve communication  |
| Integrated Development Plan (IDP) | Review and approval of the municipal IDP in compliance with legislation  |

| Highlights  | Description  |
|---|--|
| Development of key economic items to Council for adoption | The department developed and got approval for the implementation of items related to resort development, development Bridgton Mall, Incentive Policy, contractor development program, development of renewable energy program  |
| Government Precinct                                       | The department successfully facilitated a process with the National Department of Public Works to position the town as regional center. The department visited the town and are currently in process to evaluate the possibility of constructing a government precinct in the town |

Table 167: Highlights: Strategic Services

### c) Challenges: Strategic Services

The table below specifies the challenges for the year:

| Description  | Actions to address  |
|--|---|
| The department still experience challenges with shortage of staff specifically in the Economic and Planning Development Unit | Review and budget to fill vacancies and amended organogram  |
| Lack of funding to implement projects and programs   | Budget submissions to be provided and support required from Council to budget and provide necessary funding |

Table 168: Challenges: Strategic Services

### d) Employees: Strategic Services

The following table indicates the staff composition for this division:

| Employees: Director Strategic Services              |          |           |                                  |                                   |
|---|----------|-----------|----------------------------------|-----------------------------------|
| Job Level   | 2020/21  |           |                                  |                                   |
|   | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.      | No.       | No.                              | %                                 |
| 0 - 3   | 0        | 0         | 0                                | 0                                 |
| 4 - 6   | 0        | 0         | 0                                | 0                                 |
| 7 - 9   | 1        | 1         | 0                                | 0                                 |
| 10 - 12   | 0        | 0         | 0                                | 0                                 |
| 13 - 15   | 0        | 0         | 0                                | 0                                 |
| 16 - 18   | 0        | 0         | 0                                | 0                                 |
| 19 - 20   | 0        | 0         | 0                                | 0                                 |
| NS  | 1        | 0         | 1                                | 100                               |
| <b>Total</b>  | <b>2</b> | <b>1</b>  | <b>1</b>                         | <b>50</b>                         |
| <b>Employees and post numbers are as at 30 June</b> |          |           |                                  |                                   |

Table 169: Employees: Director Strategic Services

| Employees: Public Relations & Communication |          |           |                                  |                                   |
|---|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                                   | 2020/21  |           |                                  |                                   |
|   | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.      | No.       | No.                              | %                                 |
| 0 - 3                                       | 0        | 0         | 0                                | 0                                 |
| 4 - 6                                       | 1        | 1         | 0                                | 0                                 |
| 7 - 9                                       | 1        | 1         | 0                                | 0                                 |
| 10 - 12                                     | 2        | 2         | 0                                | 0                                 |
| 13 - 15                                     | 1        | 1         | 0                                | 0                                 |
| 16 - 18                                     | 0        | 0         | 0                                | 0                                 |
| 19 - 20                                     | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                                | <b>5</b> | <b>5</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 170: Employees: Public Relations & Communication

| Employees: Integrated Development Planning |          |           |                                  |                                   |
|--|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                                  | 2020/21  |           |                                  |                                   |
|  | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.      | No.       | No.                              | %                                 |
| 0 - 3                                      | 0        | 0         | 0                                | 0                                 |
| 4 - 6                                      | 0        | 0         | 0                                | 0                                 |
| 7 - 9                                      | 0        | 0         | 0                                | 0                                 |
| 10 - 12                                    | 1        | 1         | 0                                | 0                                 |
| 13 - 15                                    | 1        | 1         | 0                                | 0                                 |
| 16 - 18                                    | 0        | 0         | 0                                | 0                                 |
| 19 - 20                                    | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                               | <b>2</b> | <b>2</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 171: Employees: Integrated Development Planning

### 3.9.3 Financial Services

#### a) Introduction to Financial Services

The Financial Department is responsible for management of financial affairs of the Municipality, which includes revenue, expenditure, assets and liability management, budgeting, financial reporting and Supply Chain Management (SCM), as well as Information and Communication Technology (ICT) management of the Municipality.

Key Performance Areas of this section include:

- ⇒ Annual budgeting
- ⇒ Annual financial statements and reporting
- ⇒ Credit control and debt collection
- ⇒ Indigent management
- ⇒ SCM
- ⇒ Ensure compliance to MFMA
- ⇒ Develop and implement sound financial policies and procedures
- ⇒ Provide ICT support
- ⇒ Insurance management
- ⇒ Investment management
- ⇒ Expenditure management
- ⇒ Maintain a GRAP compliant asset register

The Financial Services Directorate is split into five sections:

- ⇒ Revenue
- ⇒ Expenditure
- ⇒ Budget and Treasury Office
- ⇒ ICT
- ⇒ SCM

**b) Highlights: Financial Services**

⇒ The table below specifies the highlights for the year:

| Highlights                  | Description  |
|-----------------------------|--|
| Financial Recovery progress | Further progress was made with the financial recovery process. Cash and cash equivalents have decreased with R61.8 million for the period ended 30 June 2021. The liquidity position improved from 2020 to 2021. The financial recovery plan will be further extended to 2023 to ensure financial sustainability on revenue streams  |
| Creditors Management        | Payment of all arrear debt owed to creditors have been finalized. All creditors are currently paid in accordance with the legislative requirement of 30 days from invoice  |
| Capital spending            | The performance on capital spending decreased from the previous financial year. Majority of grant funded projects have been committed firmly through multi-year capital appropriations but could not be completed due to the COVID 19 Lock-down period where construction and final procurement could not be finalised. Capital spending as at year-end was below target at 72%, but it is anticipated that all projects committed will be rolled forward and completed during 2021/22 |
| ICT                         | The ICT section has continued with the replacement of essential computer and network resources and will upgrade on a continuous basis. Networks were extended and more WIFI spots were installed   |



| Highlights       | Description  |
|------------------|--|
|                  | to accommodate virtual meetings. Internet is currently 50 mb and will be upgraded to min of 100 mb speed in 21/22 to better all communications. High site equipment on 2 sites were replaced to meet the needs of the increased data flows and telecommunications  |
| Asset management | The municipal asset register was again revisited with special focus on the infrastructure electricity and the property register where audit issues were identified during prior year due to impairment issues. A complete movable asset count was again done to further enhance the controls over municipal assets |

Table 172: Financial Services Highlights

## c) Challenges: Financial Services

⇒ The table below specifies the challenges for the year:

| Description             | Actions to address  |
|-------------------------|---|
| SCM capacity            | The SCM section is still under-capacitated to conform to all the elements of supply chain management and the municipality finds it extremely difficult to attract suitably qualified and experienced supply chain management staff. Training and capacitation need to be addressed by provincial treasury as the SCM domain is currently facing various legislative changes and SCM practitioners needs to be brought up to speed with the changes and interpretation of different legislation. The rollout of multi-year contracts for the provision of goods and services are continuing to speed up operations through the reduction in procurement timeframes |
| mSCOA Implementation    | The debtor collection rate has stayed more or less the same at 92% upon the conclusion of the 2020/21 financial year compared to 19/20. This is indicative of the negative effect of the COVID 19 pandemic and the technical recession on the ability of the consumer to settle their accounts  |
| Human resource capacity | Appropriately qualified staff remains a challenge and various recruitment processes have again failed to attract the appropriate candidates in the revenue enhancement section. The position is further exacerbated by the moratorium that the council has placed on the filling of positions, this moratorium makes it difficult to ensure that all internal controls and mechanisms are strictly applied and is exposing the municipality to a variety of risks. Expert skills and technical ability are being developed to enhance internal capacity   |
| Drought                 | The continued drought is continuing to impact negatively on water revenue streams, a reduction in consumption as a result of higher drought tariffs, as well as saving measures from customers are negatively affecting the revenue streams in respect of water. The municipality however embarked on the installation of prepaid water meters  |
| Economic stagnation     | The lack of growth in the local economy is negatively impacting on the growth in revenue of the municipality, the annual growth in the customer base is negligible and is placing huge pressure on the revenue streams. The municipality must become development friendly to ensure development and economic empowerment of its citizens if financial sustainability is to be achieved  |

Table 173: Financial Services Challenges

## d) Employees: Financial Services

The following table indicates the staff composition for this division:

| Employees: Office of the CFO |          |           |                                  |                                   |
|------------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                    | 2020/21  |           |                                  |                                   |
|                              | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                              | No.      | No.       | No.                              | %                                 |
| 0 - 3                        | 0        | 0         | 0                                | 0                                 |
| 4 - 6                        | 0        | 0         | 0                                | 0                                 |
| 7 - 9                        | 1        | 1         | 0                                | 0                                 |
| 10 - 12                      | 0        | 0         | 0                                | 0                                 |
| 13 - 15                      | 0        | 0         | 0                                | 0                                 |
| 16 - 18                      | 0        | 0         | 0                                | 0                                 |
| 19 - 20                      | 0        | 0         | 0                                | 0                                 |
| NS                           | 1        | 1         | 0                                | 0                                 |
| <b>Total</b>                 | <b>2</b> | <b>2</b>  | <b>0</b>                         | <b>0</b>                          |

Employees and post numbers are as at 30 June

Table 174: Employees: Office of the CFO

| Employees: Revenue |           |           |                                  |                                   |
|--------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level          | 2020/21   |           |                                  |                                   |
|                    | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                    | No.       | No.       | No.                              | %                                 |
| 0 - 3              | 0         | 0         | 0                                | 0                                 |
| 4 - 6              | 28        | 26        | 2                                | 7.14                              |
| 7 - 9              | 5         | 5         | 0                                | 0                                 |
| 10 - 12            | 4         | 3         | 1                                | 25                                |
| 13 - 15            | 3         | 2         | 1                                | 33.33                             |
| 16 - 18            | 0         | 0         | 0                                | 0                                 |
| 19 - 20            | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>       | <b>40</b> | <b>36</b> | <b>4</b>                         | <b>7.5</b>                        |

Employees and post numbers are as at 30 June

Table 175: Employees: Revenue

| Employees: Expenditure |           |           |                                  |                                   |
|------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level              | 2020/21   |           |                                  |                                   |
|                        | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                        | No.       | No.       | No.                              | %                                 |
| 0 - 3                  | 0         | 0         | 0                                | 0                                 |
| 4 - 6                  | 2         | 2         | 0                                | 0                                 |
| 7 - 9                  | 7         | 6         | 1                                | 14.28                             |
| 10 - 12                | 2         | 1         | 1                                | 50                                |
| 13 - 15                | 2         | 2         | 0                                | 0                                 |
| 16 - 18                | 0         | 0         | 0                                | 0                                 |
| 19 - 20                | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>           | <b>13</b> | <b>11</b> | <b>2</b>                         | <b>15.38</b>                      |

Employees and post numbers are as at 30 June

Table 176: Employees: Expenditure

| Employees: Financial Accounting |          |           |                                  |                                   |
|---------------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                       | 2020/21  |           |                                  |                                   |
|                                 | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                 | No.      | No.       | No.                              | %                                 |
| 0 - 3                           | 0        | 0         | 0                                | 0                                 |
| 4 - 6                           | 1        | 1         | 0                                | 0                                 |
| 7 - 9                           | 2        | 2         | 0                                | 0                                 |
| 10 - 12                         | 1        | 1         | 0                                | 0                                 |
| 13 - 15                         | 3        | 2         | 1                                | 33.33                             |
| 16 - 18                         | 1        | 1         | 0                                | 0                                 |
| 19 - 20                         | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>                    | <b>8</b> | <b>7</b>  | <b>1</b>                         | <b>12.5</b>                       |

Employees and post numbers are as at 30 June

Table 177: Employees: Financial Accounting

| Employees: Supply Chain Management |         |           |                                  |                                   |
|------------------------------------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                          | 2020/21 |           |                                  |                                   |
|                                    | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                    | No.     | No.       | No.                              | %                                 |
| 0 - 3                              | 0       | 0         | 0                                | 0                                 |
| 4 - 6                              | 5       | 3         | 2                                | 40                                |
| 7 - 9                              | 3       | 2         | 1                                | 33.33                             |
| 10 - 12                            | 5       | 4         | 1                                | 20                                |

| Employees: Supply Chain Management |           |           |                                  |                                   |
|------------------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                          | 2020/21   |           |                                  |                                   |
|                                    | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                    | No.       | No.       | No.                              | %                                 |
| 13 - 15                            | 0         | 0         | 0                                | 0                                 |
| 16 - 18                            | 1         | 1         | 0                                | 0                                 |
| 19 - 20                            | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                       | <b>14</b> | <b>10</b> | <b>4</b>                         | <b>28.57</b>                      |

Employees and post numbers are as at 30 June

Table 178: Employees: Supply Chain Management

## 3.9.4 Human Resource Services

### a) Introduction to Human Resource Services

The primary objective of Human Resource Services is to render an innovative service that adheres to all legislative and related policies in order to address both skills development and all other related administrative functions.

### b) Highlights: Human Resource Services

The table below specifies the highlights for the year:

| Highlights  | Description   |
|---|---|
| Employee engagements: COVID-19  | Engaged with 253 employees on a one-on-one basis through either counselling or support services and referred 3 employees for specialist services; to improve the overall wellness of employees  |
| Awareness programmes  | Raising awareness based on the 7 dimensions of wellness (Emotional, Spiritual, Environmental, Financial, Social, Career and Physical) on various relevant topics, to promote and enhance the wellbeing of staff members   |
| Personal development and compliance to South African Qualifications Authority (SAQA) requirements | Both the Employee Assistance Program (EAP) and Wellness Practitioner and clerk registered successfully to adhere to the SAQA requirements of registered bodies at EAP-SA, Association for Supportive Counsellors and Holistic Practitioners (ASCHP) and Council for Counsellors in SA (CCSA) respectively.<br>The EAP and Wellness Practitioner successfully complete 16 modules of the Municipal Minimum Competency (MMC) programme at University Stellenbosch |
| Grant funding (Provincial Treasury/Department of Local Government)                                | Grant funding for the internship and bursary programme was obtained   |
| Learnerships: Local Government Sector Education and Training Authority (LGSETA)                   | Water, Waste Water and Municipal Financial Management   |
| Organizational development project  | Re-design of organizational structure   |
| Development of Standard Operating Procedures (SOP)  | SOP's were developed for recruitment and selection and EAP  |

Table 179: Human Resource Services Highlights

## c) Challenges: Human Resource Services

The table below specifies the challenges for the year:

| Description   | Actions to address  |
|---|---|
| It was not possible to host/conduct events or programmes due to COVID-19 guidelines and to minimise the risks | The EAP and Wellness Section plans to embark on WhatsApp support groups. Awareness programmes and events will be conducted based on the COVID-19 levels. Minimize all forms of stigmatization through constructive education and awareness programmes |
| Lack of proper buy-in to the EAP and Wellness Program by some supervisors                                     | The buy-in of management into the EAP and Wellness Program to ensure that all staff benefit from the success of the program. Improve communication at all levels within the workplace   |
| Review the effectiveness of the EAP and Wellness Committee and all monitoring and evaluation processes        | Streamline HR activities and better cooperation by conducting regular HR meetings and monitoring and evaluation of all HR initiatives   |
| Roll out of training interventions/programs with regards to the COVID-19 pandemic                             | Introduction of virtual training  |
| Lack of adequate budget for training  | Budgetary provision and sourcing of external funding via SETA's   |

**Table 180:** Human Resource Services Challenges

## d) Employees: Corporate Services

The following table indicates the staff composition for this division:

| Employees: Office of the Director Corporate Services |          |           |                                  |                                   |
|--|----------|-----------|----------------------------------|-----------------------------------|
| Job Level  | 2020/21  |           |                                  |                                   |
|  | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.      | No.       | No.                              | %                                 |
| 0 - 3  | 0        | 0         | 0                                | 0                                 |
| 4 - 6  | 0        | 0         | 0                                | 0                                 |
| 7 - 9  | 1        | 1         | 0                                | 0                                 |
| 10 - 12  | 0        | 0         | 0                                | 0                                 |
| 13 - 15  | 0        | 0         | 0                                | 0                                 |
| 16 - 18  | 0        | 0         | 0                                | 0                                 |
| 19 - 20  | 0        | 0         | 0                                | 0                                 |
| NS   | 1        | 1         | 0                                | 0                                 |
| <b>Total</b>   | <b>2</b> | <b>2</b>  | <b>0</b>                         | <b>0</b>                          |

**Employees and post numbers are as at 30 June**

**Table 181:** Employees: Office of the Director Corporate Services

| Employees: Administration & Archives |           |           |                                  |                                   |
|--------------------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                            | 2020/21   |           |                                  |                                   |
|                                      | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                      | No.       | No.       | No.                              | %                                 |
| 0 - 3                                | 0         | 0         | 0                                | 0                                 |
| 4 - 6                                | 5         | 4         | 1                                | 20                                |
| 7 - 9                                | 2         | 2         | 0                                | 0                                 |
| 10 - 12                              | 2         | 2         | 0                                | 0                                 |
| 13 - 15                              | 1         | 1         | 0                                | 0                                 |
| 16 - 18                              | 0         | 0         | 0                                | 0                                 |
| 19 - 20                              | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>                         | <b>10</b> | <b>9</b>  | <b>1</b>                         | <b>10</b>                         |

Employees and post numbers are as at 30 June

Table 182: Employees: Administration & Archives

| Employees: Human Resources |           |           |                                  |                                   |
|----------------------------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level                  | 2020/21   |           |                                  |                                   |
|                            | Posts     | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                            | No.       | No.       | No.                              | %                                 |
| 0 - 3                      | 0         | 0         | 0                                | 0                                 |
| 4 - 6                      | 3         | 3         | 0                                | 0                                 |
| 7 - 9                      | 4         | 3         | 1                                | 25                                |
| 10 - 12                    | 6         | 6         | 0                                | 0                                 |
| 13 - 15                    | 2         | 2         | 0                                | 0                                 |
| 16 - 18                    | 1         | 0         | 1                                | 100                               |
| 19 - 20                    | 0         | 0         | 0                                | 0                                 |
| <b>Total</b>               | <b>16</b> | <b>14</b> | <b>2</b>                         | <b>12.5</b>                       |

Employees and post numbers are as at 30 June

Table 183: Employees: Human Resources

| Employees: Council Support |         |           |                                  |                                   |
|----------------------------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                  | 2020/21 |           |                                  |                                   |
|                            | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                            | No.     | No.       | No.                              | %                                 |
| 0 - 3                      | 0       | 0         | 0                                | 0                                 |
| 4 - 6                      | 1       | 1         | 0                                | 0                                 |
| 7 - 9                      | 3       | 3         | 0                                | 0                                 |

| Employees: Council Support |          |           |                                  |                                   |
|----------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                  | 2020/21  |           |                                  |                                   |
|                            | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                            | No.      | No.       | No.                              | %                                 |
| 10 - 12                    | 1        | 1         | 0                                | 0                                 |
| 13 - 15                    | 1        | 0         | 1                                | 100                               |
| 16 - 18                    | 0        | 0         | 0                                | 0                                 |
| 19 - 20                    | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>               | <b>6</b> | <b>5</b>  | <b>1</b>                         | <b>16.66</b>                      |

Employees and post numbers are as at 30 June

Table 184: Employees: Council Support

### 3.9.5 Information and Communication Technology (ICT) Services

#### a) Introduction to ICT Services

This section forms part of the Finance Directorate and manage, install, repair and support all aspects of information and communication technology in the Municipality. This includes computer hardware and software, network infrastructure and wireless communication. Currently the section has 5 staff members to deliver the services. We manage high sites, wireless clients (remote offices), desktops, laptops, printers and Voice Over Internet Protocol (VOIP) communications. There are 334 active network users. Software systems in use are the financial system, correspondence and customer care, email and internet access, pre-paid vending, library functions, payroll, human resources, building control, cemetery management, geographical information system and hosting of the Municipality's website and the Cango Caves.

#### b) Highlights: ICT Services

The highlight for the year under review were as follow:

| Highlight                            | Description  |
|--------------------------------------|--|
| Virtual Meetings and WIFI deployment | Implemented virtual software for meetings and upgraded the WIFI in buildings to be used for meetings |

Table 185: Highlights: ICT Services

#### c) Challenges: ICT Services

The challenge that was experienced is as follow:

| Description | Actions to address   |
|-------------|--|
| COVID-19    | Created a rotation workplan to assist users from 07:30 to 16:00 every day and standby 24/7 |

Table 186: Challenges: ICT Services

## d) Service Delivery Levels

| Details   | 2019/20 | 2020/21 |
|---|---------|---------|
| Provide ICT support to all municipal departments by attending to requests within 4 working days | 100%    | 100%    |
| Total number of support requests and enquiries  | 3 100   | 2 795   |
| Total number of support requests and enquiries solved within 4 days                             | 3 085   | 2 772   |

Table 187: Service Data for ICT Services

## e) Employees: ICT Services

The following table indicates the staff composition for this division:

| Employees: ICT Services |          |           |                                  |                                   |
|-------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level               | 2020/21  |           |                                  |                                   |
|                         | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                         | No.      | No.       | No.                              | %                                 |
| 0 - 3                   | 0        | 0         | 0                                | 0                                 |
| 4 - 6                   | 1        | 1         | 0                                | 0                                 |
| 7 - 9                   | 0        | 0         | 0                                | 0                                 |
| 10 - 12                 | 4        | 3         | 1                                | 25                                |
| 13 - 15                 | 1        | 0         | 1                                | 100                               |
| 16 - 18                 | 1        | 1         | 0                                | 0                                 |
| 19 - 20                 | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>            | <b>7</b> | <b>5</b>  | <b>2</b>                         | <b>28.57</b>                      |

Employees and post numbers are as at 30 June

Table 188: Employees: ICT Services

## f) Capital: ICT Services

The following table indicate the capital expenditure for this division:

| Capital Expenditure 2020/21: ICT Services |         |                   |                    |                                 |
|---|---------|-------------------|--------------------|---------------------------------|
| Capital Projects                          | 2020/21 |                   |                    |                                 |
|   | R'000   |                   |                    |                                 |
|   | Budget  | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| Computer and software                     | 693     | 693               | 744                | (51)                            |
| Computer and software                     | 317     | 317               | 263                | 54                              |
| Computer data network IT                  | 62      | 62                | 67                 | (5)                             |
| Computer data network IT                  | 190     | 190               | 184                | 6                               |



| Capital Expenditure 2020/21: ICT Services |              |                   |                    |                                 |
|---|--------------|-------------------|--------------------|---------------------------------|
| Capital Projects                          | 2020/21      |                   |                    |                                 |
|   | R'000        |                   |                    |                                 |
|   | Budget       | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
| <b>Total</b>                              | <b>1 262</b> | <b>1 262</b>      | <b>1 258</b>       | <b>4</b>                        |

Table 189: Capital Expenditure: ICT Services

### 3.9.6 Legal Services

#### a) Introduction to Legal Services

The legal section currently comprises of the Legal Manager, as well as a Legal Advisor. The section offers *inter alia* the following legal services:

- ⇒ Provides effective legal support to various departments, Council and committees
- ⇒ Liaise with outside attorneys and advocates
- ⇒ The office also liaises with insurance
- ⇒ Conducts research and co-ordinates all legal projects of the Municipality
- ⇒ Responsible for all civil litigation against the Council
- ⇒ Deals and handles policies and by-laws
- ⇒ Responds to all applications made by members of the public in terms of Promotion of Access to Information Act (PAIA)

#### b) Highlights: Legal Services

The highlights for the year under review were as follows:

| Highlights                 | Description  |
|----------------------------|--|
| Attending to legal matters | Despite the challenges posed by the COVID-19 pandemic, the office managed to attend to legal cases in an effective and efficient manner  |
| Minimizing civil claims    | Legal Services assisted in minimizing civil claims of the Municipality by offering legal opinions, especially insurance claims lodged by members of the public. For an example, where applicable we recommended that the municipality must settle claims where it appears that it would be best to do so in order to minimize reputational and financial risks |
| Successfully litigation    | The Municipality successfully litigated in some very important cases. Those legal cases have now created a solid precedent for the Municipality going forward  |

Table 190: Highlights: Legal Services

## c) Challenges: Legal Services

Challenges that are experienced includes the following:

| Description  | Actions to address  |
|--|---|
| The Legal Manager and Property Management Officer posts are currently vacant. The Legal Advisor is currently acting as Legal Manager | The position of the Legal Manager advertised in March 2021 and the process is ongoing. The incumbent will be appointed soon in the 2020/21 financial year |
| Passing of the Legal Manager   | The passing of the Legal Manager in June 2020 due to COVID-19 complications was a tremendous loss for the institution                                     |
| Budget constraints   | Budgetary provision must be made to increase the legal fees vote  |
| The lack of an administrative support post in the form of a legal clerk still poses a major challenge                                | Legal services are the only section within Corporate Services that does not have a clerk. A clerical post should be added to the organogram               |

Table 191: Challenges: Legal Services

## d) Service Delivery Levels

| Details  | 2019/20 | 2020/21 |
|--|---------|---------|
| Attending to requests for information applications made by members of the public is a form of service delivery | Yes     | Yes     |

Table 192: Service Delivery Levels

## f) Employees: Contracts & Legal Services

The following table indicates the staff composition for this division:

| Employees: Council Support |          |           |                                  |                                   |
|----------------------------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level                  | 2020/21  |           |                                  |                                   |
|                            | Posts    | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                            | No.      | No.       | No.                              | %                                 |
| 0 - 3                      | 0        | 0         | 0                                | 0                                 |
| 4 - 6                      | 0        | 0         | 0                                | 0                                 |
| 7 - 9                      | 0        | 0         | 0                                | 0                                 |
| 10 - 12                    | 2        | 2         | 0                                | 0                                 |
| 13 - 15                    | 0        | 0         | 0                                | 0                                 |
| 16 - 18                    | 1        | 0         | 1                                | 100                               |
| 19 - 20                    | 0        | 0         | 0                                | 0                                 |
| <b>Total</b>               | <b>3</b> | <b>2</b>  | <b>1</b>                         | <b>33.33</b>                      |

**Employees and post numbers are as at 30 June**

Table 193: Employees: Contracts and Legal Services

## 3.9.7 Procurement Services

### a) Introduction to Procurement Services

In this 2020/21 financial summary overview the following will be highlighted;

- ⇒ Actions considered as important highlights and positive contributions to SCM Unit and the service delivery initiatives amongst others for the year ended
- ⇒ Areas considered still posing a challenge in executing the SCM duties efficiently
- ⇒ Provision of statical information regarding procurement processes and deviations for the 2020/21 financial year end

### b) Highlights: Procurement Services

The table below specifies the highlights for the year:

| Highlights                    | Description   |
|-------------------------------|---|
| Procurement Plan              | Adoption of the Procurement Plan with budget by Council   |
| Functioning of SCM Committees | Despite the limitations brought on by the COVID-19 pandemic, the SMC committees functioned well |
| Procurement of COVID-19 PPE   | No irregularities for procurement of COVID-19 PPE and services during lockdown period           |

Table 194: Procurement Services Highlights

### c) Challenges: Procurement Services

The table below specifies the challenges for the year:

| Description   | Actions to address  |
|---|---|
| Training of Bid Specification Committee and Bid Evaluation Committee remain a challenge | Provincial Treasury to be requested to provide training to these committees |
| Document Management   | A filing facility must be developed   |
| Limited staff   | Review of organisational structure to create more positions in the SCM unit |

Table 195: Procurement Services Challenges

### d) Service Statistics for Procurement Services

The table below specifies the service statistics for the year:

| Description                         | Total | Monthly Average | Daily Average |
|-------------------------------------|-------|-----------------|---------------|
| Requests processed                  | 4 041 | 336.75          | 16.04         |
| Orders processed                    | 4 041 | 336.75          | 16.04         |
| Requests cancelled or referred back | 447   | 37.25           | 1.77          |
| Extensions                          | 4     | 0.33            | 0.02          |

| Description                         | Total | Monthly Average | Daily Average |
|-------------------------------------|-------|-----------------|---------------|
| Bids received (number of documents) | 339   | 28.25           | 1.34          |
| Bids awarded                        | 30    | 2.5             | 1.75          |
| Bids awarded ≤ R200 000             | 38    | 3.17            | 0.15          |
| Appeals registered                  | 13    | 1.08            | 0.05          |
| Successful appeals                  | 1     | 0.08            | 0.01          |

Table 196: Service Statistics for Procurement Division

## e) Details of Deviations for Procurement Services

| Type of deviation                           | Value of deviations (R) | Percentage of total deviations value (%) | Value of deviations (R) | Percentage of total deviations value (%) |
|---|-------------------------|--|-------------------------|--|
|   | 2019/20                 |  | 2020/21                 |  |
| Clause 36(1)(a)(i)- Emergency               | 1 103 693               | 30.45                                    | 87 914                  | 2.81%                                    |
| Clause 36(1)(a)(ii)- Sole Supplier          | 76 911                  | 2.12                                     | 7 912                   | 0.25%                                    |
| Clause 36(1)(a)(v)- Impractical /impossible | 2 444 903               | 67.43                                    | 3 027 554               | 96.93%                                   |

Table 197: Statistics of Deviations from the SCM Policy

## 3.10 Component I: Service Delivery Priorities for 2020/21

The main development and service delivery priorities for 2020/21 forms part of the Municipality's Top Layer SDBIP for 2020/21 and are indicated in the table below as per strategic objective:

### 3.10.1 An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

| Ref  | KPI  | Unit of Measurement                       | Wards | Annual Target |
|------|--|---|-------|---------------|
| TL11 | Limit unaccounted electricity to less than 13% by 30 June 2022 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) X 100} | % unaccounted electricity by 30 June 2022 | All   | 13.00%        |
| TL19 | Limit vacancy rate to less than 20% of budgeted post by 30 June 2022 [(Number of funded posts vacant / number of funded posts) x100]   | % Vacancy rate                            | All   | 20.00%        |
| TL21 | Submit the draft IDP to Council by 31 March 2022 to ensure compliance with legislation   | IDP submitted to Council                  | All   | 1             |
| TL22 | Submit the EE plan to Department of Labour by 15 January   | EE plan submitted                         | All   | 1             |
| TL23 | Annually submit Workplace Skills Plan by 30 April to LGSETA  | Workplace Skills Plan submitted           | All   | 1             |
| TL24 | Submit a request for amendments of records to Provincial Archives by 30 November   | Number of requests submitted              | All   | 1             |
| TL25 | Implement 80% of the Audit findings issued.  | % Audit findings addressed                | All   | 80.00%        |

Table 198: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

### 3.10.2 To achieve financial sustainability and strengthen municipal transformation and development

| Ref | KPI   | Unit of Measurement  | Wards | Annual Target |
|-----|---|--|-------|---------------|
| TL5 | Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2022 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Re | % of debt coverage   | All   | 14.00%        |
| TL6 | Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 ((Total outstanding service debtors/ revenue received for services)X100)  | % of outstanding service debtors (total outstanding debtors refers to total net debtors) | All   | 11.80%        |
| TL7 | Financial viability measured in terms of the available cash to cover fixed operating  | Number of months it takes to cover fix operating expenditure with available cash         | All   | 1.9           |

| Ref  | KPI  | Unit of Measurement   | Wards | Annual Target |
|------|--|---|-------|---------------|
|      | expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl                                       |   |       |               |
| TL8  | Achieve a debtor payment percentage of 93% as at 30 June 2022 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}                    | % debtor payment achieved   | All   | 93.00%        |
| TL9  | The percentage of the municipal capital budget spent on capital projects as at 30 June 2022 {(Actual amount spent on capital projects / Total amount budgeted for capital projects)X100}                         | % the capital budget spent on capital projects as at 30 June 2022   | All   | 95.00%        |
| TL17 | Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2021/22 financial year | Number of people employed in the three highest levels of management | All   | 1             |
| TL18 | Spend 0,3% of a municipality's personnel budget on implementing its workplace skills plan by 30 June 2022 [(Actual total training expenditure divided by total personnel budget) x100]                           | % of the budget spent   | All   | 0.30%         |

Table 199: To achieve financial sustainability and strengthen municipal transformation and development

### 3.10.3 To promote social, rural and spatial economic development

| Ref  | KPI  | Unit of Measurement                     | Wards | Annual Target |
|------|--|---|-------|---------------|
| TL12 | Limit unaccounted water to less than 25% by 30 June 2022{(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified } x 100} | % unaccounted water by 30 June 2022     | All   | 25.00%        |
| TL13 | Create temporary jobs - FTE's in terms of EPWP by 30 June 2022 (Person days / FTE (230 days))  | Number of FTE's created by 30 June 2022 | All   | 150           |
| TL20 | The percentage of budget allocation actually spent on implementing social development programs, sport, youth & social  | % budget spent                          | All   | 90.00%        |

Table 200: To promote social, rural and spatial economic development

## 3.10.4 To provide basic services to all residents in an environmentally sustainable manner

| Ref  | KPI  | Unit of Measurement   | Wards | Annual Target |
|------|--|---|-------|---------------|
| TL1  | Provide subsidies for free basic water to indigent households as at 30 June 2022   | Number of indigent households receiving subsidies for free basic water as per PROMUN financial system. The Ontec management report is also used as unit of measurement  | All   | 7 300         |
| TL2  | Provide subsidies for free basic electricity to indigent households (excluding ESKOM supply area) as at 30 June 2022   | Number of indigent households receiving subsidies for free basic electricity as per PROMUN financial system. The Ontec management report is also used as unit of measurement  | All   | 7 100         |
| TL3  | Provide subsidies for free basic sanitation to indigent households as at 30 June 2022  | Number of indigent households receiving subsidies for free basic sanitation as per PROMUN financial system  | All   | 7 100         |
| TL4  | Provide subsidies for free basic refuse removal to indigent households as at 30 June 2022  | Number of indigent households receiving subsidies for free basic refuse removal as per PROMUN financial system  | All   | 7 100         |
| TL10 | Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2022  | Number of residential properties which are billed for refuse removal as per the PROMUN financial system   | All   | 14 200        |
| TL14 | Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2022  | Number of residential properties that receive piped water as per the Promun Financial System as at 30 June 2022   | All   | 15 000        |
| TL15 | Provide electricity to residential properties connected to the municipal electrical infrastructure network and billed for the service as well as prepaid electrical metering as at 30 June 2022  | Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as per the Promun Financial System as at 30 June 2022. The Ontec management report is also used as unit of measurement | All   | 17 000        |
| TL16 | Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2022 | Number of residential properties which are billed for sewerage in accordance with the Promun Financial System as at 30 June 2022  | All   | 15 000        |

Table 201: To provide basic services to all residents in an environmentally sustainable manner

## CHAPTER 4

### 4.1 National Key Performance Indicators - Municipal Transformation and Organisational Development

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area - Municipal Transformation and Organisational Development.

| KPA and Indicators  | 2019/20 | 2020/21 |
|---|---------|---------|
| The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan | 1       | 0       |
| The percentage of a Municipality's budget actually spent on implementing its workplace skills plan  | 0.08%   | 0.1%    |

Table 202: National KPIs- Municipal Transformation and Organisational Development

### 4.2 Component A: Introduction to the Municipal Workforce

The Municipality currently employs **717** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

#### 4.2.1 Employment Equity

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



## a) Employment Equity vs. Population

The table below indicates the employment equity vs. population:

| African     |             |              | Coloured    |             |              | Indian      |             |              | White       |             |              |
|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|
| Target June | Actual June | Target reach | Target June | Actual June | Target reach | Target June | Actual June | Target reach | Target June | Actual June | Target reach |
| 299.65      | 159         | No           | 381.65      | 465         | Yes          | 5.02        | 2           | No           | 149.82      | 79          | No           |

Table 203: 2020/21 EE Targets/Actual by Racial Classification

| Male        |             |              | Female      |             |              | Disability  |             |              |
|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|
| Target June | Actual June | Target reach | Target June | Actual June | Target reach | Target June | Actual June | Target reach |
| 468.72      | 464         | No           | 367.44      | 257         | No           | 33.48       | 6           | No           |

Table 204: 2020/21 EE Targets/Actual by Gender Classification

| Description  | African | Coloured | Indian | White | Total |
|--|---------|----------|--------|-------|-------|
| Number for positions filled for the 2020/21 financial year | 4       | 30       | 0      | 1     | 35    |
| % for Positions filled                                     | 1.33    | 7.86     | 0      | 0.66  | 4.18  |

Table 205: EE Population 2020/21

## b) Specific Occupational Levels - Race

The table below categorise the number of employees by race within the occupational levels:

| Occupational Levels   | Male       |            |          |           | Female    |            |          |           | Total      |
|---|------------|------------|----------|-----------|-----------|------------|----------|-----------|------------|
|   | A          | C          | I        | W         | A         | C          | I        | W         |            |
| Top Management  | 0          | 3          | 0        | 0         | 0         | 0          | 0        | 0         | 3          |
| Senior management   | 0          | 1          | 0        | 2         | 0         | 0          | 0        | 1         | 4          |
| Professionally qualified and experienced specialists and mid- management  | 2          | 14         | 0        | 4         | 2         | 2          | 0        | 3         | 27         |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 11         | 45         | 0        | 17        | 10        | 21         | 0        | 4         | 108        |
| Semi-skilled and discretionary decision making  | 40         | 124        | 0        | 14        | 22        | 80         | 1        | 9         | 290        |
| Unskilled and defined decision making   | 48         | 125        | 0        | 14        | 27        | 65         | 0        | 6         | 285        |
| <b>Total permanent</b>  | <b>101</b> | <b>312</b> | <b>0</b> | <b>51</b> | <b>61</b> | <b>168</b> | <b>1</b> | <b>23</b> | <b>717</b> |

Table 206: Occupational Levels

## c) Departments - Race

The following table categorise the number of employees by race within the different departments:

| Department                      | Male       |            |          |           | Female    |            |          |           | Total      |
|---------------------------------|------------|------------|----------|-----------|-----------|------------|----------|-----------|------------|
|                                 | A          | C          | I        | W         | A         | C          | I        | W         |            |
| Office of the Municipal Manager | 3          | 12         | 0        | 4         | 2         | 13         | 0        | 1         | 35         |
| Corporate Services              | 4          | 11         | 0        | 1         | 3         | 12         | 0        | 0         | 31         |
| Financial Services              | 6          | 12         | 0        | 12        | 5         | 27         | 1        | 8         | 71         |
| Strategic & Social Development  | 5          | 11         | 0        | 1         | 4         | 5          | 0        | 3         | 29         |
| Engineering Services            | 45         | 116        | 0        | 28        | 16        | 25         | 0        | 1         | 231        |
| Community Services              | 36         | 148        | 0        | 5         | 29        | 81         | 0        | 10        | 309        |
| Human Settlements               | 2          | 2          | 0        | 0         | 2         | 5          | 0        | 0         | 11         |
| <b>Total permanent</b>          | <b>101</b> | <b>312</b> | <b>0</b> | <b>51</b> | <b>61</b> | <b>168</b> | <b>1</b> | <b>23</b> | <b>717</b> |

Table 207: Department - Race

## d) Trade Union Membership

The following table provides information on the trade union membership of the employees of the Municipality:

| Union             | Number of members | % of Total Compliment | Number of members | % of Total Compliment |
|-------------------|-------------------|-----------------------|-------------------|-----------------------|
|                   | 2019/20           |                       | 2020/21           |                       |
| Samwu             | 266               | 33.37                 | 351               | 40.34                 |
| IMATU             | 472               | 59.22                 | 376               | 43.22                 |
| MATUSA            | 14                | 1.76                  | 7                 | 0.81                  |
| Non-members       | 45                | 5.65                  | 129               | 14.83                 |
| Double membership | 0                 | 0                     | 7                 | 0.80                  |
| <b>Total</b>      | <b>797</b>        | <b>100</b>            | <b>870</b>        | <b>100</b>            |

Table 208: Trade Union Membership

## 4.2.2 Vacancy Rate

The approved organogram for the Municipality had 1 240 posts for the 2020/21 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 511 (Including temps) posts were vacant at the end of 2020/21, resulting in a vacancy rate of 41.2 %.

However, the number of **funded** vacant posts were 158 as at 30 June 2021. Resulting in a total **funded** vacancy rate of 17.87% for the 2020/21 financial year.

Total number of funded posts vacant: 158

Total number of funded posts: 884

Percentage of funded post vacant  $(158/884) \times 100 = \mathbf{17.87\%}$

Below is a table that indicates the vacancies (as per organogram) within the Municipality:

| Level   | Per Post Level |            |
|---|----------------|------------|
|   | Filled         | Vacant     |
| MM & MSA Section 57 & 56  | 3              | 4          |
| Middle management   | 4              | 1          |
| Professionals   | 27             | 20         |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 108            | 47         |
| Unskilled and defined decision making   | 285            | 111        |
| Semi-skilled and defined decision making  | 290            | 116        |
| Non- permanent employees  | 12             | 205        |
| <b>Total</b>  | <b>729</b>     | <b>511</b> |

Table 209: Vacancy Rate per Post and Functional Level

## 4.2.3 Staff Turnover Rate

A high staff turnover may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the staff turnover rate within the Municipality. The staff turnover rate shows an increase from 50% in 2019/20 to 80% in 2020/21.

The table below indicates the staff turnover rate over the last two years:

| Financial year | Total no appointments at the end of each Financial Year | New appointments | No Terminations during the year | Staff Turnover Rate |
|----------------|---|------------------|---------------------------------|---------------------|
| 2019/20        | 38  | 38               | 22                              | 50%                 |
| 2020/21        | 35  | 35               | 28                              | 80%                 |

Table 210: Turnover Rate

## 4.3 Component B: Managing the Municipal Workforce

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

### 4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a Municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a decrease from 83 employees injured in the 2019/20 financial year against 80 employees in the 2020/21 financial year.

The table below indicates the total number of injuries within the different directorates:

| Directorates                    | 2019/20   | 2020/21   |
|---------------------------------|-----------|-----------|
| Office of the Municipal Manager | 2         | 1         |
| Corporate Services              | 0         | 3         |
| Financial Services              | 2         | 8         |
| Strategic & Social Development  | 0         | 0         |
| Community Services              | 48        | 45        |
| Engineering Services            | 31        | 23        |
| Human Settlements               | 0         | 0         |
| <b>Total</b>                    | <b>83</b> | <b>80</b> |

Table 211: Injuries

The table below indicates the incidence frequency rate for 2020/21:

| Description               | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Accumulative injury rate  | 14  | 7   | 6   | 6   | 12  | 6   | 2   | 7   | 5   | 7   | 4   | 4   |
| Vehicle related incidents | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |

Table 212: Incidence Frequency Rate

## 4.3.2 Sick Leave

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

The total number of employees that have taken sick leave during the 2020/21 financial year shows a decrease when compared with the 2019/20 financial year. The new 3-year sick leave cycle started on 1 May 2019.

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

| Department                      | 2019/20         | 2020/21         |              |                 |
|---------------------------------|-----------------|-----------------|--------------|-----------------|
|                                 |                 | Sick Leave      | Unpaid Leave | Total           |
| Office of the Municipal Manager | 179.6           | 47.5            | 0            | 47.5            |
| Corporate Services              | 212             | 192             | 0            | 192             |
| Financial Services              | 383             | 327             | 0            | 327             |
| Community Services              | 2 137           | 1 895           | 5            | 1 900           |
| Technical Services              | 1 473.25        | 941.25          | 139          | 1 080.25        |
| Strategic and Social Services   | 54              | 94              | 8            | 102             |
| <b>Total</b>                    | <b>4 438.85</b> | <b>3 496.75</b> | <b>152</b>   | <b>3 648.75</b> |

Table 213: Sick Leave

## 4.3.3 Disciplinary Measures

### a) Disciplinary Cases per Directorate

| Directorate                     | Number of cases |           |
|---------------------------------|-----------------|-----------|
|                                 | 2019/20         | 2020/21   |
| Office of the Municipal Manager | 1               | 1         |
| Corporate Services              | 0               | 0         |
| Financial Services              | 1               | 0         |
| Community Services              | 29              | 6         |
| Technical Services              | 14              | 6         |
| <b>Total</b>                    | <b>45</b>       | <b>13</b> |

Table 214: Disciplinary Cases Per Directorate

### b) Outcome of Disciplinary Steps

| Type of outcome | Number  |         |
|-----------------|---------|---------|
|                 | 2019/20 | 2020/21 |
| Counselling     | 10      | 2       |
| Final warning   | 3       | 0       |

| Type of outcome            | Number                       |                              |
|----------------------------|------------------------------|------------------------------|
|                            | 2019/20                      | 2020/21                      |
| Written warning            | 1                            | 1 (Verbal warning)           |
| Not guilty                 | 0                            | 0                            |
| Dismissal                  | 0                            | 1                            |
| Withdrawn (During hearing) | 1 resignation<br>1 withdrawn | 1 resignation<br>2 withdrawn |
| 10 Days with suspension    | 2                            | 0                            |
| 5 Days with suspension     | 0                            | 0                            |
| Pending                    | 28                           | 6                            |
| Suspensions                | 0                            | 0                            |

Table 215: Outcome of Disciplinary Steps

### Category of Disciplinary Offences per Charge

| Category   | Number    |           |
|--|-----------|-----------|
|  | 2019/20   | 2020/21   |
| Absenteeism  | 6         | 1         |
| Alcohol/drugs  | 6         | 3         |
| Intimidation   | 6         | 1         |
| Poor work performance  | 1         | 1         |
| Dishonesty   | 5         | 0         |
| Negligence   | 12        | 1         |
| Poor conduct   | 9         | 6         |
| Insubordination  | 2         | 0         |
| <b>Total</b>   | <b>47</b> | <b>13</b> |
| <b>Number of category of offences vary from number of disciplinary cases as in some instances some individuals received more than one charge</b> |           |           |

Table 216: Category of Disciplinary Offences per Charge

## 4.4 Component C: Capacitating the Municipal Workforce

Section 68(1) of the MSA states that Municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998) and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

## 4.4.1 Skills Matrix

The table below indicates the number of employees that received training (skills programs, short courses, etc.) in the year under review:

| Management level                           | Gender        | Number of employees identified for training at start of the year | Number of Employees that received training |
|--|---------------|--|--|
| MM and S57                                 | Female        | 0  | 0  |
|  | Male          | 0  | 0  |
| Legislators, senior officials and managers | Female        | 2  | 0  |
|  | Male          | 2  | 2  |
| Associate professionals and technicians    | Female        | 1  | 1  |
|  | Male          | 20   | 16   |
| Professionals                              | Female        | 2  | 2  |
|  | Male          | 10   | 10   |
| Clerks                                     | Female        | 20   | 10   |
|  | Male          | 30   | 20   |
| Service and sales workers                  | Female        | 13   | 10   |
|  | Male          | 21   | 20   |
| Craft and related trade workers            | Female        | 30   | 10   |
|  | Male          | 30   | 20   |
| Plant and machine operators and assemblers | Female        | 30   | 30   |
|  | Male          | 30   | 30   |
| Elementary occupations                     | Female        | 15   | 20   |
|  | Male          | 0  | 0  |
| <b>Sub total</b>                           | <b>Female</b> | <b>113</b>   | <b>83</b>                                  |
|  | <b>Male</b>   | <b>143</b>   | <b>118</b>                                 |
| <b>Total</b>                               |               | <b>256</b>   | <b>201</b>                                 |

Table 217: Skills Matrix

## 4.4.2 Training Interventions

The table below indicates the type of training interventions that was provided for employees trained:

| Training intervention                                    | Female |   |   |   | Male |   |   |   | Total |
|--|--------|---|---|---|------|---|---|---|-------|
|  | A      | C | I | W | A    | C | I | W |       |
| Municipal Financial Management Learnerships              | 2      | 0 | 0 | 2 | 3    | 3 | 0 | 1 | 11    |
| Water and Waste Water Treatment Process Operations NQF 2 | 0      | 0 | 0 | 3 | 2    | 2 | 0 | 0 | 7     |
| Water and Waste Water Process Control NQF                | 0      | 0 | 0 | 0 | 2    | 3 | 0 | 0 | 5     |

| Training intervention   | Female    |          |          |           | Male      |           |          |          | Total      |
|---|-----------|----------|----------|-----------|-----------|-----------|----------|----------|------------|
|   | A         | C        | I        | W         | A         | C         | I        | W        |            |
| 3   |           |          |          |           |           |           |          |          |            |
| Water and Waste Water Treatment Process Control Supervision NQF 4 | 0         | 0        | 0        | 0         | 1         | 4         | 0        | 0        | 5          |
| Accredited Municipal PMS Training - Management Stream             | 0         | 0        | 0        | 0         | 0         | 1         | 0        | 0        | 1          |
| Advanced excel  | 12        | 0        | 0        | 12        | 6         | 3         | 0        | 0        | 33         |
| Intermediate excel  | 10        | 0        | 0        | 11        | 3         | 4         | 0        | 0        | 28         |
| Digger loader   | 0         | 0        | 0        | 0         | 5         | 10        | 0        | 0        | 15         |
| Gravel road maintenance   | 0         | 0        | 0        | 0         | 6         | 9         | 0        | 0        | 15         |
| Salga Summer School- Councillors                                  | 0         | 0        | 0        | 0         | 2         | 3         | 0        | 0        | 5          |
| Poppi Act Training  | 1         | 0        | 0        | 0         | 0         | 1         | 0        | 0        | 2          |
| Chainsaw refresher training                                       | 0         | 0        | 0        | 0         | 4         | 9         | 0        | 2        | 15         |
| Cherry picker refresher Training                                  | 0         | 0        | 0        | 0         | 5         | 8         | 0        | 3        | 16         |
| <b>Total</b>  | <b>25</b> | <b>0</b> | <b>0</b> | <b>28</b> | <b>39</b> | <b>60</b> | <b>0</b> | <b>6</b> | <b>158</b> |

Table 218: Training Interventions

### 4.4.3 Skills Development - Training Provided

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

| Occupational categories                    | Gender | Training provided within the reporting period |        |   |        |        |        |
|--|--------|---|--------|---|--------|--------|--------|
|  |        | Learnerships                                  |        | Skills programmes & other short courses |        | Total  |        |
|  |        | Actual  | Target | Actual                                  | Target | Actual | Target |
| MM and S57                                 | Female | 0   | 0      | 0                                       | 0      | 0      | 0      |
|  | Male   | 0   | 0      | 0                                       | 0      | 0      | 0      |
| Legislators, senior officials and managers | Female | 0   | 0      | 0                                       | 0      | 0      | 0      |
|  | Male   | 0   | 0      | 2                                       | 2      | 2      | 2      |
| Professionals                              | Female | 0   | 0      | 10                                      | 2      | 10     | 2      |
|  | Male   | 0   | 0      | 5                                       | 1      | 5      | 1      |
| Technicians and associate professionals    | Female | 5   | 20     | 0                                       | 0      | 5      | 20     |
|  | Male   | 1   | 2      | 0                                       | 0      | 1      | 2      |
| Clerks                                     | Female | 10  | 10     | 0                                       | 0      | 10     | 10     |
|  | Male   | 0   | 0      | 27                                      | 20     | 27     | 20     |
| Service and sales workers                  | Female | 0   | 0      | 15                                      | 30     | 15     | 30     |



| Occupational categories                    | Gender | Training provided within the reporting period |        |   |        |        |        |
|--|--------|---|--------|---|--------|--------|--------|
|  |        | Learnerships                                  |        | Skills programmes & other short courses |        | Total  |        |
|  |        | Actual  | Target | Actual                                  | Target | Actual | Target |
|  | Male   | 0   | 0      | 15                                      | 13     | 15     | 13     |
| Craft and related trade workers            | Female | 0   | 0      | 5                                       | 21     | 5      | 21     |
|  | Male   | 20  | 30     | 0                                       | 0      | 20     | 30     |
| Plant and machine operators and assemblers | Female | 0   | 0      | 15                                      | 30     | 15     | 30     |
|  | Male   | 0   | 0      | 27                                      | 30     | 27     | 30     |
| Elementary occupations                     | Female | 0   | 0      | 10                                      | 30     | 10     | 30     |
|  | Male   | 0   | 0      | 15                                      | 15     | 15     | 15     |
| Sub total                                  | Female | 15  | 30     | 55                                      | 113    | 70     | 143    |
|  | Male   | 21  | 32     | 91                                      | 81     | 112    | 113    |
| Total                                      |        | 36  | 62     | 146                                     | 194    | 182    | 256    |

Table 219: Skills Development

#### 4.4.4 Skills Development - Budget Allocation

The table below indicates that a total amount of R1 225 032 were allocated to the workplace skills plan and that 54.78% of the total allocated amount was spent in the 2020/21 financial year:

| Year    | Total personnel budget | Total Allocated | Total Spend  | % Spent |
|---------|------------------------|-----------------|--------------|---------|
| 2019/20 | 250 141 605            | 1 299 992       | 1 028 525.90 | 79.11%  |
| 2020/21 | 254 445 894            | 1 225 032       | 671 145.34   | 54.78%  |

Table 220: Budget Allocated and Spent for Skills Development

#### 4.4.5 Municipal Minimum Competency Course Status

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

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No Municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if

that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

The MMC -training course consists of 15 modules for most candidates and the status of the progress a is as follows:

| Description                              | Total number of officials employed by Municipality (Regulation 14(4)(a) and (c)) | Competency assessments completed (Regulation 14(4)(b) and (d)) | Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
|--|--|--|--|--|
| <b>Financial Officials</b>               |  |  |  |  |
| Accounting officer                       | 1  | 1  | 1  | 1  |
| Chief financial officer                  | 1  | 1  | 1  | 1  |
| Senior managers                          | 4  | 2  | 2  | 2  |
| Any other financial officials            | 73   | 0  | 0  | 19   |
| <b>Supply Chain Management Officials</b> |  |  |  |  |
| Heads of supply chain management units   | 1  | 0  | 0  | 1  |
| Supply chain management senior managers  | 0  | 0  | 0  | 0  |
| <b>Total</b>                             | <b>80</b>  | <b>4</b>   | <b>4</b>   | <b>24</b>  |

Table 221: MMC Course Status

## 4.5 Component D: Managing the Municipal Workforce Expenditure

Section 66 of the MSA states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as the Budget and Reporting Schedules SA22 and SA23.

### 4.5.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is not within the national norm of between 35% to 40%:

| Financial year | Total Expenditure salary and allowances | Total Operating Expenditure | Percentage |
|----------------|---|-----------------------------|------------|
|                | R'000                                   | R'000                       |            |
| 2019/20        | 250 142                                 | 608 471                     | 42%        |
| 2020/21        | 254 446                                 | 610 285                     | 41%        |

Table 222: Personnel Expenditure

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

| Financial year   | 2019/20       |                 | 2020/21         |               |
|--|---------------|-----------------|-----------------|---------------|
|  | Actual        | Original Budget | Adjusted Budget | Actual        |
| Description  | R'000         |                 |                 |               |
| <b>Councillors (Political Office Bearers plus Other)</b> |               |                 |                 |               |
| Salary   | 7 036         | 6 844           | 7 509           | 7 006         |
| Pension Contributions                                    | 698           | 668             | 561             | 469           |
| Medical Aid Contributions                                | 229           | 381             | 275             | 217           |
| Motor vehicle allowance                                  | 2 201         | 2 272           | 2 329           | 2 245         |
| Cell phone allowance                                     | 1 049         | 1 139           | 1 139           | 1 046         |
| <b>Sub Total</b>   | <b>11 213</b> | <b>11 303</b>   | <b>11 812</b>   | <b>10 983</b> |
| <b>Senior Managers of the Municipality</b>               |               |                 |                 |               |
| Salary   | 5 098         | 5 873           | 5 174           | 3 785         |
| Pension and UIF Contributions                            | 532           | 485             | 447             | 510           |
| Medical Aid Contributions                                | 119           | 108             | 149             | 72            |
| Motor vehicle allowance                                  | 444           | 574             | 406             | 280           |
| Cell phone allowance                                     | 233           | 242             | 324             | 276           |
| Housing allowance  | 135           | 0               | 0               | 150           |
| Performance Bonus  | 828           | 1 029           | 430             | 150           |
| Other benefits or allowances                             | 810           | 108             | 93              | 469           |
| Leave Payments   | 167           | 0               | 0               | 459           |
| Acting allowance   | 138           | 0               | 0               | 270           |
| <b>Sub Total</b>   | <b>8 504</b>  | <b>8 419</b>    | <b>7 023</b>    | <b>6 421</b>  |
| <b>Other Municipal Staff</b>                             |               |                 |                 |               |
| Basic Salaries and Wages                                 | 145 197       | 156 458         | 157 366         | 151 880       |
| Pension Contributions                                    | 25 821        | 27 532          | 28 553          | 27 649        |
| Medical Aid Contributions                                | 10 839        | 15 630          | 12 830          | 11 685        |
| Motor vehicle allowance                                  | 4 189         | 4 212           | 4 218           | 4 133         |
| Cell phone allowance                                     | 1 013         | 1 898           | 1 743           | 970           |

| Financial year                          | 2019/20        | 2020/21         |                 |                |
|---|----------------|-----------------|-----------------|----------------|
| Description                             | Actual         | Original Budget | Adjusted Budget | Actual         |
|   | R'000          |                 |                 |                |
| Housing allowance                       | 1 783          | 1 698           | 2 083           | 1 829          |
| Overtime                                | 12 310         | 10 682          | 11 547          | 12 733         |
| Leave Payments                          | 6 313          | 0               | 0               | 430            |
| Performance bonuses                     | 11 866         | 12 208          | 12 296          | 12 226         |
| Other benefits or allowances            | (672)          | 5 869           | 8 161           | (310)          |
| Long service awards                     | 1 858          | 1 501           | 1 803           | 1 803          |
| Post-retirement benefit obligations     | 12 919         | 19 983          | 12 390          | 12 390         |
| Contributions to Group Insurance        | 2 921          | 0               | 0               | 3 402          |
| Contributions to Workman's Compensation | 1 408          | 0               | 0               | 1 480          |
| Standby Allowance                       | 2 240          | 0               | 0               | 3 942          |
| Shift Allowance                         | 532            | 0               | 0               | 593            |
| Acting allowance                        | 1 100          | 0               | 0               | 1 190          |
| <b>Sub Total</b>                        | <b>241 637</b> | <b>257 671</b>  | <b>252 990</b>  | <b>248 082</b> |
| <b>Total Municipality</b>               | <b>261 354</b> | <b>277 393</b>  | <b>271 825</b>  | <b>265 428</b> |

Table 223: Personnel Expenditure

## CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2020/21 financial year.

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

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

#### 5.1 Financial Summary

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

| Financial Summary  |                |                 |                 |                 |                  |                    |
|--|----------------|-----------------|-----------------|-----------------|------------------|--------------------|
| R'000  |                |                 |                 |                 |                  |                    |
| Description  | 2019/20        | 2020/21         |                 |                 | 2020/21 Variance |                    |
|  | Actual         | Original Budget | Adjusted Budget | Actual          | Original Budget  | Adjustments Budget |
|  | R'000          |                 |                 |                 | %                |                    |
| Financial Performance  |                |                 |                 |                 |                  |                    |
| Property rates   | 92 909         | 98 078          | 98 005          | 97 889          | -0.19            | -0.12              |
| Service charges  | 337 578        | 379 843         | 361 056         | 352 602         | -7.73            | -2.40              |
| Investment revenue   | 10 999         | 10 901          | 5 651           | 5 749           | -89.61           | 1.69               |
| Transfers recognised - operational                                   | 94 712         | 96 292          | 108 299         | 103 919         | 7.34             | -4.21              |
| Other own revenue  | 62 847         | 34 289          | 22 987          | 32 530          | -5.41            | 29.34              |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>599 046</b> | <b>619 403</b>  | <b>595 999</b>  | <b>592 688</b>  | <b>-4.51</b>     | <b>-0.56</b>       |
| Employee costs   | 250 142        | 266 090         | 260 013         | 254 446         | -4.58            | -2.19              |
| Remuneration of councillors  | 11 213         | 11 303          | 11 812          | 10 983          | -2.92            | -7.54              |
| Depreciation & asset impairment                                      | 41 642         | 43 172          | 41 646          | 40 313          | -7.09            | -3.31              |
| Finance charges  | 6 448          | 5 911           | 5 396           | 5 592           | -5.70            | 3.49               |
| Materials and bulk purchases   | 185 761        | 204 768         | 203 196         | 195 735         | -4.61            | -3.81              |
| Transfers & grants   | 4 717          | 6 193           | 3 763           | 1 901           | -225.74          | -97.92             |
| Other expenditure  | 104 244        | 119 694         | 113 773         | 105 619         | -13.33           | -7.72              |
| <b>Total Expenditure</b>   | <b>608 471</b> | <b>657 130</b>  | <b>639 600</b>  | <b>610 285</b>  | <b>-7.68</b>     | <b>-4.80</b>       |
| <b>Surplus/(Deficit)</b>   | <b>(9 426)</b> | <b>(37 728)</b> | <b>(43 601)</b> | <b>(17 596)</b> | <b>-114.41</b>   | <b>-147.79</b>     |
| Transfers recognised - capital                                       | 63 182         | 64 464          | 68 847          | 59 409          | -8.51            | -15.89             |
| Contributed/Donated PPE  | 62             | 0               | 0               | 39 067          | 100.00           | 100.00             |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>53 818</b>  | <b>26 737</b>   | <b>25 246</b>   | <b>80 880</b>   | <b>66.94</b>     | <b>68.79</b>       |
| <b>Capital expenditure &amp; funds sources</b>                       |                |                 |                 |                 |                  |                    |

| Financial Summary                                  |                |                 |                 |                |                  |                    |
|--|----------------|-----------------|-----------------|----------------|------------------|--------------------|
| R'000  |                |                 |                 |                |                  |                    |
| Description  | 2019/20        | 2020/21         |                 |                | 2020/21 Variance |                    |
|  | Actual         | Original Budget | Adjusted Budget | Actual         | Original Budget  | Adjustments Budget |
|  | R'000          |                 |                 |                | %                |                    |
| <b>Capital expenditure</b>                         |                |                 |                 |                |                  |                    |
| Transfers recognised - capital                     | 55 563         | 56 056          | 61 619          | 52 000         | -7.80            | -18.50             |
| Borrowing  | 8 670          | 16 500          | 27 712          | 15 643         | -5.48            | -77.15             |
| Internally generated funds                         | 9 138          | 10 088          | 16 708          | 9 117          | -10.65           | -83.26             |
| <b>Total sources of capital funds</b>              | <b>73 370</b>  | <b>82 644</b>   | <b>106 039</b>  | <b>76 761</b>  | <b>-7.66</b>     | <b>-38.14</b>      |
| <b>Financial position</b>                          |                |                 |                 |                |                  |                    |
| Total current assets                               | 233 098        | 156 911         | 181 689         | 192 589        | 18.53            | 5.66               |
| Total non(current assets                           | 931 007        | 982 339         | 951 612         | 1 009 767      | 2.72             | 5.76               |
| Total current liabilities                          | 185 292        | 179 014         | 152 652         | 116 287        | -53.94           | -31.27             |
| Total non(current liabilities                      | 158 782        | 172 715         | 177 337         | 185 159        | 6.72             | 4.22               |
| Community wealth/Equity                            | 820 031        | 787 521         | 803 313         | 900 910        | 12.59            | 10.83              |
| <b>Cash flows</b>                                  |                |                 |                 |                |                  |                    |
| Net cash from (used) operating                     | 125 649        | 67 946          | 31 497          | 12 438         | -446.29          | -153.24            |
| Net cash from (used) investing                     | (72 909)       | (81 661)        | (105 075)       | (76 761)       | -6.38            | -36.89             |
| Net cash from (used) financing                     | 1 898          | 224             | 11 478          | 2 502          | 91.05            | -358.67            |
| Cash/cash equivalents at the beginning of the year | 123 149        | 97 195          | 177 787         | 177 787        | 45.33            | 0.00               |
| <b>Cash/cash equivalents at the year end</b>       | <b>177 787</b> | <b>83 704</b>   | <b>115 687</b>  | <b>115 967</b> | <b>27.82</b>     | <b>0.24</b>        |
| <b>Cash backing/surplus reconciliation</b>         |                |                 |                 |                |                  |                    |
| Cash and investments available                     | 177 787        | 83 704          | 115 687         | 115 967        | 27.82            | 0.24               |
| Application of cash & investments                  | (69 835)       | (80 290)        | (63 114)        | (31 015)       | -158.88          | -103.50            |
| <b>Balance ( surplus (shortfall)</b>               | <b>107 952</b> | <b>3 414</b>    | <b>52 573</b>   | <b>84 952</b>  | <b>95.98</b>     | <b>38.11</b>       |
| <b>Asset management</b>                            |                |                 |                 |                |                  |                    |
| Asset register summary (WDV)                       | 931 007        | 982 339         | 951 612         | 1 009 767      | 2.72             | 5.76               |
| Depreciation & asset impairment                    | 41 642         | 43 172          | 41 646          | 40 313         | -7.09            | -3.31              |
| Renewal of Existing Assets                         | 5 294          | 200             | 1 766           | 2 293          | 91.28            | 22.99              |
| Repairs and Maintenance                            | 13 611         | 17 368          | 17 926          | 15 030         | -15.56           | -19.26             |
| <b>Free services</b>                               |                |                 |                 |                |                  |                    |
| Cost of Free Basic Services provided               | 48 307         | 46 824          | 45 053          | 52 458         | 10.74            | 14.12              |
| Revenue cost of free services provided             | 7 181          | 7 452           | 7 995           | 7 995          | 6.79             | 0.00               |

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A1

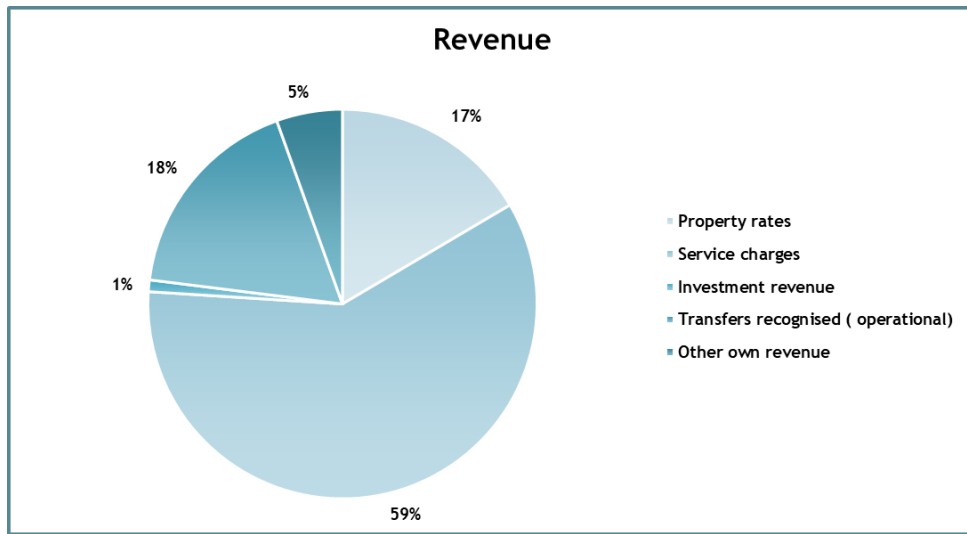
Table 224: Financial Performance 2020/21

The table below shows a summary of performance against budgets:

| Financial Year | Revenue |         |            |    | Operating expenditure |         |        |    |
|----------------|---------|---------|------------|----|-----------------------|---------|--------|----|
|                | Budget  | Actual  | Difference | %  | Budget                | Actual  | Diff.  | %  |
|                | R'000   | R'000   | R'000      |    | R'000                 | R'000   | R'000  |    |
| 2019/20        | 714 018 | 648 702 | (65 316)   | -9 | 673 615               | 594 884 | 78 732 | 12 |
| 2020/21        | 664 846 | 691 165 | 26 318     | 4  | 639 600               | 610 285 | 29 315 | 5  |

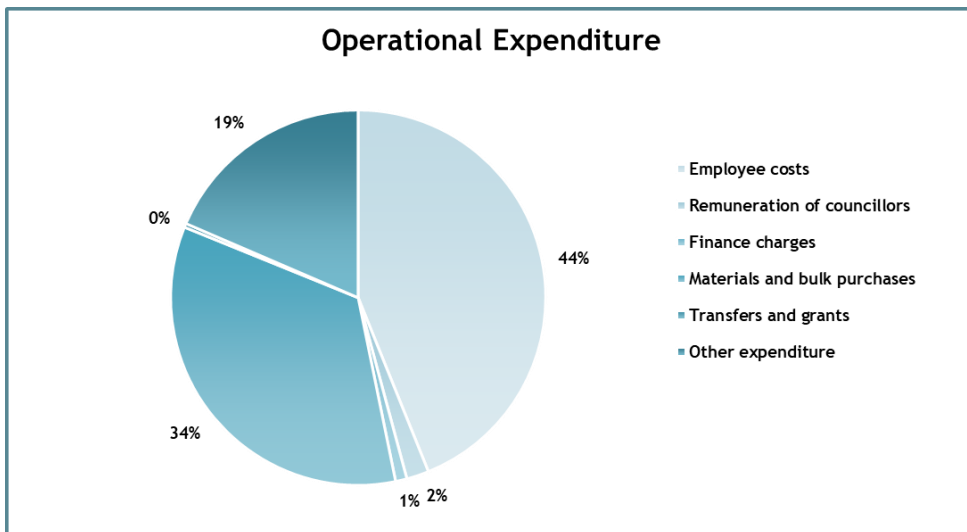
Table 225: Performance Against Budgets

The following graph indicates the various types of revenue items in the municipal budget for 2020/21



Graph 6.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2020/21



Graph 7.: Operating Expenditure

## 5.1.1 Revenue Collection by Vote

The table below indicates the Revenue collection performance by Vote:

| Vote Description                     | 2019/20        | 2020/21         |                 |                | 2020/21 % Variance |                 |
|--------------------------------------|----------------|-----------------|-----------------|----------------|--------------------|-----------------|
|                                      | Actual         | Original Budget | Adjusted Budget | Actual         | Original Budget    | Adjusted Budget |
|                                      | R'000          |                 |                 |                | %                  |                 |
| Vote 1 - Executive & Council         | 56 281         | 57 576          | 63 220          | 63 220         | 8.93               | 0.00            |
| Vote 2 - Municipal Manager           | 16 231         | 11 565          | 6 019           | 6 019          | -92.14             | 0.00            |
| Vote 3 - Corporate Services          | 1 519          | 819             | 1 185           | 1 185          | 30.89              | 0.00            |
| Vote 4 - Financial Services          | 96 387         | 100 595         | 101 221         | 101 221        | 0.62               | 0.00            |
| Vote 5 - Community and Public Safety | 53 457         | 48 371          | 52 765          | 52 765         | 8.33               | 0.00            |
| Vote 6 - Technical Services          | 411 909        | 460 060         | 434 793         | 434 793        | -5.81              | 0.00            |
| Vote 7 - Human Settlement            | 11 569         | 4 882           | 4 882           | 4 882          | 0.00               | 0.00            |
| Vote 8 - Strategic Services          | 1 348          | 0               | 761             | 761            | 100.00             | 0.00            |
| <b>Total Revenue by Vote</b>         | <b>648 702</b> | <b>683 867</b>  | <b>664 846</b>  | <b>664 846</b> | <b>-2.86</b>       | <b>0.00</b>     |

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A3*

Table 226: Revenue Collection by Vote

## 5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2020/21 financial year:

| Description                            | 2019/20 |                 | 2020/21         |         | 2020/21 Variance |                 |
|--|---------|-----------------|-----------------|---------|------------------|-----------------|
|  | Actual  | Original Budget | Adjusted Budget | Actual  | Original Budget  | Adjusted Budget |
|  | R'000   |                 |                 |         | %                |                 |
| Property rates                         | 92 909  | 98 078          | 98 005          | 97 889  | -0.19            | -0.12           |
| Service Charges - electricity revenue  | 227 510 | 259 159         | 247 819         | 238 939 | -8.46            | -3.72           |
| Service Charges - water revenue        | 57 938  | 65 574          | 57 568          | 59 083  | -10.99           | 2.56            |
| Service Charges - sanitation revenue   | 35 285  | 35 908          | 35 618          | 35 285  | -1.77            | -0.94           |
| Service Charges - refuse revenue       | 19 294  | 19 202          | 20 051          | 19 294  | 0.48             | -3.92           |
| Rentals of facilities and equipment    | 2 574   | 2 214           | 1 630           | 1 522   | -45.45           | -7.10           |
| Interest earned - external investments | 10 999  | 10 901          | 5 651           | 5 749   | -89.61           | 1.69            |
| Interest earned - outstanding debtors  | 4 732   | 4 992           | 2 410           | 3 258   | -53.20           | 26.04           |
| Fines                                  | 12 303  | 6 476           | 2 190           | 8 341   | 22.36            | 73.74           |
| Licences and permits                   | 0       | 353             | 353             | 0       | 0                | 0               |
| Agency services                        | 4 883   | 4 218           | 5 018           | 6 086   | 30.69            | 17.55           |



| Description  | 2019/20        |                 | 2020/21         |                | 2020/21 Variance |                 |
|--|----------------|-----------------|-----------------|----------------|------------------|-----------------|
|  | Actual         | Original Budget | Adjusted Budget | Actual         | Original Budget  | Adjusted Budget |
|  | R'000          |                 |                 |                | %                |                 |
| Transfers recognised - operational                                   | 94 712         | 96 292          | 108 299         | 103 919        | 7.34             | -4.21           |
| Other revenue  | 35 907         | 16 036          | 11 386          | 13 323         | -20.37           | 14.54           |
| Gains on disposal of PPE   | 0              | 0               | 0               | 0              | 0                | 0               |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>599 046</b> | <b>619 403</b>  | <b>595 999</b>  | <b>592 688</b> | <b>-4.51</b>     | <b>-0.56</b>    |

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A4.*

Table 227: Revenue by Source

## 5.1.3 Operational Services Performance

| Description                   | 2019/20                  | 2020/21         |                 | 2020/21 Variance |                 |                 |
|-------------------------------|--------------------------|-----------------|-----------------|------------------|-----------------|-----------------|
|                               | Actual (Audited Outcome) | Original Budget | Adjusted Budget | Actual           | Original Budget | Adjusted Budget |
|                               | R'000                    |                 |                 |                  | %               |                 |
| <b>Operating Cost</b>         |                          |                 |                 |                  |                 |                 |
| Water                         | 54 257                   | 73 307          | 50 694          | 50 113           | -46.28          | -1.16           |
| Waste Water (Sanitation)      | 17 370                   | 18 172          | 19 080          | 21 527           | 15.58           | 11.37           |
| Electricity                   | 41 241                   | 58 498          | 46 616          | 38 876           | -50.47          | -19.91          |
| Waste Management              | 2 435                    | 328             | 2 977           | 8 142            | 95.97           | 63.44           |
| Housing                       | (3 006)                  | (11 549)        | (12 118)        | (11 310)         | -2.11           | -7.14           |
| <b>Component A: sub-total</b> | <b>112 298</b>           | <b>138 756</b>  | <b>107 249</b>  | <b>107 348</b>   | <b>-29.26</b>   | <b>0.09</b>     |
| Roads and Stormwater          | (13 016)                 | (16 248)        | (8 889)         | (7 750)          | -109.66         | -14.70          |
| <b>Component B: sub-total</b> | <b>(13 016)</b>          | <b>(16 248)</b> | <b>(8 889)</b>  | <b>(7 750)</b>   | <b>-109.66</b>  | <b>-14.70</b>   |
| Planning & Development        | (18 977)                 | (22 652)        | (20 639)        | (18 301)         | -23.77          | -12.77          |
| <b>Component C: sub-total</b> | <b>(18 977)</b>          | <b>(22 652)</b> | <b>(20 639)</b> | <b>(18 301)</b>  | <b>-23.77</b>   | <b>-12.77</b>   |
| Community and Social Services | (33 239)                 | (40 372)        | (33 896)        | (36 653)         | -10.14          | 7.52            |
| <b>Component F: sub-total</b> | <b>(33 239)</b>          | <b>(40 372)</b> | <b>(33 896)</b> | <b>(36 653)</b>  | <b>-10.14</b>   | <b>7.52</b>     |
| Sport and Recreation          | (31 760)                 | (38 316)        | (38 251)        | (32 303)         | -18.62          | -18.41          |
| <b>Component G: sub-total</b> | <b>(31 760)</b>          | <b>(38 316)</b> | <b>(38 251)</b> | <b>(32 303)</b>  | <b>-18.62</b>   | <b>-18.41</b>   |
| Financial Services & Admin    | 29 546                   | 18 231          | 22 352          | 30 211           | 39.66           | 26.01           |
| Executive & Council           | 10 850                   | (10 164)        | 49              | 1 702            | 697.05          | 97.14           |
| Other                         | 31 355                   | 37 873          | 31 165          | 73 278           | 48.32           | 57.47           |
| <b>Component H: sub-total</b> | <b>71 751</b>            | <b>45 939</b>   | <b>53 566</b>   | <b>105 192</b>   | <b>56.33</b>    | <b>49.08</b>    |

| Description              | 2019/20                  | 2020/21         |                 |               | 2020/21 Variance |                 |
|--------------------------|--------------------------|-----------------|-----------------|---------------|------------------|-----------------|
|                          | Actual (Audited Outcome) | Original Budget | Adjusted Budget | Actual        | Original Budget  | Adjusted Budget |
|                          | R'000                    |                 |                 |               | %                |                 |
| <b>Operating Cost</b>    |                          |                 |                 |               |                  |                 |
| <b>Total Expenditure</b> | <b>53 818</b>            | <b>26 737</b>   | <b>25 246</b>   | <b>80 880</b> | <b>66.94</b>     | <b>68.79</b>    |

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 228: Operational Services Performance

## 5.2 Financial Performance per Municipal Function

### 5.2.1 Water Services

| Description                                  | 2019/20        | 2020/21         |                 |                | Variance to Budget |
|--|----------------|-----------------|-----------------|----------------|--------------------|
|  | Actual         | Original Budget | Adjusted Budget | Actual         |                    |
|  | R'000          |                 |                 |                |                    |
| <b>Total Operational Revenue</b>             | <b>104 952</b> | <b>118 388</b>  | <b>101 303</b>  | <b>103 579</b> | <b>-14.30</b>      |
| <b>Expenditure:</b>                          |                |                 |                 |                |                    |
| Employees                                    | 20 724         | 18 430          | 21 270          | 21 913         | <b>15.89</b>       |
| Repairs & Maintenance                        | 4 154          | 3 010           | 3 392           | 3 139          | <b>4.11</b>        |
| Other  | 25 818         | 23 642          | 25 947          | 28 414         | <b>16.80</b>       |
| <b>Total Operational Expenditure</b>         | <b>50 695</b>  | <b>45 081</b>   | <b>50 609</b>   | <b>53 466</b>  | <b>15.68</b>       |
| <b>Net Operational (Service) Expenditure</b> | <b>54 257</b>  | <b>73 307</b>   | <b>50 694</b>   | <b>50 113</b>  | <b>-46.28</b>      |

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

Table 229: Financial Performance: Water Services

## 5.2.2 Waste Water (Sanitation)

| Description   | 2019/20       | 2020/21         |                 |               | Variance to Budget |
|---|---------------|-----------------|-----------------|---------------|--------------------|
|   | Actual        | Original Budget | Adjusted Budget | Actual        |                    |
|   | R'000         |                 |                 |               |                    |
| <b>Total Operational Revenue</b>  | <b>43 439</b> | <b>45 914</b>   | <b>45 337</b>   | <b>45 798</b> | <b>-0.25</b>       |
| <b>Expenditure:</b>   |               |                 |                 |               |                    |
| Employees   | 16 214        | 15 350          | 16 921          | 17 042        | <b>9.93</b>        |
| Repairs & Maintenance   | 1 079         | 531             | 667             | 1 206         | <b>56.00</b>       |
| Other   | 8 776         | 11 861          | 8 669           | 6 022         | <b>-96.94</b>      |
| <b>Total Operational Expenditure</b>  | <b>26 069</b> | <b>27 742</b>   | <b>26 257</b>   | <b>24 271</b> | <b>-14.30</b>      |
| <b>Net Operational (Service) Expenditure</b>  | <b>17 370</b> | <b>18 172</b>   | <b>19 080</b>   | <b>21 527</b> | <b>15.58</b>       |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |               |                 |                 |               |                    |

Table 230: Financial Performance: Waste Water (Sanitation) Services

## 5.2.3 Electricity

| Description   | 2019/20        | 2020/21         |                 |                | Variance to Budget |
|---|----------------|-----------------|-----------------|----------------|--------------------|
|   | Actual         | Original Budget | Adjusted Budget | Actual         |                    |
|   | R'000          |                 |                 |                |                    |
| <b>Total Operational Revenue</b>  | <b>243 586</b> | <b>271 763</b>  | <b>259 879</b>  | <b>249 897</b> | <b>-8.75</b>       |
| <b>Expenditure:</b>   |                |                 |                 |                |                    |
| Employees   | 14 419         | 16 926          | 14 068          | 13 840         | <b>-22.30</b>      |
| Repairs & Maintenance   | 3 010          | 3 156           | 3 126           | 2 682          | <b>-17.67</b>      |
| Other   | 184 916        | 193 182         | 196 069         | 194 499        | <b>0.68</b>        |
| <b>Total Operational Expenditure</b>  | <b>202 345</b> | <b>213 265</b>  | <b>213 263</b>  | <b>211 021</b> | <b>-1.06</b>       |
| <b>Net Operational (Service) Expenditure</b>  | <b>41 241</b>  | <b>58 498</b>   | <b>46 616</b>   | <b>38 876</b>  | <b>-50.47</b>      |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |                |                 |                 |                |                    |

Table 231: Financial Performance: Electricity

## 5.2.4 Waste Management

| Description   | 2019/20       | 2020/21         |                 |               |                    |
|---|---------------|-----------------|-----------------|---------------|--------------------|
|   | Actual        | Original Budget | Adjusted Budget | Actual        | Variance to Budget |
|   | R'000         |                 |                 |               | %                  |
| <b>Total Operational Revenue</b>  | <b>28 099</b> | <b>29 162</b>   | <b>29 788</b>   | <b>28 988</b> | <b>-0.60</b>       |
| <b>Expenditure:</b>   |               |                 |                 |               |                    |
| Employees   | 15 297        | 14 806          | 15 474          | 15 179        | <b>2.46</b>        |
| Repairs & Maintenance   | 321           | 0               | 0               | 762           | <b>100.00</b>      |
| Other   | 10 047        | 14 028          | 11 337          | 4 906         | <b>-185.96</b>     |
| <b>Total Operational Expenditure</b>  | <b>25 664</b> | <b>28 834</b>   | <b>26 811</b>   | <b>20 846</b> | <b>-38.32</b>      |
| <b>Net Operational (Service) Expenditure</b>  | <b>2 435</b>  | <b>328</b>      | <b>2 977</b>    | <b>8 142</b>  | <b>95.97</b>       |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |               |                 |                 |               |                    |

Table 232: Financial Performance: Waste Management

## 5.2.5 Housing

| Description   | 2019/20        | 2020/21         |                 |                 |                    |
|---|----------------|-----------------|-----------------|-----------------|--------------------|
|   | Actual         | Original Budget | Adjusted Budget | Actual          | Variance to Budget |
|   | R'000          |                 |                 |                 | %                  |
| <b>Total Operational Revenue</b>  | <b>11 569</b>  | <b>4 882</b>    | <b>4 882</b>    | <b>481</b>      | <b>-915.33</b>     |
| <b>Expenditure:</b>   |                |                 |                 |                 |                    |
| Employees   | 4 856          | 3 970           | 4 688           | 4 304           | <b>7.76</b>        |
| Repairs & Maintenance   | 1              | 0               | 0               | 0               | <b>0</b>           |
| Other   | 9 718          | 12 461          | 12 313          | 7 487           | <b>-66.43</b>      |
| <b>Total Operational Expenditure</b>  | <b>14 575</b>  | <b>16 431</b>   | <b>17 000</b>   | <b>11 791</b>   | <b>-39.35</b>      |
| <b>Net Operational (Service) Expenditure</b>  | <b>(3 006)</b> | <b>(11 549)</b> | <b>(12 118)</b> | <b>(11 310)</b> | <b>-2.11</b>       |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |                |                 |                 |                 |                    |

Table 233: Financial Performance: Housing

## 5.2.6 Roads and Stormwater

| Description  | 2019/20         | 2020/21         |                 |                |                    |
|--|-----------------|-----------------|-----------------|----------------|--------------------|
|  | Actual          | Original Budget | Adjusted Budget | Actual         | Variance to Budget |
|  | R'000           |                 |                 |                |                    |
| <b>Total Operational Revenue</b>   | <b>19 931</b>   | <b>23 995</b>   | <b>28 274</b>   | <b>27 667</b>  | <b>13.27</b>       |
| <b>Expenditure:</b>  |                 |                 |                 |                |                    |
| Employees  | 21 470          | 23 358          | 21 951          | 21 113         | <b>-10.63</b>      |
| Repairs & Maintenance  | 1 862           | 3 844           | 4 108           | 4 285          | <b>10.27</b>       |
| Other  | 9 615           | 13 040          | 11 103          | 10 019         | <b>-30.15</b>      |
| <b>Total Operational Expenditure</b>   | <b>32 947</b>   | <b>40 243</b>   | <b>37 163</b>   | <b>35 417</b>  | <b>-13.63</b>      |
| <b>Net Operational (Service) Expenditure</b>   | <b>(13 016)</b> | <b>(16 248)</b> | <b>(8 889)</b>  | <b>(7 750)</b> | <b>-109.66</b>     |
| <i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i> |                 |                 |                 |                |                    |

Table 234: Financial Performance: Roads and Stormwater

## 5.2.7 Planning

| Description  | 2019/20         | 2020/21         |                 |                 |                    |
|--|-----------------|-----------------|-----------------|-----------------|--------------------|
|  | Actual          | Original Budget | Adjusted Budget | Actual          | Variance to Budget |
|  | R'000           |                 |                 |                 |                    |
| <b>Total Operational Revenue</b>   | <b>1 348</b>    | <b>0</b>        | <b>761</b>      | <b>875</b>      | <b>100.00</b>      |
| <b>Expenditure:</b>  |                 |                 |                 |                 |                    |
| Employees  | 15 982          | 16 347          | 16 904          | 16 369          | <b>0.13</b>        |
| Repairs & Maintenance  | 59              | 0               | 0               | 0               | <b>0</b>           |
| Other  | 4 286           | 6 305           | 4 496           | 2 808           | <b>-124.55</b>     |
| <b>Total Operational Expenditure</b>   | <b>20 326</b>   | <b>22 652</b>   | <b>21 400</b>   | <b>19 177</b>   | <b>-18.12</b>      |
| <b>Net Operational (Service) Expenditure</b>   | <b>(18 977)</b> | <b>(22 652)</b> | <b>(20 639)</b> | <b>(18 301)</b> | <b>-23.77</b>      |
| <i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i> |                 |                 |                 |                 |                    |

Table 235: Financial Performance: Planning

## 5.2.8 Community and Social Services

| Description   | 2019/20         | 2020/21         |                 |                 |                    |
|---|-----------------|-----------------|-----------------|-----------------|--------------------|
|   | Actual          | Original Budget | Adjusted Budget | Actual          | Variance to Budget |
|   | R'000           |                 |                 |                 |                    |
| <b>Total Operational Revenue</b>  | 24 093          | 17 879          | 22 777          | 23 335          | <b>23.38</b>       |
| <b>Expenditure:</b>   |                 |                 |                 |                 |                    |
| Employees   | 41 217          | 44 062          | 44 982          | 44 383          | <b>0.72</b>        |
| Repairs & Maintenance   | 1 032           | 2 357           | 2 267           | 958             | <b>-146.15</b>     |
| Other   | 15 083          | 11 832          | 9 423           | 14 648          | <b>19.22</b>       |
| <b>Total Operational Expenditure</b>  | <b>57 332</b>   | <b>58 251</b>   | <b>56 673</b>   | <b>59 988</b>   | <b>2.90</b>        |
| <b>Net Operational (Service) Expenditure</b>  | <b>(33 239)</b> | <b>(40 372)</b> | <b>(33 896)</b> | <b>(36 653)</b> | <b>-10.14</b>      |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |                 |                 |                 |                 |                    |

Table 236: Financial Performance: Community and Social Services

## 5.2.9 Sport and Recreation

| Description   | 2019/20         | 2020/21         |                 |                 |                    |
|---|-----------------|-----------------|-----------------|-----------------|--------------------|
|   | Actual          | Original Budget | Adjusted Budget | Actual          | Variance to Budget |
|   | R'000           |                 |                 |                 |                    |
| <b>Total Operational Revenue</b>  | <b>1 265</b>    | <b>1 330</b>    | <b>198</b>      | <b>110</b>      | <b>-1 110.87</b>   |
| <b>Expenditure:</b>   |                 |                 |                 |                 |                    |
| Employees   | 20 796          | 24 118          | 22 893          | 20 847          | <b>-15.69</b>      |
| Repairs & Maintenance   | 670             | 0               | 0               | 657             | <b>100.00</b>      |
| Other   | 11 559          | 15 528          | 15 555          | 10 908          | <b>-42.35</b>      |
| <b>Total Operational Expenditure</b>  | <b>33 025</b>   | <b>39 646</b>   | <b>38 448</b>   | <b>32 412</b>   | <b>-22.32</b>      |
| <b>Net Operational (Service) Expenditure</b>  | <b>(31 760)</b> | <b>(38 316)</b> | <b>(38 251)</b> | <b>(32 303)</b> | <b>-18.62</b>      |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |                 |                 |                 |                 |                    |

Table 237: Financial Performance: Sport and Recreation

## 5.2.10 Financial Services

| Description   | 2019/20       | 2020/21         |                 |               |                    |
|---|---------------|-----------------|-----------------|---------------|--------------------|
|   | Actual        | Original Budget | Adjusted Budget | Actual        | Variance to Budget |
|   | R'000         |                 |                 |               |                    |
| <b>Total Operational Revenue</b>  | <b>97 906</b> | <b>101 413</b>  | 101 625         | 101 212       | <b>-0.20</b>       |
| <b>Expenditure:</b>   |               |                 |                 |               |                    |
| Employees   | 48 280        | 49 272          | 51 757          | 49 517        | <b>0.50</b>        |
| Repairs & Maintenance   | 838           | 0               | 0               | 1 248         | <b>100.00</b>      |
| Other   | 19 241        | 33 911          | 27 516          | 20 236        | <b>-67.58</b>      |
| <b>Total Operational Expenditure</b>  | <b>68 360</b> | <b>83 183</b>   | <b>79 273</b>   | <b>71 001</b> | <b>-17.16</b>      |
| <b>Net Operational (Service) Expenditure</b>  | <b>29 546</b> | <b>18 231</b>   | <b>22 352</b>   | <b>30 211</b> | <b>39.66</b>       |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |               |                 |                 |               |                    |

Table 238: Financial Performance: Financial Services

## 5.2.12 Executive and Council

| Description   | 2019/20       | 2020/21         |                 |               |                    |
|---|---------------|-----------------|-----------------|---------------|--------------------|
|   | Actual        | Original Budget | Adjusted Budget | Actual        | Variance to Budget |
|   | R'000         |                 |                 |               |                    |
| <b>Total Operational Revenue</b>  | 72 512        | 69 141          | 70 022          | 70 156        | <b>1.45</b>        |
| <b>Expenditure:</b>   |               |                 |                 |               |                    |
| Employees   | 29 308        | 37 717          | 29 479          | 28 224        | <b>-33.63</b>      |
| Repairs & Maintenance   | 584           | 4 470           | 4 365           | 94            | <b>-4 635.21</b>   |
| Other   | 31 770        | 37 118          | 36 129          | 40 135        | <b>7.52</b>        |
| <b>Total Operational Expenditure</b>  | <b>61 662</b> | <b>79 305</b>   | <b>69 973</b>   | <b>68 453</b> | <b>-15.85</b>      |
| <b>Net Operational (Service) Expenditure</b>  | <b>10 850</b> | <b>(10 164)</b> | <b>49</b>       | <b>1 702</b>  | <b>697.05</b>      |
| <i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i> |               |                 |                 |               |                    |

Table 239: Financial Performance: Executive and Council

## 5.3 Grants

### 5.3.1 Grant Performance

The performance in the spending of these grants is 160organizati as follows:

| Description   | 2019/20        | 2020/21        |                        |                | 2020/21 Variance   |                      |
|---|----------------|----------------|------------------------|----------------|--------------------|----------------------|
|   | Actual         | Budget         | Adjustment<br>s Budget | Actual         | Original<br>Budget | Adjustment<br>Budget |
|   | R'000          |                |                        |                | %                  |                      |
| <b>Operating Transfers and Grants</b>                     |                |                |                        |                |                    |                      |
| <b>National Government:</b>                               | <b>135,861</b> | <b>148,164</b> | <b>128,912</b>         | <b>151,910</b> | <b>2.47</b>        | <b>15.14</b>         |
| Local Government Equitable Share                          | 73 525         | 78 568         | 89 790                 | 89 790         | 12.50              | 0.00                 |
| Local Government Financial Management Grant               | 2 085          | 2 517          | 2 517                  | 2 517          | 0.00               | 0.00                 |
| EPWP Incentive Grant                                      | 2 728          | 2 243          | 2 243                  | 2 243          | 0.00               | 0.00                 |
| Municipal Infrastructure Grant                            | 17 203         | 21 627         | 21 362                 | 25 299         | 14.51              | 15.56                |
| Integrated National Electrification Program               | 6 000          | 3 000          | 3 000                  | 380            | -689.65            | -689.65              |
| Municipal Disaster Recovery Fund                          | 53             | 209            | 0                      | 156            | -33.89             | 100.00               |
| Water services Infrastructure Grant                       | 34 267         | 40 000         | 10 000                 | 31 525         | -26.88             | 68.28                |
| <b>Provincial Government:</b>                             | <b>22 033</b>  | <b>12 592</b>  | <b>12 592</b>          | <b>11 419</b>  | <b>-10.28</b>      | <b>-10.28</b>        |
| CDW operational support grant                             | 159            | 56             | 56                     | 56             | 0.00               | 0.00                 |
| Library Services  | 6 669          | 7 128          | 7 128                  | 9 070          | 21.41              | 21.41                |
| Rosevalley Library Grant                                  | 0              | 0              | 0                      | 0              | 0                  | 0                    |
| Integrating Housing Settlement Grant                      | 9 569          | 4 882          | 4 882                  | 481            | -915.33            | -915.33              |
| Emergency Housing Program                                 | 2 000          | 0              | 0                      | 0              | 0                  | 0                    |
| WC Finance Management Support Grant                       | 1 816          | 0              | 0                      | 434            | 100.00             | 100.00               |
| Local Government Support Grant                            | 550            | 0              | 0                      | 0              | 0                  | 0                    |
| Maintenance Main Road Subsidy                             | 0              | 125            | 125                    | 125            | 0.00               | 0.00                 |
| WC Municipal Financial Management Capacity Building Grant | 0              | 401            | 401                    | 0              | 0                  | 0                    |
| Municipal Service Delivery and Capacity Building grant    | 0              | 0              | 0                      | 120            | 100.00             | 100.00               |
| Local Government Graduate Internship Grant                | 56             | 0              | 0                      | 80             | 100.00             | 100.00               |
| Fire Service Capacity Building Grant                      | 652            | 0              | 0                      | 178            | 100.00             | 100.00               |



| Description   | 2019/20        | 2020/21        |                        |                | 2020/21 Variance   |                      |
|---|----------------|----------------|------------------------|----------------|--------------------|----------------------|
|   | Actual         | Budget         | Adjustment<br>s Budget | Actual         | Original<br>Budget | Adjustment<br>Budget |
|   | R'000          |                |                        |                | %                  |                      |
| Airport Infrastructure Grant  | 562            | 0              | 0                      | 875            | 100.00             | 100.00               |
| <b>Total Operating Transfers and Grants</b>   | <b>157 894</b> | <b>160 756</b> | <b>141 504</b>         | <b>163 329</b> | <b>1.58</b>        | <b>13.36</b>         |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i> |                |                |                        |                |                    |                      |

Table 240: Grant Performance for 2020/21

## 5.3.2 Conditional Grants

| Details   | 2019/20                        | 2020/21 |                       |        | 2020/21 Variance |                      |
|---|--------------------------------|---------|-----------------------|--------|------------------|----------------------|
|   | Actual                         | Budget  | Adjustments<br>Budget | Actual | Variance         |                      |
|   | Actual<br>(Audited<br>Outcome) |         |                       |        | Budget           | Adjustment<br>Budget |
|   | R'000                          |         |                       |        | %                |                      |
| Local Government Equitable Share                          | 73 525                         | 78 568  | 89 790                | 89 790 | 12.50            | 0                    |
| Local Government Financial Management Grant               | 2 085                          | 2 517   | 2 517                 | 2 517  | 0                | 0                    |
| EPWP Incentive Grant                                      | 2 728                          | 2 243   | 2 243                 | 2 243  | 0                | 0                    |
| Municipal Infrastructure Grant                            | 17 203                         | 21 627  | 21 362                | 25 299 | 14.51            | 15.56                |
| Integrated National Electrification Program               | 6 000                          | 3 000   | 3 000                 | 380    | -689.65          | -689.65              |
| Municipal Disaster Recovery Fund                          | 53                             | 209     | 0                     | 156    | -33.89           | 100.00               |
| Water services Infrastructure Grant                       | 34 267                         | 40 000  | 10 000                | 31 525 | -26.88           | 68.28                |
| CDW operational support grant                             | 159                            | 56      | 56                    | 56     | 0.00             | 0.00                 |
| Library Services  | 6 669                          | 7 128   | 7 128                 | 9 070  | 21.41            | 21.41                |
| Rosevalley Library Grant                                  | 0                              | 0       | 0                     | 0      | 0                | 0                    |
| Integrating Housing Settlement Grant                      | 9 569                          | 4 882   | 4 882                 | 481    | -915.33          | -915.33              |
| Emergency Housing Program                                 | 2 000                          | 0       | 0                     | 0      | 0                | 0                    |
| WC Finance Management Support Grant                       | 1 816                          | 0       | 0                     | 434    | 100.00           | 100.00               |
| Local Government Support Grant                            | 550                            | 0       | 0                     | 0      | 0                | 0                    |
| Maintenance Main Road Subsidy                             | 0                              | 125     | 125                   | 125    | 0.00             | 0.00                 |
| WC Municipal Financial Management Capacity Building Grant | 0                              | 401     | 401                   | 0      | 0                | 0                    |
| Municipal Service Delivery and Capacity Building grant    | 0                              | 0       | 0                     | 120    | 100.00           | 100.00               |

| Details                                    | 2019/20                  | 2020/21        |                    |                | 2020/21 Variance |                   |
|--|--------------------------|----------------|--------------------|----------------|------------------|-------------------|
|  | Actual                   | Budget         | Adjustments Budget | Actual         | Variance         |                   |
|  | Actual (Audited Outcome) |                |                    |                | Budget           | Adjustment Budget |
|  | R'000                    |                |                    |                | %                |                   |
| Local Government Graduate Internship Grant | 56                       | 0              | 0                  | 80             | 100.00           | 100.00            |
| Fire Service Capacity Building Grant       | 652                      | 0              | 0                  | 178            | 100.00           | 100.00            |
| Airport Infrastructure Grant               | 562                      | 0              | 0                  | 875            | 100.00           | 100.00            |
| <b>Total</b>                               | <b>157 894</b>           | <b>160 756</b> | <b>141 504</b>     | <b>163 329</b> | <b>1.58</b>      | <b>13.36</b>      |

*\* This includes Neighbourhood Development Partnership Grant Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

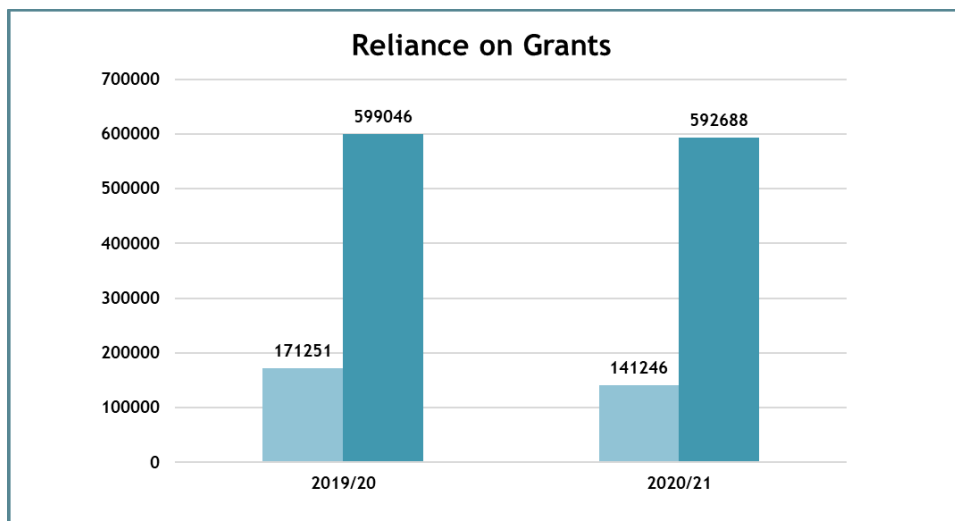
Table 241: Conditional Grants

### 5.3.3 Level of Reliance on Grants and Subsidies

| Financial year | Total grants and subsidies received | Total Operating Revenue | Percentage   |
|----------------|-------------------------------------|-------------------------|--------------|
|                | R'000                               | R'000                   | %            |
| 2019/20        | 171 251                             | 599 046                 | <b>28.59</b> |
| 2020/21        | 141 246                             | 592 688                 | <b>23.83</b> |

Table 242: Reliance on Grants and Subsidies

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



Graph 8.: Reliance on Grants

## 5.4 Asset Management

### 5.4.1 Treatment of the Three Largest Assets

| Asset 1                           |   |                          |
|-----------------------------------|---|--------------------------|
| Name                              | <b>Blossoms pipeline</b>  |                          |
| Description                       | New water resource - borehole   |                          |
| Asset Type                        | Water Infrastructure  |                          |
| Key Staff Involved                | Technical Services Director and Senior Manager Water & Sewerage                         |                          |
| Staff Responsibilities            | Management of the establishment of a new water resource for Greater Oudtshoorn          |                          |
| Asset Value as at 30 June         | <b>2019/20 R million</b>  | <b>2020/21 R million</b> |
|                                   | 84 420  | 98 735                   |
| Capital Implications              | New water pipeline to be laid from the main borehole at Blossoms                        |                          |
| Future Purpose of Asset           | To provide a sustainable new water resource for the Greater Oudtshoorn                  |                          |
| Describe Key Issues               | Availability of funding from Department of Water Affairs                                |                          |
| Policies in Place to Manage Asset | Implementation plan for project approved by National Government                         |                          |
| Asset 2                           |   |                          |
| Name                              | <b>Koos Raubenheimer Dam</b>  |                          |
| Description                       | Main water resource of Greater Oudtshoorn   |                          |
| Asset Type                        | Water Infrastructure  |                          |
| Key Staff Involved                | Technical Services Director and Senior Manager Water & Sewerage                         |                          |
| Staff Responsibilities            | Management of maintenance of the water resources for Greater Oudtshoorn                 |                          |
| Asset Value as at 30 June         | <b>2019/20 R million</b>  | <b>2020/21 R million</b> |
|                                   | 22 551  | 24 403                   |
| Capital Implications              | Refurbishment and upgrading of existing dam infrastructure                              |                          |
| Future Purpose of Asset           | Main water resource of Greater Oudtshoorn   |                          |
| Describe Key Issues               | Availability of funding to do the proper maintenance that is required                   |                          |
| Policies in Place to Manage Asset | Maintenance plans and future capital projects in planning phase.                        |                          |
| Asset 3                           |   |                          |
| Name                              | <b>Oudtshoorn Waster Water Purification Works</b>                                       |                          |
| Description                       | Waste water purification works of Greater Oudtshoorn                                    |                          |
| Asset Type                        | Sanitation Infrastructure   |                          |
| Key Staff Involved                | Technical Services Director and Senior Manager Water and Sewerage                       |                          |
| Staff Responsibilities            | Management and maintenance of the sewerage purification works of the Greater Oudtshoorn |                          |
| Asset Value as at 30 June         | <b>2019/20 R million</b>  | <b>2020/21 R million</b> |
|                                   | 11 895  | 24 403                   |
| Capital Implications              | Refurbishment and upgrading of existing infrastructure plant and network                |                          |

|  |   |
|--|---|
| <b>Future Purpose of Asset</b>           | Waste water purification of the Greater Oudtshoorn                    |
| <b>Describe Key Issues</b>               | Availability of funding to do the proper maintenance that is required |
| <b>Policies in Place to Manage Asset</b> | Maintenance plans and future capital projects in planning phase.      |

Table 243: Treatment of the Three Largest Assets

## 5.4.2 Repairs and Maintenance

| Description                         | 2019/20 | 2020/21         |                   |        |                 |
|-------------------------------------|---------|-----------------|-------------------|--------|-----------------|
|                                     | Actual  | Original Budget | Adjustment Budget | Actual | Budget variance |
|                                     |         | R' 000          |                   |        |                 |
| Repairs and Maintenance Expenditure | 13 611  | 17 368          | 17 926            | 15 030 | -19.26          |

Table 244: Repairs & Maintenance as % of Total Operating Expenditure

## 5.5 Financial Ratios Based on Key Performance Indicators

### 5.5.1 Liquidity Ratio

| Description                             | Basis of calculation                                      | 2019/20         | 2020/21         |
|---|---|-----------------|-----------------|
|   |   | Audited outcome | Audited outcome |
| Current Ratio                           | Current assets/current liabilities                        | 1.26            | 1.66            |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 1.17            | 1.37            |
| Liquidity Ratio                         | Monetary Assets/Current Liabilities                       | 0.96            | 1.00            |

Table 245: Liquidity Financial Ratio

### 5.5.2 IDP Regulation Financial Viability Indicators

| Description                                  | Basis of calculation  | 2019/20         | 2020/21         |
|--|---|-----------------|-----------------|
|  |   | Audited outcome | Audited outcome |
| Cost Coverage                                | (Available cash + Investments)/monthly fixed operational expenditure                          | 2.80            | 2.35            |
| Total Outstanding Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services                        | 12%             | 17%             |
| Debt coverage                                | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 9.11%           | 9.89%           |

Table 246: Financial Viability National KPAs

## 5.5.3 Borrowing Management

| Description                              | Basis of calculation                             | 2019/20         | 2020/21         |
|--|--|-----------------|-----------------|
|  |  | Audited outcome | Audited outcome |
| Capital charges to operating expenditure | Interest & Principal Paid /Operating Expenditure | 3%              | 3%              |

Table 247: Borrowing Management

## 5.5.4 Employee Costs

| Description    | Basis of calculation                             | 2019/20         | 2020/21         |
|----------------|--|-----------------|-----------------|
|                |  | Audited outcome | Audited outcome |
|                |  | %               |                 |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 42%             | 42%             |

Table 248: Employee Costs

## 5.5.5 Repairs and Maintenance

| Description           | Basis of calculation                          | 2019/20         | 2020/21         |
|-----------------------|---|-----------------|-----------------|
|                       |   | Audited outcome | Audited outcome |
|                       |   | %               |                 |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 2%              | 3%              |

Table 249: Repairs & Maintenance

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 Sources of Finance

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

| Details                  | 2019/20 | 2020/21              |                   |        |                           |                       |
|--------------------------|---------|----------------------|-------------------|--------|---------------------------|-----------------------|
|                          | Actual  | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance | Actual to OB Variance |
| <b>Source of finance</b> |         |                      |                   |        |                           |                       |
| Description              | R'000   |                      |                   |        | %                         |                       |
| External loans           | 8 670   | 16 500               | 27 712            | 15 643 | 67.95                     | -43.55                |
| Grants and subsidies     | 55 563  | 56 056               | 61 619            | 52 000 | 9.92                      | -15.61                |
| Own funding              | 9 138   | 10 088               | 16 708            | 9 117  | 65.63                     | -45.43                |

| Details                          | 2019/20       | 2020/21              |                   |               |                           |                       |
|----------------------------------|---------------|----------------------|-------------------|---------------|---------------------------|-----------------------|
|                                  | Actual        | Original Budget (OB) | Adjustment Budget | Actual        | Adjustment to OB Variance | Actual to OB Variance |
| <b>Total</b>                     | <b>73 370</b> | <b>82 644</b>        | <b>106 039</b>    | <b>76 761</b> | <b>22.06</b>              | <b>-7.66</b>          |
| <b>Percentage of finance</b>     |               |                      |                   |               |                           |                       |
| %                                |               |                      |                   |               |                           |                       |
| External loans                   | 12            | 20                   | 26                | 20            |                           |                       |
| Grants and subsidies             | 76            | 68                   | 58                | 68            |                           |                       |
| Own funding                      | 12            | 12                   | 16                | 12            |                           |                       |
| <b>Capital expenditure</b>       |               |                      |                   |               |                           |                       |
| <b>Description</b>               | <b>R'000</b>  |                      |                   |               | <b>%</b>                  |                       |
| Water and sanitation             | 41 996        | 49 129               | 61 624            | 48 833        | 25.43                     | -20.76                |
| Electricity                      | 10 233        | 6 159                | 5 793             | 2 947         | -5.94                     | -49.13                |
| Housing                          | 0             | 0                    | 0                 | 0             | 0                         | 0                     |
| Roads and storm water            | 10 413        | 9 306                | 17 099            | 16 991        | 83.74                     | -0.63                 |
| Other                            | 10 729        | 18 050               | 21 522            | 7 990         | 19.24                     | -62.88                |
| <b>Total</b>                     | <b>73 370</b> | <b>82 644</b>        | <b>106 039</b>    | <b>76 761</b> | <b>22.06</b>              | <b>-7.66</b>          |
| <b>Percentage of expenditure</b> |               |                      |                   |               |                           |                       |
| %                                |               |                      |                   |               |                           |                       |
| Water and sanitation             | 57            | 59                   | 58                | 64            |                           |                       |
| Electricity                      | 14            | 7                    | 5                 | 4             |                           |                       |
| Housing                          | 0             | 0                    | 0                 | 0             |                           |                       |
| Roads and storm water            | 14            | 11                   | 16                | 22            |                           |                       |
| Other                            | 15            | 22                   | 20                | 10            |                           |                       |

Table 250: Capital Expenditure by Funding Source

## 5.7 Capital Spending on 5 Largest Projects

| Name of Project                           | 2020/21         |                   |                    |                   |                     |
|---|-----------------|-------------------|--------------------|-------------------|---------------------|
|   | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance | Adjustment variance |
|   | R'000           |                   |                    | %                 |                     |
| New Library Rose Valley                   | 0               | 8 699 527         | 1 941 680          | 0.10              | (0.35)              |
| Pipe Replacement                          | 7 000 000       | 13 396 619        | 1 980 854          | (0.25)            | (0.58)              |
| Blossoms Pipeline-ground Water Project    | 34 782 609      | 13 607 636        | 13 544 863         | (0.16)            | (0.00)              |
| KKRWVS Refurbishment of Network Equipment | 0               | 12 501 029        | 12 925 409         | 0.10              | 0.00                |

| Name of Project                                      | 2020/21   |                   |                    |                   |                     |
|--|---|-------------------|--------------------|-------------------|---------------------|
|  | Original Budget   | Adjustment Budget | Actual Expenditure | Original Variance | Adjustment variance |
|  | R'000   |                   |                    | %                 |                     |
| Rehabilitation of Asbestos Pipes/ Cement Water pipes | 3 660 407   | 6 077 261         | 6 054 735          | 0.04              | (0.00)              |
| <b>Name of Project - A</b>                           | New Library Rose Valley   |                   |                    |                   |                     |
| <b>Objective of Project</b>                          | Building of a new library in the RDP Housing area Rose Valley     |                   |                    |                   |                     |
| <b>Delays</b>  | Funding approval from Provincial Government                       |                   |                    |                   |                     |
| <b>Future Challenges</b>                             | Operational budgetary requirements not funded                     |                   |                    |                   |                     |
| <b>Anticipated citizen benefits</b>                  | New public library for all residents in Rose Valley               |                   |                    |                   |                     |
| <b>Name of Project - B</b>                           | Pipe Replacement  |                   |                    |                   |                     |
| <b>Objective of Project</b>                          | To replace old and repair broken water and sewerage pipes         |                   |                    |                   |                     |
| <b>Delays</b>  | Shortfall in available funding                                    |                   |                    |                   |                     |
| <b>Future Challenges</b>                             | Funding to complete all pipe replacements                         |                   |                    |                   |                     |
| <b>Anticipated citizen benefits</b>                  | Sustainable water supply to all residents                         |                   |                    |                   |                     |
| <b>Name of Project - C</b>                           | Blossoms Pipeline-ground water project                            |                   |                    |                   |                     |
| <b>Objective of Project</b>                          | New water resource for Oudtshoorn                                 |                   |                    |                   |                     |
| <b>Delays</b>  | Drought funding approval pending from Provincial Government       |                   |                    |                   |                     |
| <b>Future Challenges</b>                             | Funding shortfall to complete                                     |                   |                    |                   |                     |
| <b>Anticipated citizen benefits</b>                  | New sustainable water resource for all                            |                   |                    |                   |                     |
| <b>Name of Project - D</b>                           | KKRWVS refurbishment of network equipment                         |                   |                    |                   |                     |
| <b>Objective of Project</b>                          | Refurbishment of old network equipment                            |                   |                    |                   |                     |
| <b>Delays</b>  | Funding   |                   |                    |                   |                     |
| <b>Future Challenges</b>                             | Shortfall in available funding                                    |                   |                    |                   |                     |
| <b>Anticipated citizen benefits</b>                  | Sustainable water supply to all residents                         |                   |                    |                   |                     |
| <b>Name of Project - E</b>                           | Rehabilitation of asbestos pipes/ cement water pipes              |                   |                    |                   |                     |
| <b>Objective of Project</b>                          | MIG registered project to start with the replacement of old pipes |                   |                    |                   |                     |
| <b>Delays</b>  | None  |                   |                    |                   |                     |
| <b>Future Challenges</b>                             | Additional funding is needed to do a complete replacement         |                   |                    |                   |                     |
| <b>Anticipated citizen benefits</b>                  | Sustainable water supply to all residents                         |                   |                    |                   |                     |

Table 251: Capital Spending on 5 Largest Projects

## 5.8 Capital Spending per Asset Class

| Description                                   | 2019/20         | 2020/21         |                   |                    | Planned Capital expenditure |              |               |
|---|-----------------|-----------------|-------------------|--------------------|-----------------------------|--------------|---------------|
|   | Audited outcome | Original Budget | Adjustment Budget | Actual Expenditure | 2020/21                     | 2020/21      | 2021/22       |
| R'000   |                 |                 |                   |                    |                             |              |               |
| <b>Capital expenditure by Asset Class</b>     |                 |                 |                   |                    |                             |              |               |
| <b>Infrastructure - Total</b>                 | <b>39 938</b>   | <b>40 942</b>   | <b>23 259</b>     | <b>19 674</b>      | <b>10 975</b>               | <b>8 598</b> | <b>10 375</b> |
| <b>Infrastructure: Road transport - Total</b> | <b>0</b>        | <b>0</b>        | <b>0</b>          | <b>0</b>           | <b>200</b>                  | <b>0</b>     | <b>0</b>      |

| Description                                    | 2019/20         | 2020/21         |                   |                    | Planned Capital expenditure |               |               |
|--|-----------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|
|  | Audited outcome | Original Budget | Adjustment Budget | Actual Expenditure | 2020/21                     | 2020/21       | 2021/22       |
| <b>R'000</b>                                   |                 |                 |                   |                    |                             |               |               |
| <b>Capital expenditure by Asset Class</b>      |                 |                 |                   |                    |                             |               |               |
| Roads, Pavements & Bridges                     | 0               | 0               | 0                 | 0                  | 200                         | 0             | 0             |
| <b>Infrastructure: Electricity - Total</b>     | <b>8 165</b>    | <b>6 159</b>    | <b>5 793</b>      | <b>2 914</b>       | <b>10 163</b>               | <b>8 598</b>  | <b>10 375</b> |
| Transmission & Reticulation                    | 8 165           | 6 159           | 5 793             | 2 914              | 10 163                      | 8 598         | 10 375        |
| <b>Infrastructure: Water - Total</b>           | <b>27 425</b>   | <b>34 783</b>   | <b>17 466</b>     | <b>16 760</b>      | <b>612</b>                  | <b>0</b>      | <b>0</b>      |
| Dams & Reservoirs                              | 27 425          | 34 783          | 17 466            | 16 760             | 612                         | 0             | 0             |
| <b>Infrastructure: Sanitation - Total</b>      | <b>4 348</b>    | <b>0</b>        | <b>0</b>          | <b>0</b>           | <b>0</b>                    | <b>0</b>      | <b>0</b>      |
| Reticulation                                   | 4 348           | 0               | 0                 | 0                  | 0                           | 0             | 0             |
| <b>Community - Total</b>                       | <b>0</b>        | <b>200</b>      | <b>9 354</b>      | <b>1 942</b>       | <b>0</b>                    | <b>200</b>    | <b>208</b>    |
| Sports fields& stadia                          | 0               | 0               | 481               | 0                  | 0                           | 0             | 0             |
| Libraries                                      | 0               | 200             | 8 873             | 1 942              | 0                           | 200           | 208           |
| <b>Capital expenditure by Asset Class</b>      | <b>3 677</b>    | <b>6 721</b>    | <b>7 743</b>      | <b>2 667</b>       | <b>7 203</b>                | <b>2 585</b>  | <b>4 074</b>  |
| <b>Investment properties - Total</b>           | <b>0</b>        | <b>330</b>      | <b>430</b>        | <b>0</b>           | <b>500</b>                  | <b>500</b>    | <b>1 000</b>  |
| Other  | 0               | 330             | 430               | 0                  | 500                         | 500           | 1 000         |
| <b>Other assets</b>                            | <b>3 418</b>    | <b>6 094</b>    | <b>7 016</b>      | <b>2 385</b>       | <b>6 528</b>                | <b>1 735</b>  | <b>2 724</b>  |
| General vehicles                               | 0               | 3 013           | 4 107             | 154                | 4 500                       | 0             | 857           |
| Specialised vehicles                           | 722             | 0               | 0                 | 0                  | 0                           | 0             | 0             |
| Plant & equipment                              | 1 918           | 545             | 545               | 692                | 558                         | 940           | 1 150         |
| Computers - hardware/equipment                 | 432             | 1 009           | 1 035             | 1 046              | 1 175                       | 350           | 500           |
| Furniture and other office equipment           | 346             | 1 527           | 1 329             | 420                | 295                         | 445           | 217           |
| Other Buildings                                | 0               | 0               | 0                 | 73                 | 0                           | 0             | 0             |
| <b>Intangibles</b>                             | <b>259</b>      | <b>297</b>      | <b>297</b>        | <b>282</b>         | <b>175</b>                  | <b>350</b>    | <b>350</b>    |
| Computers - software & programming             | 259             | 297             | 297               | 282                | 175                         | 350           | 350           |
| <b>Total Capital Expenditure on new assets</b> | <b>43 615</b>   | <b>47 863</b>   | <b>40 356</b>     | <b>24 282</b>      | <b>18 178</b>               | <b>11 383</b> | <b>14 657</b> |

Table 252: Capital Spending per Asset Class



## 5.9 Municipal Infrastructure Grant (MIG)

| Details                                | 2019/20           | 2020/21            |                   |               |                    |
|--|-------------------|--------------------|-------------------|---------------|--------------------|
|  | Budget            | Adjustments Budget | Actual            | Variance      |                    |
|  |                   |                    |                   | Budget        | Adjustments Budget |
|  | R                 |                    |                   | %             |                    |
| <b>Infrastructure - Water</b>          | <b>5 411 801</b>  | <b>10 071 654</b>  | <b>10 014 311</b> | <b>45.96</b>  | <b>-0.57</b>       |
| <i>Reticulation</i>                    | 5 411 801         | 10 071 654         | 10 014 311        | 45.96         | -0.57              |
| <b>Infrastructure - Sanitation</b>     | <b>0</b>          | <b>5 390 042</b>   | <b>5 365 149</b>  | <b>100.00</b> | <b>-0.46</b>       |
| <i>Sewerage purification</i>           | 0                 | 5 390 042          | 5 365 149         | 100.00        | -0.46              |
| <b>Infrastructure - Refuse removal</b> | <b>8 460 368</b>  | <b>0</b>           | <b>0</b>          | <b>0</b>      | <b>0</b>           |
| <b>Infrastructure - Electricity</b>    | <b>0</b>          | <b>661 485</b>     | <b>0</b>          | <b>0</b>      | <b>0</b>           |
| <b>Infrastructure Roads Transport</b>  | <b>6 858 292</b>  | <b>8 741 375</b>   | <b>9 048 592</b>  | <b>24.21</b>  | <b>3.40</b>        |
| <b>PMU</b>                             | <b>896 539</b>    | <b>1 041 306</b>   | <b>870 996</b>    | <b>-2.93</b>  | <b>-19.55</b>      |
| <b>Total</b>                           | <b>21 627 000</b> | <b>25 905 862</b>  | <b>25 299 048</b> | <b>14.51</b>  | <b>-2.40</b>       |

Table 253: Municipal Infrastructure Grant (MIG)

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organization to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

### 5.10 Cash Flow

| Description                                | 2019/20         | 2020/21         |                 |           |
|--|-----------------|-----------------|-----------------|-----------|
|  | Audited Outcome | Original Budget | Adjusted Budget | Actual    |
|  | R'000           |                 |                 |           |
| <b>Cash flow from operating activities</b> |                 |                 |                 |           |
| <b>Receipts</b>                            |                 |                 |                 |           |
| Ratepayers and other                       | 444 280         | 468 872         | 448 427         | 426 314   |
| Government - operating                     | 107 834         | 96 292          | 107 904         | 106 884   |
| Government - capital                       | 63 417          | 64 464          | 33 601          | 34 362    |
| Interest                                   | 9 765           | 15 643          | 5 651           | 8 793     |
| Dividends                                  | 0               | 0               | 0               | 0         |
| <b>Payments</b>                            |                 |                 |                 |           |
| Suppliers and employees                    | (490 243)       | (565 276)       | (554 980)       | (557 854) |
| Finance charges                            | (4 687)         | (5 856)         | (5 342)         | (4 161)   |

| Description                                      | 2019/20         | 2020/21         |                  |                 |
|--|-----------------|-----------------|------------------|-----------------|
|  | Audited Outcome | Original Budget | Adjusted Budget  | Actual          |
|  | R'000           |                 |                  |                 |
| Transfers and Grants                             | (4 717)         | (6 193)         | (3 763)          | (1 901)         |
| <b>Net cash from/(used) operating activities</b> | <b>125 649</b>  | <b>67 946</b>   | <b>31 497</b>    | <b>12 438</b>   |
| <b>Cash flows from investing activities</b>      |                 |                 |                  |                 |
| <b>Payments</b>                                  |                 |                 |                  |                 |
| Capital assets                                   | (72 909)        | (81 661)        | (105 075)        | (76 761)        |
| <b>Net cash from/(used) investing activities</b> | <b>(72 909)</b> | <b>(81 661)</b> | <b>(105 075)</b> | <b>(76 761)</b> |
| <b>Cash flows from financing activities</b>      |                 |                 |                  |                 |
| <b>Receipts</b>                                  |                 |                 |                  |                 |
| Borrowing long term/refinancing                  | 18 000          | 16 500          | 27 712           | 16 500          |
| <b>Payments</b>                                  |                 |                 |                  |                 |
| Repayment of borrowing                           | (16 102)        | (16 874)        | (16 874)         | (13 998)        |
| <b>Net cash from/(used) financing activities</b> | <b>1 898</b>    | <b>224</b>      | <b>11 478</b>    | <b>2 502</b>    |
| <b>Net increase/ (decrease) in cash held</b>     | <b>54 639</b>   | <b>(13 491)</b> | <b>(62 100)</b>  | <b>(61 820)</b> |
| <b>Cash/cash equivalents at the year begin:</b>  | <b>123 149</b>  | <b>97 195</b>   | <b>177 787</b>   | <b>177 787</b>  |
| <b>Cash/cash equivalents at the year-end:</b>    | <b>177 787</b>  | <b>83 704</b>   | <b>115 687</b>   | <b>115 967</b>  |

Table 254: Cash Flow

## 5.11 Gross Outstanding Debtors per Service

| Financial year               | Rates     | Trading services        | Economic services       | Housing rentals | Other     | Total     |
|------------------------------|-----------|-------------------------|-------------------------|-----------------|-----------|-----------|
|                              |           | (Electricity and Water) | (Sanitation and Refuse) |                 |           |           |
|                              | R'000     | R'000                   | R'000                   | R'000           | R'000     | R'000     |
| 2019/20                      | 27 282    | 51 523                  | 23 581                  | 1               | 5 014     | 107 400   |
| 2020/21                      | 30 696    | 58 286                  | 24 441                  | 1               | 4 933     | 118 356   |
| Difference                   | 3 414     | 6 762                   | 860                     | 0               | (81)      | 10 956    |
| <b>% growth year on year</b> | <b>13</b> | <b>13</b>               | <b>4</b>                | <b>0</b>        | <b>-2</b> | <b>10</b> |

Table 255: Gross Outstanding Debtors per Service

## 5.12 Total Debtors Age Analysis

| Financial year | Less than 30 days | Between 30-60 days | Between 60-90 days | More than 90 days | Total   |
|----------------|-------------------|--------------------|--------------------|-------------------|---------|
|                | R'000             |                    |                    |                   |         |
| 2019/20        | 25 410            | 8 153              | 6 174              | 67 663            | 107 400 |

| Financial year        | Less than 30 days | Between 30-60 days | Between 60-90 days | More than 90 days | Total   |
|-----------------------|-------------------|--------------------|--------------------|-------------------|---------|
|                       | R'000             |                    |                    |                   |         |
| 2020/21               | 29 206            | 8 395              | 6 488              | 74 268            | 118 356 |
| Difference            | 3 795             | 242                | 314                | 6 604             | 10 956  |
| % growth year on year | 15                | 3                  | 5                  | 10                | 10      |

Table 256: Service Debtor Age Analysis

## 5.13 Borrowing and Investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

### 5.13.1 Actual Borrowings

| Actual Borrowings             |               |               |
|-------------------------------|---------------|---------------|
| R'000                         |               |               |
| Instrument                    | 2019/20       | 2020/21       |
| Long-Term Loans (non-annuity) | 51 735        | 54 237        |
| <b>Total</b>                  | <b>51 735</b> | <b>54 237</b> |

Table 257: Actual Borrowings

### 5.13.2 Investments

| Investment type | 2019/20        | 2020/21       |
|-----------------|----------------|---------------|
|                 | Actual         | Actual        |
|                 | R'000          |               |
| Deposits - Bank | 151 259        | 99 841        |
| <b>Total</b>    | <b>151 259</b> | <b>99 841</b> |

Table 258: Investments

### 5.13.3 Grants Made by the Municipality: 2020/21

| All organisation or person in receipt of grants provided by the Municipality | Nature of project            | Conditions attached to funding | Value 2020/21 | Total amount committed over previous and future years |
|--|------------------------------|--------------------------------|---------------|---|
|  |                              |                                | R'000         |   |
| Community Support Programme  | Transfers to poor Households | Yes                            | 23            | 490   |
| Study Assistance   | Bursaries Non-Employee       | Yes                            | 441           | 513   |
| Study Assistance   | Bursaries Non-Employee       | Yes                            | 395           | 415   |

| All organisation or person in receipt of grants provided by the Municipality | Nature of project                    | Conditions attached to funding | Value 2020/21 | Total amount committed over previous and future years |
|--|--------------------------------------|--------------------------------|---------------|---|
|  |                                      |                                | R'000         |   |
| Local Tourism Bureau   | Transfers to Non-profit Institutions | Yes                            | 634           | 1 299   |
| Marketing - KKNK   | Transfers to Non-profit Institutions | Yes                            | 375           | 769   |
| Sports Development   | Transfers to Non-profit Institutions | Yes                            | 34            | 125   |

Table 259: Grants Made by the Municipality: 2020/21

## CHAPTER 6

### COMPONENT A: AUDITOR-GENERAL OPINION

#### 6.1 Auditor-General Report 2019/20

2019/20

**Unqualified audit Opinion was received, with matter identified that subsequently corrected**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oudtshoorn Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Table 260: AG Report 2019/20

#### 6.2 Auditor-General Report 2020/21

2020/21

**Unqualified audit Opinion was received, with matter identified that subsequently corrected**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oudtshoorn Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Table 261: AG Report 2020/21

## LIST OF ABBREVIATIONS

|               |   |
|---------------|---|
| <b>AG</b>     | Auditor-General                                       |
| <b>CAPEX</b>  | Capital Expenditure                                   |
| <b>CBP</b>    | Community Based Planning                              |
| <b>CFO</b>    | Chief Financial Officer                               |
| <b>DCF</b>    | District Coordinating Forum                           |
| <b>DEDAT</b>  | Department of Economic Development and Tourism        |
| <b>DPLG</b>   | Department of Provincial and Local Government         |
| <b>DWAF</b>   | Department of Water Affairs and Forestry              |
| <b>EE</b>     | Employment Equity                                     |
| <b>GAMAP</b>  | Generally Accepted Municipal Accounting Practice      |
| <b>GRAP</b>   | Generally Recognised Accounting Practice              |
| <b>HR</b>     | Human Resources                                       |
| <b>IDP</b>    | Integrated Development Plan                           |
| <b>IFRS</b>   | International Financial Reporting Standards           |
| <b>IMFO</b>   | Institute for Municipal Finance Officers              |
| <b>KPA</b>    | Key Performance Area                                  |
| <b>KPI</b>    | Key Performance Indicator                             |
| <b>LED</b>    | Local Economic Development                            |
| <b>LLF</b>    | Local Labour Forum                                    |
| <b>MAYCOM</b> | Executive Mayoral Committee                           |
| <b>MFMA</b>   | Municipal Finance Management Act (Act No. 56 of 2003) |
| <b>MGRO</b>   | Municipal Governance Review & Outlook                 |
| <b>MIG</b>    | Municipal Infrastructure Grant                        |
| <b>MM</b>     | Municipal Manager                                     |
| <b>MMC</b>    | Member of Mayoral Committee                           |
| <b>MSA</b>    | Municipal Systems Act No. 32 of 2000                  |

|              |   |
|--------------|---|
| <b>MTECH</b> | Medium Term Expenditure Committee               |
| <b>NGO</b>   | Non-governmental organisation                   |
| <b>NT</b>    | National Treasury                               |
| <b>OPEX</b>  | Operating expenditure                           |
| <b>PMS</b>   | Performance Management System                   |
| <b>PCF</b>   | Premiers Coordinating Forum                     |
| <b>PSG</b>   | Provincial Strategic Goal                       |
| <b>PT</b>    | Provincial Treasury                             |
| <b>SALGA</b> | South African Local Government Association      |
| <b>SAMDI</b> | South African Management Development Institute  |
| <b>SCM</b>   | Supply Chain Management                         |
| <b>SDBIP</b> | Service Delivery and Budget Implementation Plan |
| <b>SDF</b>   | Spatial Development Framework                   |

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# Annexure A

## Financial Statements

# OUTSHOORN

## MUNICIPALITY



## FINANCIAL STATEMENTS

30 JUNE 2021

# OUDTSHOORN LOCAL MUNICIPALITY

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# OUTDSHOORN LOCAL MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Oudtshoorn Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

#### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

#### JURISDICTION

The Oudtshoorn Municipality includes the following areas:  
*Oudtshoorn, Dysseisdorp, De Rust, Volmoed, De Hoop*  
Demarcation code : WC045

#### EXECUTIVE MAYOR

CD MacPherson

#### DEPUTY EXECUTIVE MAYOR

G Juthe

#### MEMBERS OF THE EXECUTIVE COMMITTEE

|                             |                   |
|-----------------------------|-------------------|
| Executive Mayor             | CD MacPherson     |
| Deputy Executive Mayor      | G Juthe           |
| Speaker                     | J le Roux Krowitz |
| Executive Mayoral Committee | DJ Fourie         |
| Executive Mayoral Committee | VM Donson         |
| Executive Mayoral Committee | GJ Kersop         |
| Executive Mayoral Committee | BV Owen           |
| Executive Mayoral Committee | NV Mwati          |

#### ACTING MUNICIPAL MANAGER

R Smit

#### CHIEF FINANCIAL OFFICER

GP De Jager

#### REGISTERED ADDRESS

69 Voortrekker Road  
OUTDSHOORN  
6625

#### AUDITORS

Office of the Auditor-General (Western Cape)  
Private Bag X1  
CHEMPET  
7442

# OUTDSHOORN LOCAL MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### GENERAL INFORMATION

#### PRINCIPLE BANKERS

Standard Bank

#### ATTORNEYS

Coetzee and v/d Bergh Attorneys - 41 Baron van Rheede Street, Oudtshoorn.

Millers Inc - 123 Meade Street, George.

Harker Attorneys - 14 Van der Merwe Street, Oudtshoorn.

Stadler & Swart Attorneys - 01 Doneraile Street, George.

Oosthuisen Marais Pretorius Inc. - 16 Sioux Street. Mossel Bay

Nandi Bulabula Attorneys - Florence Place Main Street, Plettenberg Bay.

Lizel Venter Attorneys - 7 Mar-Ane Park Susan Pardew Road, Mossel Bay

Bradley Conradie Halton Cheadle - The Gate Way, G04 Century Way, Century City, Cape Town.

Adv J De Waal SC - Six Floor, 56 Keerom Street, Cape Town.

Adv Terry Malgas Senye Pty LTD Regus Chambers, Oakwood Road, Humewood, Port Elizabeth

#### RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)

Collective Agreements

Division of Revenue Act

Electricity Act (Act no 41 of 1987)

Employment Equity Act (Act no 55 of 1998)

Housing Act (Act no 107 of 1997)

Infrastructure Grants

Municipal Budget and Reporting Regulations

Municipal Finance Management Act (Act no 56 of 2003)

Municipal Planning and Performance Management Regulations

Municipal Property Rates Act (Act no 6 of 2004)

Municipal Regulations on Standard Chart of Accounts

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Systems Amendment Act (Act no 7 of 2011)

SALBC Leave Regulations

Skills Development Levies Act (Act no 9 of 1999)

Supply Chain Management Regulations, 2005

The Income Tax Act

Unemployment Insurance Act (Act no 30 of 1966)

Value Added Tax Act

Water Services Act (Act no 108 of 1997)



# OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## GENERAL INFORMATION

### MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

#### WARD

Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor

#### COUNCILLOR

J Le Roux Krowitz  
GJ Kersop  
DJ Fourie  
F September  
N Jonkers  
J Lambaatjeen  
LPO Wagenaar  
LS Stone  
B Berry  
H Botha  
RR Wildschut  
H Human  
MBG Theyse

#### PROPORTIONAL

Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor  
Councillor

#### COUNCILLORS

CD MacPherson  
GH Juthe  
NV Mwati  
BV Owen  
DR Maarman  
HJ Tyatya  
N Gunguluza  
J Floors  
CL Cobus  
VM Donson  
JC Olivier  
G Gertse



# OUDTSHOORN LOCAL MUNICIPALITY

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2021, which are set out on pages 5 to 125 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2022 and am satisfied that the Municipality can continue as a going concern for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis.

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R Smit

**Acting Municipal Manager**

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**Date**

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

|   | Notes | 2021<br>Actual<br>R  | 2020<br>Restated<br>R |
|---|-------|----------------------|-----------------------|
| <b>ASSETS</b>                                       |       |                      |                       |
| <b>Non-Current Assets</b>                           |       | <b>1 009 767 078</b> | <b>931 006 861</b>    |
| Property, Plant and Equipment                       | 2     | 977 911 710          | 899 794 248           |
| Investment Property                                 | 3     | 16 937 827           | 15 900 833            |
| Intangible Assets                                   | 4     | 1 143 195            | 1 537 435             |
| Heritage Assets                                     | 5     | 13 774 345           | 13 774 345            |
| <b>Current Assets</b>                               |       | <b>192 589 193</b>   | <b>233 098 346</b>    |
| Inventory   | 7     | 3 121 406            | 2 354 468             |
| Receivables from Exchange Transactions              | 8     | 60 020 732           | 40 456 001            |
| Receivables from Non-exchange Transactions          | 9     | 13 461 026           | 10 495 462            |
| Unpaid Transfers and Subsidies                      | 17    | -                    | 2 000 000             |
| Operating Lease Asset                               | 6     | 19 142               | 5 230                 |
| Cash and Cash Equivalents                           | 10    | 115 966 886          | 177 787 185           |
| <b>Total Assets</b>                                 |       | <b>1 202 356 270</b> | <b>1 164 105 207</b>  |
| <b>NET ASSETS AND LIABILITIES</b>                   |       |                      |                       |
| <b>Non-Current Liabilities</b>                      |       | <b>185 158 602</b>   | <b>158 782 361</b>    |
| Long-term Borrowings                                | 11    | 42 680 824           | 37 737 029            |
| Non-current Provisions                              | 12    | 27 301 778           | 21 539 331            |
| Non-current Employee Benefits                       | 13    | 115 176 001          | 99 506 001            |
| <b>Current Liabilities</b>                          |       | <b>116 287 174</b>   | <b>185 292 174</b>    |
| Consumer Deposits                                   | 14    | 11 139 126           | 10 678 791            |
| Current Employee Benefits                           | 15    | 29 639 545           | 30 764 138            |
| Trade and Other Payables from Exchange Transactions | 16    | 45 005 971           | 71 228 063            |
| Unspent Transfers and Subsidies                     | 17    | 11 043 305           | 53 508 289            |
| Taxes   | 18.3  | 7 903 021            | 5 115 373             |
| Current Portion of Long-term Borrowings             | 11    | 11 556 205           | 13 997 520            |
| <b>Total Liabilities</b>                            |       | <b>301 445 775</b>   | <b>344 074 534</b>    |
| <b>Net Assets</b>                                   |       | <b>900 910 495</b>   | <b>820 030 672</b>    |
| Accumulated Surplus/(Deficit)                       |       | 900 910 495          | 820 030 672           |
| <b>Total Net Assets and Liabilities</b>             |       | <b>1 202 356 270</b> | <b>1 164 105 207</b>  |

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

|  | Notes | 2021<br>Actual<br>R  | 2020<br>Restated<br>R |
|--|-------|----------------------|-----------------------|
| <b>REVENUE</b>   |       |                      |                       |
| <b>Revenue from Non-exchange Transactions</b>                            |       | <b>312 761 391</b>   | <b>281 978 303</b>    |
| <b>Taxation Revenue</b>  |       | <b>97 888 750</b>    | <b>92 909 167</b>     |
| Property Rates   | 19    | 97 888 750           | 92 909 167            |
| <b>Transfer Revenue</b>  |       | <b>202 395 305</b>   | <b>157 955 957</b>    |
| Government Grants and Subsidies - Capital                                | 20    | 59 409 413           | 63 181 689            |
| Government Grants and Subsidies - Operating                              | 20    | 103 919 207          | 94 712 069            |
| Contributed Property, Plant and Equipment                                |       | 39 066 686           | 62 200                |
| <b>Other Revenue</b>   |       | <b>12 477 335</b>    | <b>31 113 178</b>     |
| Actuarial Gains  | 13    | -                    | 14 049 546            |
| Avalabilty charges   |       | 2 857 099            | 2 519 053             |
| Fines, Penalties and Forfeits  |       | 8 340 810            | 12 303 035            |
| Interest Earned - Non-exchange Transactions                              |       | 959 958              | 1 044 206             |
| Government Incentives Received   |       | 319 468              | 1 197 338             |
| <b>Revenue from Exchange Transactions</b>                                |       | <b>378 403 171</b>   | <b>380 311 119</b>    |
| Service Charges  | 21    | 352 601 762          | 337 578 269           |
| Entrance fees  |       | 4 592 883            | 16 131 161            |
| Sales of Goods and Rendering of Services                                 | 22    | 5 268 535            | 4 106 539             |
| Rental from Fixed Assets   | 23    | 1 522 383            | 2 573 777             |
| Interest Earned - External Investments                                   | 24    | 5 748 841            | 10 998 733            |
| Interest Earned - Exchange Transactions                                  | 25    | 2 298 441            | 3 687 499             |
| Agency Services  |       | 6 085 630            | 4 882 687             |
| Operational Revenue  | 26    | 284 696              | 352 454               |
| <b>Total Revenue</b>   |       | <b>691 164 562</b>   | <b>662 289 422</b>    |
| <b>EXPENDITURE</b>   |       |                      |                       |
| Employee related cost  | 27    | (254 445 894)        | (250 141 605)         |
| Remuneration of Councillors  | 28    | (10 983 096)         | (11 212 892)          |
| Bad Debts Written Off  |       | (34 365 998)         | (24 385 890)          |
| Contracted Services  | 29    | (21 395 215)         | (22 770 139)          |
| Depreciation and Amortisation  | 30    | (40 312 557)         | (43 445 776)          |
| Actuarial Losses   | 13    | (7 790 138)          | (86 031)              |
| Finance Charges  | 31    | (5 591 695)          | (6 447 537)           |
| Bulk Purchases   | 32    | (176 489 766)        | (169 110 184)         |
| Inventory Consumed   | 7     | (19 245 481)         | (16 651 307)          |
| Operating Leases   |       | (8 057 592)          | (5 810 189)           |
| Transfers and Subsidies  | 33    | (1 901 107)          | (4 717 217)           |
| Operational Cost   | 34    | (41 031 778)         | (42 108 496)          |
| <b>Total Expenditure</b>   |       | <b>(621 610 318)</b> | <b>(596 887 263)</b>  |
| <b>Operating Surplus/(Deficit) for the Year</b>                          |       | <b>69 554 244</b>    | <b>65 402 159</b>     |
| Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value | 7     | -                    | -                     |
| Reversal of Impairment Loss/(Impairment Loss) on Receivables             | 35    | 12 411 708           | (13 080 695)          |
| Gains/(Loss) on Sale of Fixed Assets                                     | 36    | (1 086 130)          | (306 991)             |
| Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets            | 2.5   | -                    | 1 803 688             |
| <b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>                                |       | <b>80 879 822</b>    | <b>53 818 161</b>     |

**OUTSHOORN LOCAL MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021**

|                                    | <b>Accumulated<br/>Surplus/ (Deficit)</b> | <b>Total</b>       |
|------------------------------------|---|--------------------|
|                                    | <b>R</b>                                  | <b>R</b>           |
| <b>Balance at 1 July 2019</b>      | <b>722 423 954</b>                        | <b>722 423 954</b> |
| Correction of Error - note 37.2    | 41 801 557                                | 41 801 557         |
| <b>Restated balance</b>            | <b>764 225 511</b>                        | <b>764 225 511</b> |
| Net Surplus for the year           | 55 642 383                                | 55 642 383         |
| <b>Balance at 30 June 2020</b>     | <b>819 867 895</b>                        | <b>819 867 895</b> |
| Correction of Error - note 37.2    | (1 824 222)                               | (1 824 222)        |
| Correction of Error - note 37.2    | 1 987 000                                 | 1 987 000          |
| <b>Restated balance</b>            | <b>820 030 672</b>                        | <b>820 030 672</b> |
| Net Surplus/(Deficit) for the year | 80 879 822                                | 80 879 822         |
| <b>Balance at 30 June 2021</b>     | <b>900 910 495</b>                        | <b>900 910 495</b> |



**OUTSHOORN LOCAL MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021**

|   | Notes     | 2021<br>Actual<br>R | 2020<br>Restated<br>R |
|---|-----------|---------------------|-----------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                  |           |                     |                       |
| Cash receipts   |           |                     |                       |
| Ratepayers and other  |           | 438 726 022         | 444 279 975           |
| Government Grants and Subsidies                             |           | 141 246 469         | 171 251 331           |
| Interest  |           | 8 792 720           | 9 765 351             |
| Cash payments   |           |                     |                       |
| Suppliers and Employees                                     |           | (570 265 419)       | (490 243 391)         |
| Finance Charges   |           | (4 160 940)         | (4 687 079)           |
| Transfers and Grants  |           | (1 901 107)         | (4 717 217)           |
| <b>Net Cash from Operating Activities</b>                   | <b>38</b> | <b>12 437 745</b>   | <b>125 648 970</b>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                  |           |                     |                       |
| Purchase of Property, Plant and Equipment                   |           | (75 323 615)        | (71 998 035)          |
| Proceeds on Disposal of Fixed Assets                        |           |                     | 462 229               |
| Purchase of Investment Properties                           |           | (1 155 371)         | (1 148 542)           |
| Purchase of Intangible Assets                               |           | (281 538)           | (224 277)             |
| <b>Net Cash from Investing Activities</b>                   |           | <b>(76 760 524)</b> | <b>(72 908 624)</b>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                  |           |                     |                       |
| Borrowing - Long term/Refinancing                           |           | 16 500 000          | 18 000 000            |
| Repayment of Borrowing                                      |           | (13 997 520)        | (16 101 678)          |
| <b>Net Cash from Financing Activities</b>                   |           | <b>2 502 480</b>    | <b>1 898 322</b>      |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> |           | <b>(61 820 299)</b> | <b>54 638 668</b>     |
| Cash and Cash Equivalents at the beginning of the year      |           | 177 787 185         | 123 148 517           |
| Cash and Cash Equivalents at the end of the year            | <b>39</b> | <b>115 966 886</b>  | <b>177 787 185</b>    |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> |           | <b>(61 820 298)</b> | <b>54 638 668</b>     |



**OUTSHOORN LOCAL MUNICIPALITY  
SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021**

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

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.

The key functional segments comprise of:

**PRIMARY SEGMENTS**

| Functional Segments                       | Sub vote                           | Aggregation                   |                                     |                                     |
|---|------------------------------------|-------------------------------|-------------------------------------|-------------------------------------|
| <b>Vote 1 - Executive &amp; Council</b>   | Council General                    | Aggregated                    | Governance and Administration       |                                     |
|   | Office - Deputy Mayor              | Aggregated                    | Governance and Administration       |                                     |
|   | Office - Ex Mayor                  | Aggregated                    | Governance and Administration       |                                     |
|   | Office - Speaker                   | Aggregated                    | Governance and Administration       |                                     |
| <b>Vote 2 - Municipal Manager</b>         | Cango Caves                        | Aggregated                    | Governance and Administration       |                                     |
|   | Office - Municipal Manager         | Aggregated                    | Governance and Administration       |                                     |
|   | Performance Management             | Aggregated                    | Governance and Administration       |                                     |
|   | Risk Management                    | Aggregated                    | Governance and Administration       |                                     |
| <b>Vote 3 -Corporate Services</b>         | Administration                     | Aggregated                    | Governance and Administration       |                                     |
|   | Human Resources                    | Aggregated                    | Governance and Administration       |                                     |
|   | Legal Services                     | Aggregated                    | Governance and Administration       |                                     |
|   | Manager Corporate                  | Aggregated                    | Governance and Administration       |                                     |
| <b>Vote 4 -Financial Services</b>         | Admin - Finance                    | Aggregated                    | Governance and Administration       |                                     |
|   | Computer Data Network It           | Aggregated                    | Governance and Administration       |                                     |
|   | Finance - Accounting Services      | Aggregated                    | Governance and Administration       |                                     |
|   | Finance - Expenditure              | Aggregated                    | Governance and Administration       |                                     |
|   | Finance - Income                   | Aggregated                    | Governance and Administration       |                                     |
|   | Supply Chain Management            | Aggregated                    | Governance and Administration       |                                     |
| <b>Vote 5-Community And Public Safety</b> | Arbeidsgenot                       | Aggregated                    | Community and Public Safety         |                                     |
|   | Bongolethu Community Hall          | Aggregated                    | Community and Public Safety         |                                     |
|   | Bridgton Resort                    | Aggregated                    | Community and Public Safety         |                                     |
|   | Bulk Waste                         | Aggregated                    | Trading services                    |                                     |
|   | Cango Mountain Resort              | Aggregated                    | Community and Public Safety         |                                     |
|   | Cango Mountain Resort - Restaurant | Aggregated                    | Community and Public Safety         |                                     |
|   | Cemetery Crematoriums              | Aggregated                    | Community and Public Safety         |                                     |
|   | Community Halls                    | Aggregated                    | Community and Public Safety         |                                     |
|   | De Jager Sport Kompleks            | Aggregated                    | Community and Public Safety         |                                     |
|   | Fire Fighting                      | Aggregated                    | Community and Public Safety         |                                     |
|   | Library Services                   | Aggregated                    | Community and Public Safety         |                                     |
|   | Manager Community Services         | Aggregated                    | Community and Public Safety         |                                     |
|   | Parks Gardens                      | Aggregated                    | Community and Public Safety         |                                     |
|   | Refuse Removal                     | Aggregated                    | Trading services                    |                                     |
|   | Sportground Recreation             | Aggregated                    | Community and Public Safety         |                                     |
|   | Street Cleaning                    | Aggregated                    | services                            |                                     |
|   | Swimming Pools                     | Aggregated                    | Community and Public Safety         |                                     |
|   | Traffic Licenses                   | Aggregated                    | Community and Public Safety         |                                     |
| <b>Vote 6-Technical Services</b>          | Admin - Electricity                | Aggregated                    | Trading services                    |                                     |
|   | Admin - Engineers Streets          | Aggregated                    | Trading services                    |                                     |
|   | Admin - Sewerage                   | Aggregated                    | Trading services                    |                                     |
|   | Dysselsdorp Sewerage Services      | Aggregated                    | Trading services                    |                                     |
|   | Electricity Distribution           | Aggregated                    | Trading services                    |                                     |
|   | Kkwrs                              | Aggregated                    | Trading services                    |                                     |
|   | Main Roads                         | Aggregated                    | Trading services                    |                                     |
|   | Manager Infrastructure             | Aggregated                    | Trading services                    |                                     |
|   |                                    |                               |                                     | Economic and environmental services |
|   | Roads Storm Water Management       | Aggregated                    | Trading services                    |                                     |
|   | Sewage Network                     | Aggregated                    | Trading services                    |                                     |
|   | Sewerage Purification Plant        | Aggregated                    | Trading services                    |                                     |
|   | Storm Water Management             | Aggregated                    | Trading services                    |                                     |
|   | Water Distribution                 | Aggregated                    | Trading services                    |                                     |
|   | Water Distribution Dysselsdorp     | Aggregated                    | Trading services                    |                                     |
| Water Storage                             | Aggregated                         | Trading services              |                                     |                                     |
| Workshop - Fleet Manager                  | Aggregated                         | Governance and Administration |                                     |                                     |
| <b>Vote 7-Human Settlement</b>            | Housing                            | Aggregated                    | Community and Public Safety         |                                     |
| <b>Vote 8-Strategic Services</b>          | Airport                            | Aggregated                    | Unallocated                         |                                     |
|   |                                    |                               | Economic and environmental services |                                     |
|   | Corporate Wide Strategic Planning  | Aggregated                    | Economic and environmental services |                                     |
|   | IDP Management                     | Aggregated                    | Economic and environmental services |                                     |
|   |                                    |                               | Economic and environmental services |                                     |
|   | Town Planning                      | Aggregated                    | Economic and environmental services |                                     |



**ODTSHOORN LOCAL MUNICIPALITY  
SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021**

| 2021   | Governance and<br>Administration | Community ad<br>Public Safety | Economic and<br>Environmental<br>Services | Trading Services   | Total             |
|--|----------------------------------|-------------------------------|---|--------------------|-------------------|
|  | R                                | R                             | R   | R                  | R                 |
| <b>SEGMENT REVENUE</b>   |                                  |                               |   |                    |                   |
| <b>External revenue from exchange transactions</b>                           | 17 305 196                       | 6 268 090                     | -   | 354 829 885        | 378 403 171       |
| Service Charges - Electricity Revenue  | -                                | -                             | -   | 238 939 066        | 238 939 066       |
| Service Charges - Water Revenue  | -                                | -                             | -   | 59 083 036         | 59 083 036        |
| Service Charges - Sanitation Revenue   | -                                | -                             | -   | 35 285 360         | 35 285 360        |
| Service Charges - Refuse Revenue   | -                                | -                             | -   | 19 294 301         | 19 294 301        |
| Rental Of Facilities And Equipment   | 1 449 820                        | 72 563                        | -   | -                  | 1 522 383         |
| Interest Earned - External Investments                                       | 5 748 841                        | -                             | -   | -                  | 5 748 841         |
| Interest Earned - Outstanding Debtors  | 240 428                          | -                             | -   | 2 058 013          | 2 298 441         |
| Agency Services  | -                                | 5 831 885                     | -   | -                  | 5 831 885         |
| Other Revenue  | 9 866 107                        | 363 643                       | -   | 170 110            | 10 399 859        |
| <b>External revenue from non-exchange transactions</b>                       | 154 006 139                      | 15 456 026                    | 3 294 996                                 | 41 528 131         | 214 285 292       |
| Property Rates   | 97 888 750                       | -                             | -   | -                  | 97 888 750        |
| Fines, Penalties And Forfeits  | 515 098                          | 7 653 000                     | -   | 172 712            | 8 340 810         |
| Interest Earned - Outstanding Debtors  | 959 958                          | -                             | -   | -                  | 959 958           |
| Availability charges   | -                                | -                             | -   | 2 857 099          | 2 857 099         |
| Licences and Permits   | -                                | -                             | -   | -                  | -                 |
| Government Incentives Received   | 319 468                          | -                             | -   | -                  | 319 468           |
| Transfers And Subsidies  | 54 322 864                       | 7 803 027                     | 3 294 996                                 | 38 498 320         | 103 919 207       |
| <b>Total Segment Revenue (excluding capital transfers and contributions)</b> | 171 311 334                      | 21 724 117                    | 3 294 996                                 | 396 358 016        | 592 688 463       |
| <b>SEGMENT EXPENDITURE</b>   |                                  |                               |   |                    |                   |
| Employee Related Costs   | 83 889 936                       | 70 497 875                    | 37 611 264                                | 70 236 957         | 262 236 032       |
| Remuneration Of Councillors  | 10 983 096                       | -                             | -   | -                  | 10 983 096        |
| Debt Impairment  | 5 024 036                        | 7 432 459                     | -   | 9 497 795          | 21 954 290        |
| Depreciation & Asset Impairment  | 4 380 944                        | 2 187 410                     | 8 709 505                                 | 25 034 698         | 40 312 557        |
| Finance Charges  | 4 040 094                        | 73 578                        | -   | 1 478 023          | 5 591 695         |
| Bulk Purchases   | -                                | -                             | -   | 176 489 766        | 176 489 766       |
| Other Materials  | 1 997 187                        | 2 919 259                     | 4 684 056                                 | 9 644 979          | 19 245 481        |
| Contracted Services  | 9 070 631                        | 8 330 171                     | 171 235                                   | 3 823 178          | 21 395 215        |
| Transfers and Subsidies  | 858 832                          | -                             | 1 042 275                                 | -                  | 1 901 107         |
| Other Expenditure  | 20 414 570                       | 12 750 898                    | 2 521 048                                 | 13 402 854         | 49 089 370        |
| Loss on Disposal of PPE  | 1 086 130                        | -                             | -   | -                  | 1 086 130         |
| <b>Total Segment Expenditure</b>   | 141 745 456                      | 104 191 650                   | 54 739 384                                | 309 608 250        | 610 284 739       |
| <b>Surplus/(Deficit)</b>   | 29 565 878                       | (82 467 533)                  | (51 444 388)                              | 86 749 766         | (17 596 276)      |
| Transfers and Subsidies-Capital  | -                                | 2 201 176                     | 25 303 355                                | 31 904 882         | 59 409 413        |
| Contributed Assets   | -                                | 39 066 686                    | -   | -                  | 39 066 686        |
| <b>Surplus/(Deficit) for the year</b>  | <b>29 565 878</b>                | <b>(41 199 671)</b>           | <b>(26 141 033)</b>                       | <b>118 654 648</b> | <b>80 879 822</b> |
| <b>CAPITAL EXPENDITURE FOR THE YEAR</b>                                      | <b>1 591 119</b>                 | <b>5 203 927</b>              | <b>18 185 610</b>                         | <b>51 779 869</b>  | <b>76 760 524</b> |



**ODTSHOORN LOCAL MUNICIPALITY**  
**SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021**

| <b>2020 Restated</b>   |                                      |                                    |  |                         |                   |
|--|--------------------------------------|------------------------------------|--|-------------------------|-------------------|
|  | <b>Governance and Administration</b> | <b>Community and Public Safety</b> | <b>Economic and environmental services</b> | <b>Trading services</b> | <b>Total</b>      |
|  | R                                    | R                                  | R  | R                       | R                 |
| <b>SEGMENT REVENUE</b>   |                                      |                                    |  |                         |                   |
| <b>External revenue from exchange transactions</b>                           | 33 177 617                           | 6 147 952                          | -  | 340 985 550             | 380 311 119       |
| Service Charges - Electricity Revenue  | -                                    | -                                  | -  | 227 509 838             | 227 509 838       |
| Service Charges - Water Revenue  | -                                    | -                                  | -  | 57 937 555              | 57 937 555        |
| Service Charges - Sanitation Revenue   | -                                    | -                                  | -  | 33 359 083              | 33 359 083        |
| Service Charges - Refuse Revenue   | -                                    | -                                  | -  | 18 771 793              | 18 771 793        |
| Rental of Facilities and Equipment   | 1 836 461                            | 737 316                            | -  | -                       | 2 573 777         |
| Interest Earned - External Investments                                       | 10 998 733                           | -                                  | -  | -                       | 10 998 733        |
| Interest Earned - Outstanding Debtors  | 412 481                              | -                                  | -  | 3 275 018               | 3 687 499         |
| Agency Services  | -                                    | 4 882 687                          | -  | -                       | 4 882 687         |
| Other Revenue  | 19 929 941                           | 527 949                            | -  | 132 264                 | 20 590 154        |
| <b>External revenue from non-exchange transactions</b>                       | 136 585 347                          | 24 654 197                         | 5 083 390                                  | 38 824 163              | 205 147 098       |
| Property Rates   | 92 909 167                           | -                                  | -  | -                       | 92 909 167        |
| Fines, Penalties And Forfeits  | 251 270                              | 11 773 905                         | -  | 277 860                 | 12 303 035        |
| Interest Earned - Outstanding Debtors  | 1 044 206                            | -                                  | -  | -                       | 1 044 206         |
| Availability charges   | -                                    | -                                  | -  | 2 519 053               | 2 519 053         |
| Licences and Permits   | -                                    | -                                  | -  | -                       | -                 |
| Transfers And Subsidies  | 40 957 727                           | 12 880 292                         | 4 846 799                                  | 36 027 250              | 94 712 069        |
| Government Incentives Received   | 960 747                              | -                                  | 236 591                                    | -                       | 1 197 338         |
| Gains on Disposal of PPE   | 462 229                              | -                                  | -  | -                       | 462 229           |
| <b>Total Segment Revenue (excluding capital transfers and contributions)</b> | 169 762 964                          | 30 802 149                         | 5 083 390                                  | 379 809 714             | 585 458 217       |
| <b>SEGMENT EXPENDITURE</b>   |                                      |                                    |  |                         |                   |
| Employee Related Costs   | 65 205 033                           | 66 868 605                         | 37 451 499                                 | 66 652 953              | 236 178 090       |
| Remuneration Of Councillors  | 11 212 892                           | -                                  | -  | -                       | 11 212 892        |
| Debt Impairment  | 7 166 128                            | 9 032 955                          | -  | 21 267 502              | 37 466 585        |
| Depreciation & Asset Impairment  | 8 154 385                            | 3 557 231                          | 8 117 934                                  | 21 812 538              | 41 642 087        |
| Finance Charges  | 4 222 540                            | 257 399                            | 11 871                                     | 1 955 727               | 6 447 537         |
| Bulk Purchases   | -                                    | -                                  | -  | 169 110 184             | 169 110 184       |
| Other Materials  | 2 037 404                            | 2 854 088                          | 2 035 126                                  | 9 724 689               | 16 651 307        |
| Contracted Services  | 9 492 421                            | 7 972 192                          | 508 237                                    | 4 797 289               | 22 770 139        |
| Transfers and Subsidies  | 574 260                              | 2 094 362                          | 2 048 596                                  | -                       | 4 717 217         |
| Other Expenditure  | 22 973 541                           | 12 134 341                         | 3 317 651                                  | 9 493 152               | 47 918 685        |
| Loss on Disposal of PPE  | 608 521                              | 160 699                            | -  | -                       | 769 221           |
| <b>Total Segment Expenditure</b>   | 131 647 124                          | 104 931 872                        | 53 490 914                                 | 304 814 034             | 594 883 944       |
| <b>Surplus/(Deficit)</b>   | 38 115 840                           | (74 129 722)                       | (48 407 523)                               | 74 995 679              | (9 425 727)       |
| Transfers and Subsidies-Capital  | 496 906                              | 6 063 225                          | 16 354 748                                 | 40 266 810              | 63 181 689        |
| Contributed Assets   | -                                    | 62 200                             | -  | -                       | 62 200            |
| <b>Surplus/(Deficit) for the year</b>  | <b>38 612 746</b>                    | <b>(68 004 298)</b>                | <b>(32 052 776)</b>                        | <b>115 262 490</b>      | <b>53 818 162</b> |
| <b>CAPITAL EXPENDITURE FOR THE YEAR</b>                                      | <b>2 792 919</b>                     | <b>6 787 146</b>                   | <b>11 561 843</b>                          | <b>52 228 548</b>       | <b>73 370 457</b> |

**Please note:**

Total assets and total liabilities of segments have not been disclosed as the amounts are not regularly provided to management for review

Reasons for differences between Segmental Reported and Statement of Financial Performance items on Employee Cost and Other Revenue/Expenditure relates to the Actuarial Gains/Losses that are classified as Employee Related Cost in terms of the C Schedule format of National Treasury upon which the municipality report to the council

Reasons for the differences between the Segmental Reported and Statement of Financial Performance for Depreciation & Amortisation is because Depreciation, Amortisation and Asset Impairment are aggregated on the Segmental Report in terms of the C Schedule format of National Treasury upon which we report to council

**OUDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021**

| Notes                                | Original Budget | Budget                              | Final Adjustment    | Final Budget         | Actual Outcome       | Actual               |                |
|--------------------------------------|-----------------|-------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------|
|                                      |                 | Adjustments                         | Budget              |                      |                      | Outcome as %         |                |
|                                      |                 | (i.t.o. s28 and s31<br>of the MFMA) |                     |                      | 2021                 | of Final             |                |
|                                      | R               | R                                   | R                   | R                    | R                    | Budget               |                |
|                                      |                 |                                     |                     |                      |                      | %                    |                |
| <b>ASSETS</b>                        |                 |                                     |                     |                      |                      |                      |                |
| <b>Current Assets</b>                |                 |                                     |                     |                      |                      |                      |                |
| Cash                                 | 2 673 877       | (2 245 473)                         | 428 404             | 428 404              | 16 125 651           | 3664.12%             |                |
| Call Investment Deposits             | 81 030 410      | 34 228 650                          | 115 259 060         | 115 259 060          | 99 841 236           | -13.38%              |                |
| Consumer Debtors                     | 50 054 068      | 11 814 409                          | 61 868 477          | 61 868 477           | 60 020 732           | -2.99%               |                |
| Other Debtors                        | 20 586 994      | (18 919 258)                        | 1 667 736           | 1 667 736            | 13 461 026           | 707.14%              |                |
| Operating Lease Asset                | 616             | 4 614                               | 5 230               | 5 230                | 19 142               | 266.01%              |                |
| Inventory                            | 2 565 206       | (104 785)                           | 2 460 421           | 2 460 421            | 3 121 406            | 26.86%               |                |
| <b>Total Current Assets</b>          | <b>42.2.1</b>   | <b>156 911 171</b>                  | <b>24 778 157</b>   | <b>181 689 328</b>   | <b>181 689 328</b>   | <b>192 589 193</b>   | <b>6.00%</b>   |
| <b>Non-Current Assets</b>            |                 |                                     |                     |                      |                      |                      |                |
| Investment Property                  | 17 255 620      | (133 474)                           | 17 122 146          | 17 122 146           | 16 937 827           | -1.08%               |                |
| Property, Plant and Equipment        | 949 225 842     | (30 344 715)                        | 918 881 127         | 918 881 127          | 977 911 710          | 6.42%                |                |
| Intangible Assets                    | 2 083 366       | (248 978)                           | 1 834 388           | 1 834 388            | 1 143 195            | -37.68%              |                |
| Other Non-Current Assets             | 13 774 346      | 4                                   | 13 774 350          | 13 774 350           | 13 774 345           | 0.00%                |                |
| <b>Total Non-Current Assets</b>      | <b>42.2.2</b>   | <b>982 339 174</b>                  | <b>(30 727 163)</b> | <b>951 612 011</b>   | <b>951 612 011</b>   | <b>1 009 767 078</b> | <b>6.11%</b>   |
| <b>TOTAL ASSETS</b>                  |                 | <b>1 139 250 345</b>                | <b>(5 949 006)</b>  | <b>1 133 301 339</b> | <b>1 133 301 339</b> | <b>1 202 356 270</b> | <b>6.09%</b>   |
| <b>LIABILITIES</b>                   |                 |                                     |                     |                      |                      |                      |                |
| <b>Current Liabilities</b>           |                 |                                     |                     |                      |                      |                      |                |
| Borrowing                            | 15 467 969      | (1 470 449)                         | 13 997 520          | 13 997 520           | 11 556 205           | -17.44%              |                |
| Consumer Deposits                    | 10 570 638      | 748 891                             | 11 319 529          | 11 319 529           | 11 139 126           | -1.59%               |                |
| Trade and Other Payables             | 132 170 565     | (37 456 146)                        | 94 714 419          | 94 714 419           | 63 952 297           | -32.48%              |                |
| Provisions                           | 20 804 913      | 11 815 273                          | 32 620 186          | 32 620 186           | 29 639 545           | -9.14%               |                |
| <b>Total Current Liabilities</b>     | <b>42.2.3</b>   | <b>179 014 085</b>                  | <b>(26 362 431)</b> | <b>152 651 654</b>   | <b>152 651 654</b>   | <b>116 287 174</b>   | <b>-23.82%</b> |
| <b>Non-Current Liabilities</b>       |                 |                                     |                     |                      |                      |                      |                |
| Borrowing                            | 14 855 703      | 33 718 722                          | 48 574 425          | 48 574 425           | 42 680 824           | -12.13%              |                |
| Provisions                           | 157 859 109     | (29 096 607)                        | 128 762 502         | 128 762 502          | 142 477 778          | 10.65%               |                |
| <b>Total Non-Current Liabilities</b> | <b>42.2.4</b>   | <b>172 714 812</b>                  | <b>4 622 115</b>    | <b>177 336 927</b>   | <b>177 336 927</b>   | <b>185 158 602</b>   | <b>4.41%</b>   |
| <b>TOTAL LIABILITIES</b>             |                 | <b>351 728 897</b>                  | <b>(21 740 316)</b> | <b>329 988 581</b>   | <b>329 988 581</b>   | <b>301 445 775</b>   | <b>-8.65%</b>  |
| <b>NET ASSETS</b>                    |                 |                                     |                     |                      |                      |                      |                |
| Accumulated Surplus/(Deficit)        | 787 521 448     | 15 791 311                          | 803 312 759         | 803 312 759          | 900 910 495          | 12.15%               |                |
| <b>TOTAL NET ASSETS</b>              | <b>42.2.5</b>   | <b>787 521 448</b>                  | <b>15 791 311</b>   | <b>803 312 759</b>   | <b>803 312 759</b>   | <b>900 910 495</b>   | <b>12.15%</b>  |

**OUDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

| Notes  | Original Budget | Budget Adjustments<br>(i.t.o. s28 and s31 of the MFMA) | Final Adjustment Budget | Final Budget        | Actual Outcome      | Actual Outcome as % of Final Budget |                |
|--|-----------------|--|-------------------------|---------------------|---------------------|-------------------------------------|----------------|
|  | R               | R  | R                       | R                   | 2021 R              | %                                   |                |
| <b>REVENUE</b>   |                 |  |                         |                     |                     |                                     |                |
| Property Rates   | 98 077 769      | (72 456)   | 98 005 313              | 98 005 313          | 97 888 750          | -0.12%                              |                |
| Service Charges - Electricity Revenue                                | 259 159 016     | (11 339 887)   | 247 819 129             | 247 819 129         | 238 939 066         | -3.58%                              |                |
| Service Charges - Water Revenue                                      | 65 573 704      | (8 005 224)  | 57 568 480              | 57 568 480          | 59 083 036          | 2.63%                               |                |
| Service Charges - Sanitation Revenue                                 | 35 908 361      | (290 835)  | 35 617 526              | 35 617 526          | 35 285 360          | -0.93%                              |                |
| Service Charges - Refuse Revenue                                     | 19 201 916      | 849 069  | 20 050 985              | 20 050 985          | 19 294 301          | -3.77%                              |                |
| Rental of Facilities and Equipment                                   | 2 214 245       | (583 847)  | 1 630 398               | 1 630 398           | 1 522 383           | -6.63%                              |                |
| Interest Earned - External Investments                               | 10 900 615      | (5 249 144)  | 5 651 471               | 5 651 471           | 5 748 841           | 1.72%                               |                |
| Interest Earned - Outstanding Debtors                                | 4 991 949       | (2 582 167)  | 2 409 782               | 2 409 782           | 3 258 400           | 35.22%                              |                |
| Fines  | 6 475 688       | (4 285 581)  | 2 190 107               | 2 190 107           | 8 340 810           | 280.84%                             |                |
| Licences and Permits   | 353 136         | -  | 353 136                 | 353 136             | -                   | -100.00%                            |                |
| Agency Services  | 4 217 728       | 800 000  | 5 017 728               | 5 017 728           | 6 085 630           | 21.28%                              |                |
| Transfers Recognised - Operational                                   | 96 291 948      | 12 006 848   | 108 298 796             | 108 298 796         | 103 919 207         | -4.04%                              |                |
| Other Revenue  | 16 036 435      | (4 650 491)  | 11 385 944              | 11 385 944          | 13 322 682          | 17.01%                              |                |
| Gains on Disposal of PPE   | -               | -  | -                       | -                   | -                   | 0.00%                               |                |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>42.2.6</b>   | <b>619 402 510</b>                                     | <b>(23 403 715)</b>     | <b>595 998 795</b>  | <b>595 998 795</b>  | <b>592 688 463</b>                  | <b>-0.56%</b>  |
| <b>EXPENDITURE</b>   |                 |  |                         |                     |                     |                                     |                |
| Employee Related Costs   | 266 089 641     | (6 076 231)  | 260 013 410             | 260 013 410         | 254 445 894         | -2.14%                              |                |
| Remuneration of Councillors  | 11 303 489      | 508 173  | 11 811 662              | 11 811 662          | 10 983 096          | -7.01%                              |                |
| Debt Impairment  | 22 351 116      | (1 589 829)  | 20 761 287              | 20 761 287          | 21 954 290          | 5.75%                               |                |
| Depreciation and Asset Impairment                                    | 43 172 175      | (1 525 685)  | 41 646 490              | 41 646 490          | 40 312 557          | -3.20%                              |                |
| Finance Charges  | 5 910 514       | (514 068)  | 5 396 446               | 5 396 446           | 5 591 695           | 3.62%                               |                |
| Bulk Purchases   | 182 714 303     | (1 987 508)  | 180 726 795             | 180 726 795         | 176 489 766         | -2.34%                              |                |
| Other Materials  | 22 053 655      | 415 393  | 22 469 048              | 22 469 048          | 19 245 481          | -14.35%                             |                |
| Contracted Services  | 38 593 042      | (6 446 798)  | 32 146 244              | 32 146 244          | 21 395 215          | -33.44%                             |                |
| Transfers and Grants   | 6 192 636       | (2 429 960)  | 3 762 676               | 3 762 676           | 1 901 107           | -49.47%                             |                |
| Other Expenditure  | 58 749 626      | 2 116 122  | 60 865 748              | 60 865 748          | 56 879 508          | -6.55%                              |                |
| Loss on Disposal of PPE  | -               | -  | -                       | -                   | 1 086 130           | 100.00%                             |                |
| <b>Total Expenditure</b>   | <b>42.2.7</b>   | <b>657 130 197</b>                                     | <b>(17 530 391)</b>     | <b>639 599 806</b>  | <b>639 599 806</b>  | <b>610 284 739</b>                  | <b>-4.58%</b>  |
| <b>Surplus/(Deficit)</b>   |                 | <b>(37 727 687)</b>                                    | <b>(5 873 324)</b>      | <b>(43 601 011)</b> | <b>(43 601 011)</b> | <b>(17 596 276)</b>                 | <b>-59.64%</b> |
| Transfers Recognised - Capital Contributed Assets                    | <b>42.2.6</b>   | 64 464 212   | 4 383 074               | 68 847 286          | 68 847 286          | 59 409 413                          | -13.71%        |
|  |                 | -  | -                       | -                   | -                   | 39 066 686                          | 100.00%        |
| <b>Surplus/(Deficit) for the year</b>                                |                 | <b>26 736 525</b>                                      | <b>(1 490 250)</b>      | <b>25 246 275</b>   | <b>25 246 275</b>   | <b>80 879 822</b>                   | <b>220.36%</b> |

**ODTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021**

| Notes  | Original Budget | Budget Adjustments<br>(i.t.o. s28 and s31 of the MFMA) | Final Adjustment Budget | Final Budget         | Actual Outcome<br>2021 | Actual Outcome as % of Final Budget |                |
|--|-----------------|--|-------------------------|----------------------|------------------------|-------------------------------------|----------------|
|  | R               | R  | R                       | R                    | R                      | %                                   |                |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>           |                 |  |                         |                      |                        |                                     |                |
| <b>Receipts</b>                                      |                 |  |                         |                      |                        |                                     |                |
| Property Rates                                       | 91 212 325      | (67 384)   | 91 144 941              | 91 144 941           | 89 173 260             | -2.16%                              |                |
| Service Charges                                      | 353 253 988     | (15 455 293)   | 337 798 695             | 337 798 695          | 330 491 308            | -2.16%                              |                |
| Other Revenue  | 24 406 159      | (4 923 243)  | 19 482 916              | 19 482 916           | 19 061 454             | -2.16%                              |                |
| Government - Operating                               | 96 291 948      | 11 611 564   | 107 903 512             | 107 903 512          | 106 884 469            | -0.94%                              |                |
| Government - Capital                                 | 64 464 212      | (30 863 564)   | 33 600 648              | 33 600 648           | 34 362 000             | 2.27%                               |                |
| Interest   | 15 642 967      | (9 991 496)  | 5 651 471               | 5 651 471            | 8 792 720              | 55.58%                              |                |
| <b>Payments</b>                                      |                 |  |                         |                      |                        |                                     |                |
| Suppliers and Employees                              | (565 276 491)   | 10 296 490   | (554 980 001)           | (554 980 001)        | (570 265 419)          | 2.75%                               |                |
| Finance costs  | (5 856 496)     | 514 067  | (5 342 429)             | (5 342 429)          | (4 160 940)            | -22.12%                             |                |
| Transfers and Grants                                 | (6 192 636)     | 2 429 960  | (3 762 676)             | (3 762 676)          | (1 901 107)            | -49.47%                             |                |
| <b>Net Cash from/(used) Operating Activities</b>     | <b>42.2.8</b>   | <b>67 945 976</b>                                      | <b>(36 448 899)</b>     | <b>31 497 077</b>    | <b>31 497 077</b>      | <b>12 437 745</b>                   | <b>-60.51%</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>           |                 |  |                         |                      |                        |                                     |                |
| <b>Receipts</b>                                      |                 |  |                         |                      |                        |                                     |                |
| Proceeds on disposal of PPE                          | -               | -  | -                       | -                    | -                      | -                                   |                |
| Decrease/(Increase) in Non-Current Debtors           | -               | -  | -                       | -                    | -                      | -                                   |                |
| Decrease/(Increase) in Other Non-Current Receivables | -               | -  | -                       | -                    | -                      | -                                   |                |
| Decrease/(Increase) in Non-Current Investments       | -               | -  | -                       | -                    | -                      | -                                   |                |
| <b>Payments</b>                                      |                 |  |                         |                      |                        |                                     |                |
| Capital Assets                                       | (81 660 664)    | (23 414 253)   | (105 074 917)           | (105 074 917)        | (76 760 524)           | -26.95%                             |                |
| <b>Net Cash from/(used) Investing Activities</b>     | <b>42.2.9</b>   | <b>(81 660 664)</b>                                    | <b>(23 414 253)</b>     | <b>(105 074 917)</b> | <b>(105 074 917)</b>   | <b>(76 760 524)</b>                 | <b>-26.95%</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>           |                 |  |                         |                      |                        |                                     |                |
| <b>Receipts</b>                                      |                 |  |                         |                      |                        |                                     |                |
| Borrowing long term/refinancing                      | 16 500 000      | 11 211 724   | 27 711 724              | 27 711 724           | 16 500 000             | -40.46%                             |                |
| Increase/(Decrease) in Consumer Deposits             | 598 338         | 42 391   | 640 729                 | 640 729              | -                      | -100.00%                            |                |
| <b>Payments</b>                                      |                 |  |                         |                      |                        |                                     |                |
| Repayment of Borrowing                               | (16 874 329)    | -  | (16 874 329)            | (16 874 329)         | (13 997 520)           | -17.05%                             |                |
| <b>Net Cash from/(used) Financing Activities</b>     | <b>42.2.10</b>  | <b>224 009</b>   | <b>11 254 115</b>       | <b>11 478 124</b>    | <b>11 478 124</b>      | <b>2 502 480</b>                    | <b>-78.20%</b> |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>          |                 |  |                         |                      |                        |                                     |                |
| Cash and Cash Equivalents at the year begin:         | (13 490 679)    | (48 609 037)   | (62 099 716)            | (62 099 716)         | (61 820 299)           | -0.45%                              |                |
|  | 97 194 964      | 80 592 226   | 177 787 190             | 177 787 190          | 177 787 185            | 0.00%                               |                |
| Cash and Cash Equivalents at the year end:           | 83 704 285      | 31 983 189   | 115 687 474             | 115 687 474          | 115 966 886            | 0.24%                               |                |

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2021

|                                     | Cost/Revaluation |            |                    |                    |                       | Accumulated Depreciation and Impairment Losses |                 |              |           |                       | Carrying Value |                 |
|-------------------------------------|------------------|------------|--------------------|--------------------|-----------------------|--|-----------------|--------------|-----------|-----------------------|----------------|-----------------|
|                                     | Opening Balance  | Additions  | Under Construction | Contributed Assets | Disposals/ Impairment | Closing Balance                                | Opening Balance | Depreciation | Transfers | Disposals/ Impairment |                | Closing Balance |
| <b>Land and Buildings</b>           |                  |            |                    |                    |                       |  |                 |              |           |                       |                |                 |
| Land                                | 93 884 781       | -          | -                  | -                  | -                     | 93 884 781                                     | 18 289 750      | -            | -         | -                     | 18 289 750     | 75 595 031      |
| Buildings                           | 47 099 463       | 977 775    | 24 495             | -                  | -                     | 48 101 734                                     | 10 025 925      | 825 688      | -         | -                     | 10 851 613     | 37 250 121      |
|                                     | 140 984 245      | 977 775    | 24 495             | -                  | -                     | 141 986 515                                    | 28 315 675      | 825 688      | -         | -                     | 29 141 363     | 112 845 152     |
| <b>Infrastructure</b>               |                  |            |                    |                    |                       |  |                 |              |           |                       |                |                 |
| Roads & Stormwater                  | 236 815 822      | 9 960 777  | 5 643 987          | 28 365 298         | (118 240)             | 280 667 644                                    | 80 952 474      | 8 709 505    | -         | (104 233)             | 89 557 747     | 191 109 898     |
| Electricity                         | 198 195 485      | 197 998    | 2 746 380          | -                  | (1 410 365)           | 199 729 499                                    | 71 872 232      | 8 540 055    | -         | (746 433)             | 79 665 853     | 120 063 646     |
| Water Supply                        | 425 951 838      | 7 535 482  | 18 445 868         | 3 620 998          | (281 069)             | 455 273 116                                    | 114 619 904     | 10 075 935   | -         | (138 978)             | 124 556 861    | 330 716 255     |
| Sanitation                          | 103 431 093      | 9 657 715  | 13 628 061         | 7 080 390          | (122 351)             | 133 674 908                                    | 29 440 110      | 3 711 756    | -         | (107 052)             | 33 044 814     | 100 630 094     |
| Solid Waste Infrastructure          | 8 510 028        | -          | -                  | -                  | -                     | 8 510 028                                      | 466 351         | 233 368      | -         | -                     | 699 720        | 7 810 308       |
| Communion Infrastructure            | 1 021 561        | 66 565     | -                  | -                  | -                     | 1 088 126                                      | 99 459          | 102 077      | -         | -                     | 201 537        | 886 590         |
|                                     | 973 925 827      | 27 418 538 | 40 464 297         | 39 066 686         | (1 932 026)           | 1 078 943 322                                  | 297 450 531     | 31 372 697   | -         | (1 096 696)           | 327 726 531    | 751 216 790     |
| <b>Capitalised Restoration Cost</b> |                  |            |                    |                    |                       |  |                 |              |           |                       |                |                 |
|                                     | 12 275 153       | 4 331 692  | -                  | -                  | -                     | 16 606 845                                     | 12 260 537      | 852 285      | -         | -                     | 13 112 822     | 3 494 023       |
| <b>Community Assets</b>             |                  |            |                    |                    |                       |  |                 |              |           |                       |                |                 |
| Libraries                           | 7 373 241        | -          | 1 941 680          | -                  | -                     | 9 314 921                                      | 1 278 582       | 98 742       | -         | -                     | 1 377 325      | 7 937 596       |
| Civic Buildings                     | 24 564 762       | -          | -                  | -                  | -                     | 24 564 762                                     | 7 305 206       | 368 674      | -         | -                     | 7 673 880      | 16 890 881      |
| Recreational Facilities             | 81 064 889       | 236 432    | -                  | -                  | -                     | 81 301 321                                     | 31 811 144      | 730 418      | -         | -                     | 32 541 562     | 48 759 759      |
| Cemeteries                          | 1 730 291        | -          | -                  | -                  | -                     | 1 730 291                                      | 199 283         | 12 608       | -         | -                     | 211 892        | 1 518 399       |
| Other                               | 12 537 377       | 2 014 463  | -                  | -                  | -                     | 14 551 840                                     | 3 304 864       | 151 279      | -         | -                     | 3 456 143      | 11 095 697      |
|                                     | 127 270 560      | 2 250 894  | 1 941 680          | -                  | -                     | 131 463 134                                    | 43 899 080      | 1 361 722    | -         | -                     | 45 260 802     | 86 202 333      |

|                                | Cost/Revaluation |            |                    |                    |                       | Accumulated Depreciation and Impairment Losses |                 |              |           |                       | Carrying Value |                 |
|--------------------------------|------------------|------------|--------------------|--------------------|-----------------------|--|-----------------|--------------|-----------|-----------------------|----------------|-----------------|
|                                | Opening Balance  | Additions  | Under Construction | Contributed Assets | Disposals/ Impairment | Closing Balance                                | Opening Balance | Depreciation | Transfers | Disposals/ Impairment |                | Closing Balance |
| <b>Other Assets</b>            |                  |            |                    |                    |                       |  |                 |              |           |                       |                |                 |
| Furniture and Office Equipment | 12 524 853       | 802 920    | -                  | -                  | (412 306)             | 12 915 468                                     | 6 272 085       | 1 181 542    | -         | (328 966)             | 7 124 662      | 5 790 806       |
| Motor vehicles                 | 18 131 340       | -          | -                  | -                  | (3 277)               | 18 128 063                                     | 9 465 184       | 620 986      | -         | (3 089)               | 10 083 081     | 8 044 982       |
| Computer Equipment             | 6 638 663        | 606 969    | -                  | -                  | (523 928)             | 6 721 704                                      | 2 292 317       | 836 175      | -         | (411 536)             | 2 716 956      | 4 004 748       |
| Plant & Equipment              | 8 703 638        | 836 048    | -                  | -                  | (195 859)             | 9 343 827                                      | 3 947 252       | 846 012      | -         | (140 979)             | 4 652 285      | 4 691 542       |
|                                | 45 998 494       | 2 245 937  | -                  | -                  | (1 135 369)           | 47 109 062                                     | 21 976 839      | 3 484 715    | -         | (884 570)             | 24 576 984     | 22 532 078      |
| <b>Leases</b>                  |                  |            |                    |                    |                       |  |                 |              |           |                       |                |                 |
| Vehicles and Office Equipment  | 4 924 351        | -          | -                  | -                  | -                     | 4 924 351                                      | 1 681 753       | 1 621 299    | -         | -                     | 3 303 052      | 1 621 299       |
|                                | 4 924 351        | -          | -                  | -                  | -                     | 4 924 351                                      | 1 681 753       | 1 621 299    | -         | -                     | 3 303 052      | 1 621 299       |
| <b>Total</b>                   | 1 305 378 630    | 37 224 835 | 42 430 472         | 39 066 686         | (3 067 395)           | 1 421 033 229                                  | 405 584 415     | 39 518 405   | -         | (1 981 265)           | 443 121 554    | 977 911 675     |

OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2.2 30 JUNE 2020

|                                  | Cost/Revaluation |           |                    |                    |                       | Accumulated Depreciation and Impairment Losses |                 |              |           |                       | Carrying Value |                 |
|----------------------------------|------------------|-----------|--------------------|--------------------|-----------------------|--|-----------------|--------------|-----------|-----------------------|----------------|-----------------|
|                                  | Opening Balance  | Additions | Under Construction | Contributed Assets | Disposals/ Impairment | Closing Balance                                | Opening Balance | Depreciation | Transfers | Disposals/ Impairment |                | Closing Balance |
| <b>Land and Buildings</b>        |                  |           |                    |                    |                       |  |                 |              |           |                       |                |                 |
| Land                             | 91 897 781       | 1 987 000 | -                  | -                  | -                     | 93 884 781                                     | 18 289 750      | -            | -         | -                     | 18 289 750     | 75 595 031      |
| Balance previously Reported      | 78 340 485       |           | -                  | -                  | -                     | 78 340 485                                     | 18 289 750      | -            | -         | -                     | 18 289 750     | 60 050 735      |
| Correction of error note 37.1(o) | 13 437 200       | 1 987 000 | -                  | -                  | -                     | 15 424 200                                     | -               | -            | -         | -                     | -              | 15 424 200      |
| Buildings                        | 45 693 396       | 1 293 663 | 112 404            | -                  | -                     | 47 099 463                                     | 8 862 208       | 1 163 717    | -         | -                     | 10 025 925     | 37 073 539      |
| Balance previously Reported      | 45 468 445       | 1 231 747 | 141 387            | -                  | -                     | 46 841 579                                     | 8 854 941       | 1 160 150    | -         | -                     | 10 015 091     | 36 826 487      |
| Correction of error note 37.1(n) | -                | 0         | (23 790)           | -                  | -                     | (23 790)                                       | -               | -            | -         | -                     | -              | (23 790)        |
| Correction of error note 37.1(q) | -                | 0         | (5 193)            | -                  | -                     | (5 193)  | -               | -            | -         | -                     | -              | (5 193)         |
| Correction of error note 37.1(o) | 356 800          | 0         | -                  | -                  | -                     | 356 800  | 7 267           | 3 567        | -         | -                     | 10 833         | 345 967         |
| Correction of error note 37.1(b) | -                | 61 916    | -                  | -                  | -                     | 61 916   | -               | -            | -         | -                     | -              | 61 916          |
|                                  | 137 591 177      | 3 280 663 | 112 404            | -                  | -                     | 140 984 245                                    | 27 151 958      | 1 163 717    | -         | -                     | 28 315 675     | 112 668 570     |
| <b>Infrastructure</b>            |                  |           |                    |                    |                       |  |                 |              |           |                       |                |                 |
| Roads & Stormwater               | 221 669 639      | 1 121 011 | 14 137 260         | -                  | (112 087)             | 236 815 822                                    | 72 936 149      | 8 080 180    | -         | (63 855)              | 80 952 474     | 155 863 348     |
| Balance Previously Reported      | 221 669 639      | 1 121 011 | 13 485 086         | -                  | (112 087)             | 236 163 648                                    | 72 936 149      | 8 080 180    | -         | (63 855)              | 80 952 474     | 155 211 175     |
| Correction of error note 37.1(l) | -                | -         | 652 174            | -                  | -                     | 652 174  | -               | -            | -         | -                     | -              | 652 174         |
| Electricity                      | 190 172 484      | 3 526 922 | 4 496 079          | -                  | -                     | 198 195 485                                    | 63 409 426      | 8 462 806    | -         | -                     | 71 872 232     | 126 323 253     |
| Balance Previously reported      | 166 296 499      | 3 788 254 | 4 496 079          | -                  | -                     | 174 580 832                                    | 63 778 229      | 6 906 184    | -         | -                     | 70 684 413     | 103 896 419     |
| Correction of error note 37.1(v) | 25 007 901       | -         | -                  | -                  | -                     | 25 007 901                                     | -               | 1 633 480    | -         | -                     | 1 633 480      | 23 374 421      |
| Correction of error note 37.1(u) | (1 131 916)      | (261 331) | -                  | -                  | -                     | (1 393 248)                                    | (368 803)       | (76 858)     | -         | -                     | (445 661)      | (947 587)       |
| Water Supply                     | 383 991 088      | 22 395    | 41 938 355         | -                  | -                     | 425 951 838                                    | 104 999 921     | 9 619 983    | -         | -                     | 114 619 904    | 311 331 933     |
| Balance Previously reported      | 381 830 880      | 22 395    | 40 253 493         | -                  | -                     | 422 106 768                                    | 104 999 921     | 9 619 983    | -         | -                     | 114 619 904    | 307 486 863     |
| Correction of error note 37.1(s) | 769 748          | -         | -                  | -                  | -                     | 769 748  | -               | -            | -         | -                     | -              | 769 748         |
| Correction of error note 37.1(m) | -                | -         | 768 116            | -                  | -                     | 768 116  | -               | -            | -         | -                     | -              | 768 116         |
| Correction of error note 37.1(d) | 1 390 460        | -         | 916 746            | -                  | -                     | 2 307 206                                      | -               | -            | -         | -                     | -              | 2 307 206       |

OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|                                     |             |           |            |   |             |             |             |              |   |             |             |             |
|-------------------------------------|-------------|-----------|------------|---|-------------|-------------|-------------|--------------|---|-------------|-------------|-------------|
| Sanitation                          | 101 922 534 | -         | 1 508 559  | - | -           | 103 431 093 | 25 562 899  | 3 877 211    | - | -           | 29 440 110  | 73 990 983  |
| Balance Previously reported         | 101 922 534 | -         | 1 628 678  | - | -           | 103 551 212 | 25 562 899  | 3 877 211    | - | -           | 29 440 110  | 74 111 102  |
| Correction of error note 37.1( r)   | -           | -         | 158 253    | - | -           | 158 253     | -           | -            | - | -           | -           | 158 253     |
| Correction of error note 37.1(t)    | -           | -         | (19 214)   | - | -           | (19 214)    | -           | -            | - | -           | -           | (19 214)    |
| Correction of error note 37.1( c)   | -           | -         | (259 158)  | - | -           | (259 158)   | -           | -            | - | -           | -           | (259 158)   |
| Solid Waste Infrastructure          | 8 510 028   | -         | -          | - | -           | 8 510 028   | 232 983     | 233 368      | - | -           | 466 351     | 8 043 677   |
| Communion Infrastructure            | 986 701     | 34 860    | -          | - | -           | 1 021 561   | -           | 99 459       | - | -           | 99 459      | 922 102     |
|                                     | 907 252 474 | 4 705 188 | 62 080 252 | - | (112 087)   | 973 925 827 | 267 141 378 | 30 373 009   | - | (63 855)    | 297 450 531 | 676 475 297 |
| <b>Capitalised Restoration Cost</b> | 12 245 584  | 29 569    | -          | - | -           | 12 275 153  | 5 796 320   | 312 331      | - | 6 151 886   | 12 260 537  | 14 616      |
| Balance previously reported         | 11 527 893  | -         | -          | - | -           | 11 527 893  | 5 737 857   | 359 712      | - | 5 430 324   | 11 527 893  | 0           |
| Correction of error note 37.1(a)    | 717 691     | 29 569    | -          | - | -           | 747 260     | 58 463      | (3 872)      | - | 721 562     | 54 591      | 692 669     |
| Correction of error note 37/01(w)   | -           | -         | -          | - | -           | -           | -           | (43 509)     | - | -           | 678 053     | (678 053)   |
| <b>Community Assets</b>             |             |           |            |   |             |             |             |              |   |             |             |             |
| Libraries                           | 7 075 476   | -         | 297 765    | - | -           | 7 373 241   | 1 179 569   | 99 013.66    | - | -           | 1 278 582   | 6 094 659   |
| Civic Buildings                     | 24 564 762  | -         | -          | - | -           | 24 564 762  | 6 935 519   | 369 687.03   | - | -           | 7 305 206   | 17 259 556  |
| Recreational Facilities             | 81 533 813  | -         | 357 325    | - | (826 248)   | 81 064 889  | 31 212 300  | 1 313 478.44 | - | (714 634)   | 31 811 144  | 49 253 745  |
| Cemeteries                          | 2 425 539   | -         | -          | - | (695 248)   | 1 730 291   | 330 626     | 514 819.68   | - | (646 162)   | 199 283     | 1 531 007   |
| Other                               | 11 947 533  | -         | 589 844    | - | -           | 12 537 377  | 3 153 540   | 151 323.89   | - | -           | 3 304 864   | 9 232 513   |
|                                     | 127 547 122 | -         | 1 244 934  | - | (1 521 496) | 127 270 560 | 42 811 554  | 2 448 323    | - | (1 360 797) | 43 899 080  | 83 371 480  |

|                                  | Cost/Revaluation |            |                    |                 |                       | Accumulated Depreciation and Impairment Losses |                 |              |           |                       | Carrying Value |                 |
|----------------------------------|------------------|------------|--------------------|-----------------|-----------------------|--|-----------------|--------------|-----------|-----------------------|----------------|-----------------|
|                                  | Opening Balance  | Additions  | Under Construction | Contributed PPE | Disposals/ Impairment | Closing Balance                                | Opening Balance | Depreciation | Transfers | Disposals/ Impairment |                | Closing Balance |
| <b>Other Assets</b>              |                  |            |                    |                 |                       |  |                 |              |           |                       |                |                 |
| Furniture and Office Equipment   | 12 635 607       | 351 514    | -                  | -               | (462 267)             | 12 524 853                                     | 5 380 835       | 1 223 673    | -         | (332 423)             | 6 272 085      | 6 252 768       |
| Balance previously reported      | 12 073 919       | 346 322    | -                  | -               | (462 267)             | 11 957 973                                     | 5 380 835       | 1 174 231    | -         | (332 423)             | 6 222 644      | 5 735 329       |
| Correction of error note 37.1(p) | 561 348          | -          | -                  | -               | -                     | 561 348  | -               | 49 224       | -         | -                     | 49 224         | 512 124         |
| Correction of error note 37.1(q) | -                | 5 193      | -                  | -               | -                     | 5 193  | -               | 218          | -         | -                     | 218            | 4 975           |
| Motor vehicles                   | 17 844 529       | 454 355    | -                  | -               | (167 544)             | 18 131 340                                     | 8 964 806       | 611 116      | -         | (110 738)             | 9 465 184      | 8 666 155       |
| Balance previously reported      | 17 826 029       | 454 355    | -                  | -               | (167 544)             | 18 112 840                                     | 8 964 806       | 609 267      | -         | (110 738)             | 9 463 336      | 8 649 504       |
| Correction of error note 37.1(p) | 18 500           | -          | -                  | -               | -                     | 18 500   | -               | 1 849        | -         | -                     | 1 849          | 16 651          |
| Computer Equipment               | 6 350 598        | 629 112    | -                  | 62 200          | (403 247)             | 6 638 663                                      | 1 757 949       | 817 835      | -         | (283 466)             | 2 292 317      | 4 346 345       |
| Balance previously reported      | 6 281 518        | 629 112    | -                  | 62 200          | (403 247)             | 6 569 583                                      | 1 757 949       | 810 897      | -         | (283 466)             | 2 285 380      | 4 284 203       |
| Correction of error note 37.1(p) | 69 420           | -          | -                  | -               | -                     | 69 420   | -               | 6 937        | -         | -                     | 6 937          | 62 483          |
| Plant & Equipment                | 9 268 003        | 1 126 623  | -                  | -               | (1 690 988)           | 8 703 638                                      | 4 386 950       | 997 432      | -         | (1 437 129)           | 3 947 252      | 4 756 386       |
| Balance previously reported      | 8 656 310        | 1 107 409  | -                  | -               | (1 690 988)           | 8 072 732                                      | 4 386 950       | 935 802      | -         | (1 437 129)           | 3 885 623      | 4 187 109       |
| Correction of error note 37.1(t) | -                | 19 214     | -                  | -               | -                     | 19 214   | -               | 502          | -         | -                     | 502            | 18 712          |
| Correction of error note 37.1(p) | 611 692          | -          | -                  | -               | -                     | 611 692  | -               | 61 127       | -         | -                     | 61 127         | 550 565         |
|                                  | 46 098 736       | 2 561 605  | -                  | 62 200          | (2 724 046)           | 45 998 494                                     | 20 490 540      | 3 650 055    | -         | (2 163 756)           | 21 976 839     | 24 021 655      |
| <b>Leases</b>                    |                  |            |                    |                 |                       |  |                 |              |           |                       |                |                 |
| Vehicles and Office Equipment    | 18 392 694       | 1 859 319  | -                  | -               | (15 327 661)          | 4 924 351                                      | 12 026 843      | 4 982 572    | -         | (15 327 661)          | 1 681 753      | 3 242 598       |
|                                  | 18 392 694       | 1 859 319  | -                  | -               | (15 327 661)          | 4 924 351                                      | 12 026 843      | 4 982 572    | -         | (15 327 661)          | 1 681 753      | 3 242 598       |
| <b>Total</b>                     | 1 249 127 787    | 12 436 344 | 63 437 590         | 62 200          | (19 685 290)          | 1 305 378 630                                  | 375 418 593     | 42 930 006   | -         | (12 764 184)          | 405 584 415    | 899 794 216     |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R          | 2020<br>R          |                   |
|--|--------------------|--------------------|-------------------|
| <b>2. PROPERTY, PLANT AND EQUIPMENT</b>  |                    |                    |                   |
| <u>Insert sheet:</u> page 66   |                    |                    |                   |
| page 67  |                    |                    |                   |
| page 68  |                    |                    |                   |
|  | <b>2021<br/>R</b>  | <b>2020<br/>R</b>  |                   |
| <b>2.1 Property, Plant and Equipment which is in the process of being constructed or developed:</b>  |                    |                    |                   |
| Infrastructure Assets  | 131 276 706        | 119 198 619        |                   |
| Roads & Stormwater   | 5 643 987          | 13 485 086         |                   |
| Electricity  | 7 242 459          | 4 496 079          |                   |
| Water Supply   | 104 762 198        | 96 135 348         |                   |
| Sanitation   | 13 628 061         | 5 082 107          |                   |
| Community Assets   | 2 297 765          | 1 303 254          |                   |
| Other Assets   | 24 495             | 141 387            |                   |
| <b>Total Property, Plant and Equipment under construction</b>  | <b>133 598 966</b> | <b>120 643 259</b> |                   |
|  | <b>2021<br/>R</b>  | <b>2020<br/>R</b>  |                   |
| <b>2.2 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:</b>   |                    |                    |                   |
| Infrastructure Assets  | 98 734 578         | 84 419 966         |                   |
| Water Supply   | 98 734 578         | 84 419 966         |                   |
| <b>Total</b>   | <b>98 734 578</b>  | <b>84 419 966</b>  |                   |
|  | <b>2021<br/>R</b>  | <b>2020<br/>R</b>  |                   |
| <b>2.4 Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>  |                    |                    |                   |
| Employee related costs   | -                  | -                  |                   |
| Other materials  | 14 690 845         | 12 881 436         |                   |
| Contracted Services  | 181 208            | 609 544            |                   |
| Other Expenditure  | 158 102            | 119 599            |                   |
| <b>Total Repairs and Maintenance</b>   | <b>15 030 155</b>  | <b>13 610 579</b>  |                   |
|  | <b>2021<br/>R</b>  | <b>2020<br/>R</b>  |                   |
| <b>2.5 Reversal of Impairment losses of Property, Plant and Equipment</b>  |                    |                    |                   |
| Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:  |                    |                    |                   |
| Capitalised Restoration Cost   | -                  | 1 803 688          |                   |
| Total Reversal of Impairment losses  | -                  | 1 803 688          |                   |
| <b>2.6 Effect of changes in accounting estimates</b>   |                    |                    |                   |
| Disclose the effect of a change in accounting estimate will have on the current period and subsequent periods. If no changes in accounting estimate, clearly state the fact. |                    |                    |                   |
|  | <b>2021<br/>R</b>  | <b>2022<br/>R</b>  | <b>2023<br/>R</b> |
| Effect on Property, plant and equipment  | 139 833            | 209 749            | 79 679            |
|  | <b>2021<br/>R</b>  | <b>2020<br/>R</b>  |                   |
| <b>2.7 Contractual commitments for acquisition of Property, Plant and Equipment:</b>   |                    |                    |                   |
| Approved and contracted for:   | 62 362 519         | 48 131 286         |                   |
| Infrastructure   | 48 005 939         | 47 813 772         |                   |
| Community  | 7 299 625          | -                  |                   |
| Other  | 7 056 955          | 317 514            |                   |
| <b>Total</b>   | <b>62 362 519</b>  | <b>48 131 286</b>  |                   |



|   | 2021<br>R         | 2020<br>R         |
|---|-------------------|-------------------|
| This expenditure will be financed from: |                   |                   |
| External Loans                          | 17 433 466        | -                 |
| Government Grants                       | 34 475 722        | 23 061 027        |
| Own Resources                           | 10 453 331        | 25 070 259        |
| <b>Total</b>                            | <b>62 362 519</b> | <b>48 131 286</b> |

**2.8 Land is controlled, but Oudtshoorn is not the legal owner/custodian**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Carrying amount at year end | 9 875 000        | 9 875 000        |
| <b>Total</b>                | <b>9 875 000</b> | <b>9 875 000</b> |

Key judgements and assumptions applied

- Right to direct access to land, and to restrict/deny the access of others

**3. INVESTMENT PROPERTY**

**3.1 Net Carrying amount at 1 July**

|                                       | 15 900 831        | 14 870 991        |
|---------------------------------------|-------------------|-------------------|
| Cost/Valuation                        | 20 516 542        | 19 368 000        |
| Accumulated Depreciation              | (1 542 632)       | (1 423 930)       |
| Accumulated Impairment Loss           | (3 073 079)       | (3 073 079)       |
| Additions                             | 1 155 371         | 1 148 542         |
| Depreciation for the year             | (118 374)         | (118 702)         |
| <b>Net Carrying amount at 30 June</b> | <b>16 937 827</b> | <b>15 900 831</b> |
| Cost/Valuation                        | 21 671 913        | 20 516 542        |
| Accumulated Depreciation              | (1 661 006)       | (1 542 632)       |
| Accumulated Impairment Loss           | (3 073 079)       | (3 073 079)       |

**3.2 Revenue from Investment Property**

|  |         |         |
|--|---------|---------|
| Revenue derived from the rental of Investment Property | 387 178 | 338 274 |
|--|---------|---------|

**3.3 Investment Property which is in the process of being constructed or developed:**

|                    |                  |                  |
|--------------------|------------------|------------------|
| Revenue Generating | 2 303 913        | 1 148 542        |
| Improved Property  | 2 303 913        | 1 148 542        |
| <b>Total</b>       | <b>2 303 913</b> | <b>1 148 542</b> |

**4. INTANGIBLE ASSETS**

**4.1 Net Carrying amount at 1 July**

|                                       | 1 537 435        | 1 710 227        |
|---------------------------------------|------------------|------------------|
| Cost                                  | 3 156 856        | 2 932 580        |
| Accumulated Amortisation              | (1 619 421)      | (1 222 353)      |
| Additions                             | 281 538          | 224 277          |
| Amortisation                          | (675 778)        | (397 068)        |
| <b>Net Carrying amount at 30 June</b> | <b>1 143 195</b> | <b>1 537 435</b> |
| Cost                                  | 3 438 394        | 3 156 856        |
| Accumulated Amortisation              | (2 295 199)      | (1 619 421)      |
| Accumulated Impairment Loss           | -                | -                |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|            |   | 2021<br>R | 2020<br>R |
|------------|---|-----------|-----------|
| <b>4.2</b> | <b>Material Intangible Assets included in the carrying value:</b> |           |           |
|            | <u>Remaining<br/>Amortisation<br/>Period</u>                      |           |           |
|            | <u>Description</u>  |           |           |
|            | Software  | 1 143 195 | 1 537 435 |

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

**5. HERITAGE ASSETS**

|            |                                       |                   |                   |
|------------|---------------------------------------|-------------------|-------------------|
| <b>5.1</b> | <b>Net Carrying amount at 1 July</b>  | <b>13 774 345</b> | <b>13 774 345</b> |
|            | Cost                                  | 13 774 345        | 13 774 345        |
|            | Additions                             | -                 | -                 |
|            | <b>Net Carrying amount at 30 June</b> | <b>13 774 345</b> | <b>13 774 345</b> |
|            | Cost                                  | 13 774 345        | 13 774 345        |

There are no restrictions on the realizability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

Rust end Vrede Waterfall

The Rust & vrede Waterfall is engraved into the heart of the Swartberg Mountain. The Waterfall is situated on a scenic detour branching off the R328, 18km from Oudtshoorn on the way to the Cango Caves on erf 25. It is classified as a heritage asset controlled and owned by the Municipality. From this waterfall, Oudtshoorn acquires its water supply which is carried by a pipeline, 35 km in length, to the town reservoir and the Raubenheimer Dam.

The Rust and Vrede Waterfall is an asset that was not purchased or contributed. It could not be reliably measured as this is not a manmade structure and no market value exists as this is a unique natural landmark. This asset lacks comparability to other assets in the municipality. The cash flow method could not be used to obtain a value, as it is impractical to place a value on a natural landmark.

Herrie's Stone, Meiringspoort, Oudtshoorn District

The Afrikaans writer, C J Langenhoven, chiselled the name of the well-known elephant 'Herrie', from his book 'Sonde met die Bure', on this rock in July 1929. This has been declared as a Heritage Site.

This heritage asset's value could not be reliably measured as it was not purchased nor is there an active market for it and there is no alternative method for valuating this heritage asset.

**The following Heritage Assets were identified and measured in terms of GRAP:**

Cango Caves

This famous attraction is situated in the Cango ward 29 km north of Oudtshoorn and situated on erf 28. It is classified as a heritage asset and controlled by the Municipality.

The entrance is in the face of a hill beside the Grobbelaar's River. The maxe of caves with their beautiful stalactite formations are most impressive. It is generally accepted that the caves were discovered in 1780 by a herdsman of a farmer called Van Zyl of Doornrivier, while he was looking for lost cattle.

11 796 645

11 796 645



OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021<br>R                | 2020<br>R                |
|---|--------------------------|--------------------------|
| <u>CP Nel Museum Building</u>   |                          |                          |
| The building reflects a late Victorian Colonial style of a classical building and dates from about 1909 and for some half a century served as a boys' school. In 1980 the building complex was declared a National Monument and is owned by the Municipality. | 1 940 000                | 1 940 000                |
| <u>Mayoral Chains</u>   |                          |                          |
| The municipality has two mayoral chains which are kept in a safe at the main building.  | 37 700                   | 37 700                   |
| <b>6. OPERATING LEASE ARRANGEMENTS</b>  |                          |                          |
| <b>6.1 The Municipality as Lessor</b>   |                          |                          |
| Operating Lease Asset   | <u>19 142</u>            | <u>5 230</u>             |
| <u>Disclosed as follows:</u>  |                          |                          |
| Current Operating Lease Asset   | <u>19 142</u>            | <u>5 230</u>             |
|   | <b><u>19 142</u></b>     | <b><u>5 230</u></b>      |
| <u>Reconciliation</u>   |                          |                          |
| Balance at the beginning of the year  | 5 230                    | 616                      |
| Movement during the year  | <u>13 912</u>            | <u>4 614</u>             |
| Balance at the end of the year  | <b><u>19 142</u></b>     | <b><u>5 230</u></b>      |
| At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:  |                          |                          |
| Up to 1 Year  | 240 850                  | 156 522                  |
| 1 to 5 Years  | 647 780                  | 641 367                  |
| More than 5 Years   | <u>503 039</u>           | <u>667 409</u>           |
| <b>Total Operating Lease Arrangements</b>   | <b><u>1 391 669</u></b>  | <b><u>1 465 297</u></b>  |
| This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.   |                          |                          |
| <b>7. INVENTORY</b>   |                          |                          |
| Maintenance Materials - At Cost   | 2 624 088                | 1 932 516                |
| Water – At Cost   | <u>497 318</u>           | <u>421 952</u>           |
| <b>Total Inventory</b>  | <b><u>3 121 406</u></b>  | <b><u>2 354 468</u></b>  |
| The municipality recognised only purification costs in respect of non-purchased purified water inventory.   |                          |                          |
| <b>7.1 Inventories recognise as an expense during the year:</b>   |                          |                          |
| Consumables   | 8 955 082                | 6 954 439                |
| Finished Goods  | 329 992                  | 154 005                  |
| Materials and supplies  | 9 960 407                | 9 067 838                |
| Correction of error note 37.1(g)  | -                        | 213 695                  |
| Correction of error note 37.1(u)  | -                        | 261 331                  |
| <b>Total</b>  | <b><u>19 245 481</u></b> | <b><u>16 651 307</u></b> |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021<br>R          | 2020<br>R         |
|---|--------------------|-------------------|
| <b>8. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>                        |                    |                   |
| Electricity   | 30 695 967         | 22 877 556        |
| Water   | 22 933 740         | 25 339 818        |
| Property Rentals  | 506                | 506               |
| Waste Management  | 10 566 315         | 10 297 696        |
| Waste Water Management  | 13 874 646         | 13 282 828        |
| Units not billed  | 9 558 829          | 8 061 740         |
| Legal Fees Recovery   | 29 216             | 727 184           |
| Klein Karoo Water Scheme  | 4 656 076          | 3 305 964         |
| Sundry municipal charges  | 4 909 721          | 4 990 951         |
| Prepaid expenditure   | 3 475              | 15 001            |
| Other   | 23 400             | 23 400            |
| Suspense Debtors  | 2 965 592          | 2 316 635         |
| Correction of error as per note 37.1(h)                                 | -                  | (214 175)         |
| Correction of error as per note 37.1(h)                                 | -                  | (142 002)         |
| Correction of error as per note 37.1(i)                                 | -                  | 320 812           |
| Correction of error as per note 37.1(j)                                 | -                  | 311 349           |
| <b>Total: Receivables from exchange transactions (before provision)</b> | <b>100 217 484</b> | <b>91 515 261</b> |
| <b>Less:</b> Provision for Debt Impairment                              | (40 196 752)       | (51 059 260)      |
| <b>Total: Receivables from exchange transactions (after provision)</b>  | <b>60 020 732</b>  | <b>40 456 001</b> |

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

**(Electricity): Ageing**

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 12 883 891        | 10 226 122        |
| 31 - 60 Days          | 2 718 419         | 2 259 200         |
| 61 - 90 Days          | 2 138 639         | 1 588 314         |
| + 90 Days             | 12 955 019        | 8 803 921         |
| <b>Total</b>          | <b>30 695 967</b> | <b>22 877 556</b> |

**(Water): Ageing**

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 4 990 942         | 4 037 967         |
| 31 - 60 Days          | 2 238 301         | 1 977 287         |
| 61 - 90 Days          | 1 520 387         | 1 544 480         |
| + 90 Days             | 14 184 110        | 17 780 084        |
| <b>Total</b>          | <b>22 933 740</b> | <b>25 339 818</b> |

**(Property Rentals): Ageing**

|                       |            |            |
|-----------------------|------------|------------|
| Current (0 - 30 days) |            |            |
| 31 - 60 Days          |            |            |
| 61 - 90 Days          |            |            |
| + 90 Days             | 506        | 506        |
| <b>Total</b>          | <b>506</b> | <b>506</b> |

**(Waste Management): Ageing**

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 1 555 163         | 1 514 244         |
| 31 - 60 Days          | 522 346           | 656 192           |
| 61 - 90 Days          | 390 357           | 495 396           |
| + 90 Days             | 8 098 450         | 7 631 864         |
| <b>Total</b>          | <b>10 566 315</b> | <b>10 297 696</b> |

|  | 2021<br>R         | 2020<br>R         |
|--|-------------------|-------------------|
| <b><u>(Waste Water Management): Ageing</u></b>   |                   |                   |
| Current (0 - 30 days)                            | 2 569 132         | 2 591 845         |
| 31 - 60 Days                                     | 814 029           | 954 368           |
| 61 - 90 Days                                     | 624 974           | 697 657           |
| + 90 Days  | 9 866 512         | 9 038 958         |
| <b>Total</b>                                     | <b>13 874 646</b> | <b>13 282 828</b> |
| <b><u>(Units not billed): Ageing</u></b>         |                   |                   |
| Current (0 - 30 days)                            | 9 558 829         | 8 061 740         |
| 31 - 60 Days                                     |                   |                   |
| 61 - 90 Days                                     |                   |                   |
| + 90 Days  |                   |                   |
| <b>Total</b>                                     | <b>9 558 829</b>  | <b>8 061 740</b>  |
| <b><u>(Legal Fees Recovery): Ageing</u></b>      |                   |                   |
| Current (0 - 30 days)                            |                   |                   |
| 31 - 60 Days                                     |                   |                   |
| 61 - 90 Days                                     |                   |                   |
| + 90 Days  | 29 216            | 727 184           |
| <b>Total</b>                                     | <b>29 216</b>     | <b>727 184</b>    |
| <b><u>(Klein Karoo Water Scheme): Ageing</u></b> |                   |                   |
| Current (0 - 30 days)                            | 505 910           | 658 037           |
| 31 - 60 Days                                     | 301 828           | 188 415           |
| 61 - 90 Days                                     | 210 479           | 197 550           |
| + 90 Days  | 3 637 859         | 2 261 962         |
| <b>Total</b>                                     | <b>4 656 076</b>  | <b>3 305 964</b>  |
| <b><u>(Sundry municipal charges): Ageing</u></b> |                   |                   |
| Current (0 - 30 days)                            | 478 356           | 564 805           |
| 31 - 60 Days                                     | 134 298           | 172 502           |
| 61 - 90 Days                                     | 326 934           | 167 013           |
| + 90 Days  | 6 935 724         | 6 679 249         |
| <b>Total</b>                                     | <b>7 875 313</b>  | <b>7 583 569</b>  |
| <b><u>(Prepaid expenditure): Ageing</u></b>      |                   |                   |
| Current (0 - 30 days)                            | 3 475             | 15 001            |
| 31 - 60 Days                                     |                   |                   |
| 61 - 90 Days                                     |                   |                   |
| + 90 Days  |                   |                   |
| <b>Total</b>                                     | <b>3 475</b>      | <b>15 001</b>     |
| <b><u>(Other): Ageing</u></b>                    |                   |                   |
| Current (0 - 30 days)                            |                   |                   |
| 31 - 60 Days                                     |                   |                   |
| 61 - 90 Days                                     |                   |                   |
| + 90 Days  | 23 400            | 23 400            |
| <b>Total</b>                                     | <b>23 400</b>     | <b>23 400</b>     |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|                               | 2021<br>R          | 2020<br>R         |
|-------------------------------|--------------------|-------------------|
| <b><u>(Total): Ageing</u></b> |                    |                   |
| Current (0 - 30 days)         | 32 545 698         | 27 669 761        |
| 31 - 60 Days                  | 6 729 221          | 6 207 963         |
| 61 - 90 Days                  | 5 211 769          | 4 690 410         |
| + 90 Days                     | 55 730 796         | 52 947 127        |
| <b>Total</b>                  | <b>100 217 484</b> | <b>91 515 261</b> |

**Summary of Service Debtors by Customer Classification**

|   | <u>Other</u>     | <u>Residential</u> | <u>Industrial/<br/>Commercial</u> | <u>National and<br/>Provincial<br/>Government</u> |
|---|------------------|--------------------|-----------------------------------|---|
| <b>30 June 2021</b>                             |                  |                    |                                   |   |
| Current (0 - 30 days)                           | 622 242          | 11 440 201         | 7 966 014                         | 2 954 937   |
| 31 - 60 Days                                    | 287 240          | 4 130 311          | 1 175 694                         | 1 135 977   |
| 61 - 90 Days                                    | 202 307          | 2 765 349          | 1 043 122                         | 1 200 992   |
| + 90 Days                                       | 4 989 854        | 35 567 734         | 9 507 637                         | 2 670 763   |
| <b>Total debtors by customer classification</b> | <b>6 101 643</b> | <b>53 903 595</b>  | <b>19 692 466</b>                 | <b>7 962 668</b>                                  |

**Summary of Service Debtors by Customer Classification**

|   | <u>Other</u>     | <u>Residential</u> | <u>Industrial/<br/>Commercial</u> | <u>National and<br/>Provincial<br/>Government</u> |
|---|------------------|--------------------|-----------------------------------|---|
| <b>30 June 2020</b>                             |                  |                    |                                   |   |
| Current (0 - 30 days)                           | 725 349          | 11 446 633         | 5 067 875                         | 2 353 164   |
| 31 - 60 Days                                    | 230 564          | 4 568 375          | 966 767                           | 442 257   |
| 61 - 90 Days                                    | 211 687          | 3 549 670          | 790 396                           | 138 657   |
| + 90 Days                                       | 4 056 641        | 40 419 989         | 4 929 435                         | 497 245   |
| <b>Total debtors by customer classification</b> | <b>5 224 240</b> | <b>59 984 667</b>  | <b>11 754 472</b>                 | <b>3 431 324</b>                                  |

**Reconciliation of Provision for Debt Impairment**

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Balance at beginning of year  | 51 059 260        | 46 637 236        |
| Contribution to provision     | (10 862 508)      | 4 422 024         |
| <b>Balance at end of year</b> | <b>40 196 752</b> | <b>51 059 260</b> |

The total amount of this provision is R40 196 752 and consist of:

|  |                   |                   |
|--|-------------------|-------------------|
| Services   | 40 196 752        | 51 059 260        |
| <b>Total Provision for Debt Impairment on Receivables from exchange transactions</b> | <b>40 196 752</b> | <b>51 059 260</b> |

**Ageing of amounts past due but not impaired:**

|          |            |            |
|----------|------------|------------|
| Services | 27 475 034 | 12 786 240 |
|----------|------------|------------|

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021<br>R                | 2020<br>R                |
|---|--------------------------|--------------------------|
| <b>9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>    |                          |                          |
| Taxes - Rates   | 30 696 122               | 27 281 708               |
| Fines   | 11 123 505               | 13 121 555               |
|   | <u>41 819 627</u>        | <u>40 403 263</u>        |
| <b>Less:</b> Provision for Debt Impairment              | (28 358 601)             | (29 907 801)             |
| <b>Total Receivables from non-exchange transactions</b> | <b><u>13 461 026</u></b> | <b><u>10 495 462</u></b> |

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

**(Rates): Ageing**

|                       |                          |                          |
|-----------------------|--------------------------|--------------------------|
| Current (0 - 30 days) | 6 222 571                | 5 817 451                |
| 31 - 60 Days          | 1 665 857                | 1 944 985                |
| 61 - 90 Days          | 1 275 876                | 1 483 194                |
| + 90 Days             | 21 531 818               | 18 036 078               |
| <b>Total</b>          | <b><u>30 696 122</u></b> | <b><u>27 281 708</u></b> |

**(Fines): Ageing**

|                       |                          |                          |
|-----------------------|--------------------------|--------------------------|
| Current (0 - 30 days) | 369 800                  | 83 100                   |
| 31 - 60 Days          | 816 500                  | 404 300                  |
| 61 - 90 Days          | 653 600                  | 1 107 050                |
| + 90 Days             | 9 283 605                | 11 527 105               |
| <b>Total</b>          | <b><u>11 123 505</u></b> | <b><u>13 121 555</u></b> |

**Summary of Debtors (Rates) by Customer Classification**

|   | <u>Other</u>          | <u>Residential</u>       | <u>Industrial/<br/>Commercial</u> | <u>National and<br/>Provincial<br/>Government</u> |
|---|-----------------------|--------------------------|-----------------------------------|---|
| <b>30 June 2021</b>                             |                       |                          |                                   |   |
| Current (0 - 30 days)                           | 32 285                | 4 391 689                | 1 620 036                         | 178 560   |
| 31 - 60 Days                                    | 5 755                 | 1 130 189                | 355 260                           | 174 654   |
| 61 - 90 Days                                    | 1 645                 | 818 311                  | 274 468                           | 181 453   |
| + 90 Days                                       | 309 341               | 16 450 391               | 4 080 123                         | 691 964   |
| <b>Total debtors by customer classification</b> | <b><u>349 026</u></b> | <b><u>22 790 579</u></b> | <b><u>6 329 886</u></b>           | <b><u>1 226 631</u></b>                           |

**Summary of Debtors (Rates) by Customer Classification**

|   | <u>Other</u>          | <u>Residential</u>       | <u>Industrial/<br/>Commercial</u> | <u>National and<br/>Provincial<br/>Government</u> |
|---|-----------------------|--------------------------|-----------------------------------|---|
| <b>30 June 2020</b>                             |                       |                          |                                   |   |
| Current (0 - 30 days)                           | 29 565                | 5 107 168                | 375 933                           | 304 785   |
| 31 - 60 Days                                    | 5 203                 | 1 709 158                | 93 910                            | 136 714   |
| 61 - 90 Days                                    | 2 164                 | 1 288 660                | 56 538                            | 135 831   |
| + 90 Days                                       | 321 202               | 16 787 549               | 611 175                           | 316 152   |
| <b>Total debtors by customer classification</b> | <b><u>358 133</u></b> | <b><u>24 892 536</u></b> | <b><u>1 137 557</u></b>           | <b><u>893 483</u></b>                             |

**Reconciliation of Provision for Debt Impairment**

|                               |                          |                          |
|-------------------------------|--------------------------|--------------------------|
| Balance at beginning of year  | 29 907 801               | 21 249 131               |
| Contribution to provision     | (1 549 200)              | 8 658 670                |
| <b>Balance at end of year</b> | <b><u>28 358 601</u></b> | <b><u>29 907 801</u></b> |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021<br>R         | 2020<br>R         |
|---|-------------------|-------------------|
| The total amount of this provision is R28 358 601 and consist of:                       |                   |                   |
| Taxes   | 18 854 611        | 18 420 112        |
| Fines   | 9 503 991         | 10 789 722        |
| Other   | -                 | 697 968           |
| Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions | <u>28 358 602</u> | <u>29 907 802</u> |

**Ageing of amounts past due but not impaired:**

|       |                  |                  |
|-------|------------------|------------------|
| Rates | 5 618 941        | 3 044 145        |
| Fines | 1 249 714        | 2 248 733        |
|       | <u>6 868 655</u> | <u>5 292 878</u> |

**10. CASH AND CASH EQUIVALENTS**

**10.1 Cash and Cash Equivalents**

|   |                    |                    |
|---|--------------------|--------------------|
| Cash At Bank                                    | 16 088 101         | 26 490 257         |
| Call Deposits and Investments                   | 99 841 236         | 151 259 068        |
| Cash On-hand                                    | 37 550             | 37 860             |
| <b>Total Cash and Cash Equivalents - Assets</b> | <u>115 966 886</u> | <u>177 787 185</u> |

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R99 841 236 are held to, inter alia fund the Unspent Conditional Grants 2021 to value R10 436 304 and Unspent Borrowing of R12 068 274

The municipality has the following bank accounts:

**Current Accounts**

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| Standard bank 082808678 | 6 429 770         | (716 880)         |
| Standard bank 082808724 | 32 490            | 82 606            |
| Standard Bank 082809097 | 9 625 841         | 27 124 531        |
|                         | <u>16 088 101</u> | <u>26 490 257</u> |

**Call Deposits and Investments**

|   |                   |                    |
|---|-------------------|--------------------|
| Nedbank Account no 03 / 7881019344 / 29 | 113 449           | 109 632            |
| Nedbank Account no 03/7881001143-129    |                   | 2 115 548          |
| Nedbank Account no 03/7881001143/130    | 537 381           | 10 185 605         |
| Nedbank Account no 03/7881001143/131    | 2 944 233         | 12 707 680         |
| Nedbank Account no 03/7881001143/137    | 12 713 168        | 21 042 741         |
| Nedbank Account no 03/7881001143/175    | 4 942 120         | 10 693 336         |
| Nedbank Account no 03/7881001143/176    |                   | 7 728 416          |
| Nedbank Account no 03/7881001143/254    | 15 283 235        |                    |
| Nedbank Account no 03/7881001143/250    | 7 459 379         | 7 208 431          |
| Nedbank Account no 03/7881001143/251    | 2 942 548         | 2 843 555          |
| Nedbank Account no 03/7881001143/252    | 799 912           | 773 001            |
| Standard Account no 288835379015        | 967 047           |                    |
| Standard Account no 288835379005        | 5 310 309         | 5 127 302          |
| Standard Account no 288835379008        | 2 847 564         | 10 680 585         |
| Standard Account no 288835379010        | 10 603 714        | 10 238 282         |
| Standard Account no 288835379019        | 2 278 756         | 2 199 742          |
| Standard Account no 288835379035        |                   | 25 741 099         |
| Standard Account no 288835379040        | 7 479 113         |                    |
| Investec account no 1400-171058-500     | 14 573 327        | 14 086 764         |
| Investec account no 1400-171058 501     | 8 045 980         | 7 777 347          |
| Investec account no 1400-171058 451     |                   | -                  |
|   | <u>99 841 236</u> | <u>151 259 068</u> |





NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Details of current accounts are as follow:

|  | 2021<br>R  | 2020<br>R  |
|--|------------|------------|
| <b>Standard bank 082808678 (Primary Bank Account)</b>        |            |            |
| Cash book balance at beginning of year                       | (716 880)  | 461 385    |
| Cash book balance at end of year                             | 6 429 770  | (716 880)  |
| Bank statement balance at beginning of year                  | 73 575     | 461 385    |
| Bank statement balance at end of year                        | 6 429 770  | 73 575     |
| <b>Standard bank 082808724 (Primary Bank Account)</b>        |            |            |
| Cash book balance at beginning of year                       | 27 124 531 | 24 530 401 |
| Cash book balance at end of year                             | 9 625 841  | 27 124 531 |
| Bank statement balance at beginning of year                  | 26 537 560 | 22 737 552 |
| Bank statement balance at end of year                        | 8 894 960  | 26 537 560 |
| <b>Standard Bank 08288988 (Primary Bank Account - CAVES)</b> |            |            |
| Cash book balance at beginning of year                       | -          | 88 460     |
| Cash book balance at end of year                             | -          | -          |
| Bank statement balance at beginning of year                  | -          | 26 155     |
| Bank statement balance at end of year                        | -          | -          |
| <b>Standard Bank (Traffic Account)</b>                       |            |            |
| Cash book balance at beginning of year                       | 82 606     | -          |
| Cash book balance at end of year                             | -          | 82 606     |
| Bank statement balance at beginning of year                  | -          | -          |
| Bank statement balance at end of year                        | -          | -          |
| <b>Standard Bank 082809097(Traffic Account)</b>              |            |            |
| Cash book balance at beginning of year                       | 82 606     | -          |
| Cash book balance at end of year                             | 32 490     | 82 606     |
| Bank statement balance at beginning of year                  | -          | -          |
| Bank statement balance at end of year                        | 32 490     | -          |

11. LONG-TERM BORROWINGS

|   |                     |                     |
|---|---------------------|---------------------|
| Annuity Loans - At amortised cost                               | 52 391 823          | 48 104 482          |
| Capitalised Lease Liability - At amortised cost                 | 1 845 206           | 3 630 067           |
|   | <b>54 237 029</b>   | <b>51 734 549</b>   |
| <b>Less:</b> Current Portion transferred to Current Liabilities | <b>(11 556 205)</b> | <b>(13 997 520)</b> |
| Annuity Loans - At amortised cost                               | (9 723 423)         | (12 212 659)        |
| Capitalised Lease Liability - At amortised cost                 | (1 832 782)         | (1 784 861)         |
|   | <b>42 680 824</b>   | <b>37 737 029</b>   |
| <b>Total Long-term Borrowings</b>                               | <b>42 680 824</b>   | <b>37 737 029</b>   |

11.1 The obligations under annuity loans are scheduled below:

|   | Minimum payments  |                   |
|---|-------------------|-------------------|
| Amounts payable under annuity loans:              |                   |                   |
| Payable within one year                           | 13 600 163        | 16 345 235        |
| Payable within two to five years                  | 32 513 263        | 31 463 640        |
| Payable after five years                          | 21 657 316        | 14 309 301        |
|   | 67 770 742        | 62 118 176        |
| <b>Less:</b> Future finance obligations           | (15 378 919)      | (14 013 694)      |
| <b>Present value of annuity loans obligations</b> | <b>52 391 823</b> | <b>48 104 482</b> |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R               | 2020<br>R               |
|--|-------------------------|-------------------------|
| 11.2 The obligations under finance leases are scheduled below: |                         |                         |
|  |                         | Minimum<br>payments     |
| Amounts payable under finance leases:                          |                         |                         |
| Payable within one year  | 1 933 305               | 2 073 714               |
| Payable within two to five years                               | 12 518                  | 1 945 823               |
| Payable after five years                                       |                         | -                       |
|  | <u>1 945 823</u>        | <u>4 019 537</u>        |
| <b>Less:</b> Future finance obligations                        | (100 629)               | (389 482)               |
| <b>Present value of finance lease obligations</b>              | <u><b>1 845 194</b></u> | <u><b>3 630 055</b></u> |

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

12. NON-CURRENT PROVISIONS

|  |                          |                          |
|--|--------------------------|--------------------------|
| Provision for Rehabilitation of Landfill-sites | 27 301 778               | 21 539 331               |
| <b>Total Non-current Provisions</b>            | <u><b>27 301 778</b></u> | <u><b>21 539 331</b></u> |

12.1 Landfill Sites

|  |                          |                          |
|--|--------------------------|--------------------------|
| Balance 1 July   | 21 539 331               | 26 987 188               |
| Contribution for the year  | -                        | 1 289 704                |
| Correction of Error - Note 37.1(a)                                       | -                        | 747 260                  |
| Change in Provision for Rehabilitation Cost                              | 5 762 447                | (5 430 324)              |
| Impairment / (Reversal)  | -                        | (2 054 497)              |
| <b>Total provision 30 June</b>   | <u><b>27 301 778</b></u> | <u><b>21 539 331</b></u> |
| <b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15 | -                        | -                        |
| <b>Balance 30 June</b>   | <u><b>27 301 778</b></u> | <u><b>21 539 331</b></u> |

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

|   | De Rust<br>(Closed)     | De Rust<br>(Operational) | Dysselsdorp<br>(Closed) | Dysselsdorp<br>(Operational) | Oudtshoorn               |
|---|-------------------------|--------------------------|-------------------------|------------------------------|--------------------------|
| <b>Rehabilitation Area (m<sup>2</sup>)</b>  | 5 223                   | 6 823                    | 2 253                   | 9 841                        | 109 937                  |
| <b>Costs for Rehabilitation Closure:</b>  |                         |                          |                         |                              |                          |
| <b>Preliminary and General</b>  | 477 893                 | 572 214                  | 261 440                 | 804 383                      | 6 497 821                |
| <b>Site Clearance and Preparation</b>   | 6 424                   | 8 392                    | 2 771                   | 12 104                       | 135 223                  |
| <b>Storm Water Control Measures</b>   | 499 076                 | 580 207                  | 350 958                 | 806 864                      | 3 551 009                |
| <b>Capping</b>  | 1 666 952               | 2 163 716                | 731 481                 | 3 213 008                    | 35 591 836               |
| <b>Gas Management</b>   | -                       | -                        | -                       | -                            | -                        |
| <b>Leachate Management</b>  | 224 416                 | 257 327                  | 154 328                 | 281 706                      | 1 757 380                |
| <b>Fencing</b>  | 622 037                 | 605 099                  | 412 012                 | 767 700                      | 12 066                   |
| <b>Other:</b>   |                         |                          |                         |                              |                          |
| Environmental Authorisation (Closure License)   | -                       | 445 500                  | -                       | 445 500                      | 445 500                  |
| Technical ROD   | 195 000                 | 195 000                  | 195 000                 | 195 000                      | 195 000                  |
| Install Groundwater Monitoring Boreholes with lockable caps(including drilling contractor site establishment) | 143 548                 | 189 622                  | 184 513                 | 184 513                      | -                        |
| Landscape architects  | 135 895                 | 135 895                  | 135 412                 | 135 412                      | 153 504                  |
| Water use licence   | 35 000                  | 35 000                   | 35 000                  | 35 000                       | 35 000                   |
| Topographical Survey  | 6 830                   | 6 830                    | 6 830                   | 6 830                        | 10 398                   |
| <b>Contingencies (10% of total construction costs)</b>  | 349 680                 | 418 696                  | 191 299                 | 588 576                      | 4 754 533                |
| <b>Engineering (ENSA fees scale)</b>  | 471 097                 | 562 198                  | 262 035                 | 786 441                      | 4 466 351                |
| <b>Site Supervision(Engineer's Representation)</b>  | 173 562                 | 210 596                  | 155 245                 | 219 428                      | 1 202 700                |
| <b>Site Supervision (Environmental Control Officer &amp; OHS Agent)</b>                                       | 144 593                 | 144 593                  | 121 392                 | 148 368                      | 504 108                  |
| <b>Total (Excl VAT)</b>   | <u><b>5 152 003</b></u> | <u><b>6 530 884</b></u>  | <u><b>3 199 716</b></u> | <u><b>8 630 833</b></u>      | <u><b>59 312 429</b></u> |
| Cost per rehab(m2)  | 986.41                  | 957.19                   | 1 420                   | 877                          | 540                      |
| Estimated construction period (weeks)   | 10                      | 10                       | 9                       | 11                           | 38                       |

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost and date of decommission of the sites are as follows:

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

| Location                 | Estimated decommission date | 2021               | 2020               |
|--------------------------|-----------------------------|--------------------|--------------------|
|                          |                             | R                  | R                  |
| De Rust (Closed)         | 2014                        | 5 410 633          | 4 875 825          |
| De Rust(Operational)     | 2039                        | 15 771 328         | 13 527 011         |
| Dysselsdorp(Closed)      | 2013                        | 3 360 341          | 3 146 168          |
| Dysselsdorp(Operational) | 2034                        | 16 315 067         | 14 345 823         |
| Oudtshoorn               | 2055                        | 313 613 092        | 186 766 194        |
|                          |                             | <b>354 470 462</b> | <b>222 661 021</b> |

13. NON-CURRENT EMPLOYEE BENEFITS

|  |                    |                   |
|--|--------------------|-------------------|
| Provision for Post Retirement Health Care Benefits | 103 700 001        | 89 163 001        |
| Provision for Long Service Awards                  | 11 476 000         | 10 343 000        |
| <b>Total Non-current Employee Benefits</b>         | <b>115 176 001</b> | <b>99 506 001</b> |

Post Retirement Health Care Benefits

|  |                    |                   |
|--|--------------------|-------------------|
| Balance 1 July   | 94 203 001         | 100 190 961       |
| Contribution for the year  | 3 041 000          | 3 792 906         |
| Interest Cost  | 9 349 000          | 9 125 955         |
| Expenditure for the year   | (5 258 723)        | (4 857 275)       |
| Actuarial Loss/(Gain)  | 7 639 723          | (14 049 546)      |
| <b>Total provision 30 June</b>   | <b>108 974 001</b> | <b>94 203 001</b> |
| <b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15 | (5 274 000)        | (5 040 000)       |
| <b>Balance 30 June</b>   | <b>103 700 001</b> | <b>89 163 001</b> |

Long Service Awards

|  |                   |                   |
|--|-------------------|-------------------|
| Balance 1 July   | 11 612 000        | 10 979 772        |
| Contribution for the year  | 980 000           | 1 002 854         |
| Interest Cost  | 823 000           | 855 304           |
| Expenditure for the year   | (1 196 415)       | (1 311 961)       |
| Actuarial Loss/(Gain)  | 150 415           | 86 031            |
| <b>Total provision 30 June</b>   | <b>12 369 000</b> | <b>11 612 000</b> |
| <b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15 | (893 000)         | (1 269 000)       |
| <b>Balance 30 June</b>   | <b>11 476 000</b> | <b>10 343 000</b> |

13.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

|   |            |            |
|---|------------|------------|
| In-service (employee) members                         | 340        | 330        |
| In-service (employee) non-members                     | 389        | 395        |
| Continuation members (e.g. Retirees, widows, orphans) | 97         | 96         |
| <b>Total Members</b>                                  | <b>826</b> | <b>821</b> |

The liability in respect of past service has been estimated to be as follows:

|                        | 2021<br>R          | 2020<br>R         |
|------------------------|--------------------|-------------------|
| In-service members     | 38 200 000         | 31 168 000        |
| In-service non-members | 5 935 000          | 4 798 000         |
| Continuation members   | 64 839 000         | 58 237 000        |
| <b>Total Liability</b> | <b>108 974 000</b> | <b>94 203 000</b> |

OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

|                        | 2019<br>R          | 2018<br>R          | 2017<br>R          |
|------------------------|--------------------|--------------------|--------------------|
| In-service members     | 33 919 383         | 45 926 000         | 46 421 000         |
| In-service non-members | 5 085 884          | 12 625 000         | 11 261 000         |
| Continuation members   | 61 185 693         | 53 920 000         | 50 504 000         |
| <b>Total Liability</b> | <b>100 190 960</b> | <b>112 471 000</b> | <b>108 186 000</b> |

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
LA Health;  
Hosmed;  
Samwumed; and  
Keyhealth.

The Current-service Cost for the ensuing year is estimated to be R3 535 000, whereas the Interest Cost for the next year is estimated to be R10 597 000.

| Key actuarial assumptions used:   | 2021  | 2020   |
|---|-------|--------|
| <b>i) Rate of interest</b>  |       |        |
| Discount rate   | 9.96% | 10.19% |
| Health Care Cost Inflation Rate   | 6.69% | 6.28%  |
| Net Effective Discount Rate   | 3.06% | 3.68%  |
| <b>ii) Mortality rates</b>  |       |        |
| The PA (90) -1 year of age with a 1% mortality improvement p.a from 2010  |       |        |
| <b>iii) Normal retirement age</b>   |       |        |
| The normal retirement age for employees of the municipality is 62 years.  |       |        |
| <b>iv) Expected rate of salary increases</b>  |       |        |
| 2020/21 - 5% budgeted by municipality   |       |        |
| The three-year Salary and Wage Collective Agreement ended on 30 June 2021, new agreements still to be negotiated. |       |        |

| The amounts recognised in the Statement of Financial Position are as follows: | 2021<br>R          | 2020<br>R         |
|---|--------------------|-------------------|
| Present value of fund obligations   | 108 974 001        | 94 203 001        |
|   | <u>108 974 001</u> | <u>94 203 001</u> |
| <b>Net liability/(asset)</b>  | <b>108 974 001</b> | <b>94 203 001</b> |

**Reconciliation of present value of fund obligation:**

|   |                    |                   |
|---|--------------------|-------------------|
| Present value of fund obligation at the beginning of the year | 94 203 001         | 100 190 961       |
| Total expenses  | 7 131 277          | 8 061 586         |
| Current service cost  | 3 041 000          | 3 792 906         |
| Interest Cost   | 9 349 000          | 9 125 955         |
| Benefits Paid   | (5 258 723)        | (4 857 275)       |
| Actuarial (gains)/losses                                      | 7 639 723          | (14 049 546)      |
| Present value of fund obligation at the end of the year       | <b>108 974 001</b> | <b>94 203 001</b> |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Sensitivity Analysis on the Accrued Liability on 30 June 2021

|                     | In-service members liability (R'000) | Continuation members liability (R'000) | Total liability (R'000) |
|---------------------|--------------------------------------|--|-------------------------|
| <b>Assumption</b>   | 44 135                               | 64 839                                 | 108 974                 |
| Central Assumptions |                                      |  |                         |

The effect of movements in the assumptions are as follows:

| Assumption                | Change  | In-service members liability (R'000) | Continuation members liability (R'000) | Total liability (R'000) | % change |
|---------------------------|---------|--------------------------------------|--|-------------------------|----------|
| Health care inflation     | 1%      | 53 302                               | 71 358                                 | 124 660                 | 14%      |
| Health care inflation     | -1%     | 36 882                               | 59 213                                 | 96 095                  | -12%     |
| Discount Rate             | 1%      | 37 132                               | 59 414                                 | 96 546                  | -11%     |
| Discount Rate             | -1%     | 53 087                               | 71 212                                 | 124 299                 | 14%      |
| Post-retirement mortality | +1 year | 42 932                               | 62 669                                 | 105 601                 | -3%      |
| Post-retirement mortality | -1 year | 45 330                               | 67 017                                 | 112 347                 | 3%       |
| Average retirement age    | -1 year | 48 312                               | 64 839                                 | 113 151                 | 4%       |
| Membership continuation   | -10%    | 38 588                               | 64 839                                 | 103 427                 | -5%      |

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

|                     | Current Service Cost | Interest Cost | Total liability (Rm) |
|---------------------|----------------------|---------------|----------------------|
| <b>Assumption</b>   |                      |               |                      |
| Central Assumptions | 3 041                | 9 349         | 12 390               |

The effect of movements in the assumptions are as follows:

| Assumption                | Change  | Current Service Cost | Interest Cost | Total liability (Rm) | % change |
|---------------------------|---------|----------------------|---------------|----------------------|----------|
| Health care inflation     | 1%      | 3 714                | 10 664        | 14 378               | 16%      |
| Health care inflation     | -1%     | 2 507                | 8 262         | 10 769               | -13%     |
| Discount Rate             | 1%      | 2 551                | 9 120         | 11 671               | -6%      |
| Discount Rate             | -1%     | 3 661                | 9 584         | 13 245               | 7%       |
| Post-retirement mortality | -1 year | 3 116                | 9 629         | 12 745               | 3%       |
| Average retirement age    | -1 year | 3 067                | 9 712         | 12 779               | 3%       |
| Membership continuation   | -10%    | 2 373                | 8 629         | 11 002               | -11%     |

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2022

|                     | Current Service | Interest Cost | Total liability |
|---------------------|-----------------|---------------|-----------------|
| <b>Assumption</b>   | 3 535           | 10 597        | 14 132          |
| Central Assumptions |                 |               |                 |

The effect of movements in the assumptions are as follows:

| Assumption                | Change  | Current Service | Interest Cost | Total liability | % change |
|---------------------------|---------|-----------------|---------------|-----------------|----------|
| Health care inflation     | 1%      | 4 371           | 12 159        | 16 530          | 17%      |
| Health care inflation     | -1%     | 2 889           | 9 316         | 12 205          | -14%     |
| Discount Rate             | 1%      | 2 936           | 10 300        | 13 236          | -6%      |
| Discount Rate             | -1%     | 4 309           | 10 906        | 15 215          | 8%       |
| Post-retirement mortality | 1 year  | 3 441           | 10 262        | 13 703          | -3%      |
| Post-retirement mortality | -1 year | 3 631           | 10 933        | 14 564          | 3%       |
| Average retirement age    | -1 year | 3 760           | 11 013        | 14 773          | 5%       |
| Membership continuation   | -10%    | 3 094           | 10 045        | 13 139          | -7%      |

|  | 2021 Rm | 2020 Rm |
|--|---------|---------|
| Experience adjustments were calculated as follows: |         |         |
| Liabilities: (Gain) / loss                         | (0.782) | 4.032   |
| Assets: Gain / (loss)                              |         |         |

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

|                            | 2019 Rm | 2018 Rm | 2017 Rm |
|----------------------------|---------|---------|---------|
| Liabilities: (Gain) / loss | 3.730   | 1 306   | 2 013   |



13.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 729 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R1 065 000 whereas the Interest Cost for the next year is estimated to be R1 127 000.

| Key actuarial assumptions used:  | 2021<br>% | 2020<br>% |
|--|-----------|-----------|
| <b>i) Rate of interest</b>   |           |           |
| Discount rate  | 9.44%     | 7.49%     |
| General Salary Inflation (long-term)                                       | 5.84%     | 4.04%     |
| Net Effective Discount Rate applied to salary-related Long Service Bonuses | 3.40%     | 3.32%     |

|  | 2021<br>R                | 2020<br>R                |
|--|--------------------------|--------------------------|
| <b>The amounts recognised in the Statement of Financial Position are as follows:</b> |                          |                          |
| Present value of fund obligations  | 12 369 000               | 11 612 000               |
|  | <u>12 369 000</u>        | <u>11 612 000</u>        |
| <b>Net liability/(asset)</b>   | <b><u>12 369 000</u></b> | <b><u>11 612 000</u></b> |

**Reconciliation of present value of fund obligation:**

|   |                   |                   |
|---|-------------------|-------------------|
| Present value of fund obligation at the beginning of the year | 11 612 000        | 10 979 772        |
| Total expenses  | 606 585           | 546 197           |
| Current service cost  | 980 000           | 1 002 854         |
| Interest Cost   | 823 000           | 855 304           |
| Benefits Paid   | (1 196 415)       | (1 311 961)       |
| Actuarial (gains)/losses                                      | 150 415           | 86 031            |
| Present value of fund obligation at the end of the year       | <u>12 369 000</u> | <u>11 612 000</u> |

**Sensitivity Analysis on the Accrued Liability on 30 June 2021**

| Assumption               | Change  | Liability (Rm) | % change |
|--------------------------|---------|----------------|----------|
| Central assumptions      |         | 12 369 000     |          |
| General salary inflation | 1%      | 13 182 000     | 7.00%    |
| General salary inflation | -1%     | 11 634 000     | -6%      |
| Discount rate            | 1%      | 11 611 000     | -6%      |
| Discount rate            | 1%      | 13 222 000     | 7.00%    |
| Average retirement age   | -2 yrs. | 14 354 000     | 16.00%   |
| Average retirement age   | 2 yrs.  | 10 880 000     | -12%     |
| Withdrawal rates         | x 2     | 9 978 000      | -19%     |
| Withdrawal rates         | x 5     | 14 037 000     | 13.00%   |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

| Assumption          | Current Service Cost (R) | Interest Cost (R) | Total (R) |
|---------------------|--------------------------|-------------------|-----------|
| Central Assumptions | 980 000                  | 823 000           | 1 803 000 |

The effect of movements in the assumptions are as follows:

|                                 | Change    | Current Service Cost (R) | Interest Cost (R) | Total (R) | % change |
|---------------------------------|-----------|--------------------------|-------------------|-----------|----------|
| General Earnings Inflation rate | 1%        | 1 071 000                | 881 000           | 1 952 000 | 8%       |
| General Earnings Inflation rate | -1%       | 901 000                  | 770 000           | 1 671 000 | -7%      |
| Discount rate                   | 1%        | 908 000                  | 871 000           | 1 779 000 | -1%      |
| Discount rate                   | -1%       | 1 065 000                | 766 000           | 1 831 000 | 2%       |
| Average retirement age          | + 2 years | 1 107 000                | 952 000           | 2 059 000 | 14%      |
| Average retirement age          | - 2 years | 877 000                  | 721 000           | 1 598 000 | -11%     |
| Withdrawal Rate                 | x 2       | 701 000                  | 655 000           | 1 356 000 | -25%     |
| Withdrawal Rate                 | x 5       | 1 194 000                | 941 000           | 2 135 000 | 18%      |

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2022

| Assumption          | Current Service Cost (R) | Interest Cost (R) | Total (R) |
|---------------------|--------------------------|-------------------|-----------|
| Central Assumptions | 1 065 000                | 1 127 000         | 2 192 000 |

The effect of movements in the assumptions are as follows:

|                                 | Change | Current Service Cost (R) | Interest Cost (R) | Total (R) | % change |
|---------------------------------|--------|--------------------------|-------------------|-----------|----------|
| General Earnings Inflation Rate | +1%    | 1 157 000                | 1 203 000         | 2 360 000 | 8%       |
| General Earnings Inflation Rate | -1%    | 984 000                  | 1 057 000         | 2 041 000 | -7%      |
| Discount rate                   | +1%    | 991 000                  | 1 167 000         | 2 158 000 | -2%      |
| Discount rate                   | -1%    | 1 149 000                | 1 079 000         | 2 228 000 | 2%       |
| Average retirement age          | +2%    | 1 207 000                | 1 314 000         | 2 521 000 | 15%      |
| Average retirement age          | -2%    | 956 000                  | 988 000           | 1 944 000 | -11%     |
| Withdrawal Rate                 | x 2    | 774 000                  | 901 000           | 1 675 000 | -24%     |
| Withdrawal Rate                 | x 0.5  | 1 284 000                | 1 284 000         | 2 568 000 | 17%      |

|  | 2021 Rm | 2020 Rm |
|--|---------|---------|
| Experience adjustments were calculated as follows: |         |         |
| Liabilities: (Gain) / loss                         | 291 415 | 693 031 |

|   | 2019 Rm | 2018 Rm | 2017 Rm   |
|---|---------|---------|-----------|
| The liability in respect of periods commencing prior to the comparative year has been estimated as follows: |         |         |           |
| Liabilities: (Gain) / loss  | 566 124 | 499 606 | (178 280) |

13.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**CONSOLIDATED RETIREMENT FUND**

The contribution rate paid by the members (9,0%) and Council (18,0%). The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R25 389 736, with funding levels of 124.9% and 100.3% the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for 2019. The contribution rate paid by the members (9%) and the municipalities (18%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

**DEFINED CONTRIBUTION FUNDS**

Council does not contribute to Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds.

**14. CONSUMER DEPOSITS**

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
| Electricity                    | 4 421 440         | 4 288 307         |
| Rental Properties              | 134 759           | 191 256           |
| Water                          | 5 153 680         | 5 052 919         |
| Building Plans                 | 1 424 818         | 1 141 879         |
| Hiring of Decorative Items     | 4 430             | 4 430             |
| <b>Total Consumer Deposits</b> | <b>11 139 126</b> | <b>10 678 791</b> |

**15. CURRENT EMPLOYEE BENEFITS**

|   |                   |                   |
|---|-------------------|-------------------|
| Performance Bonuses                                   | 493 245           | 828 592           |
| Staff Bonuses   | 6 785 877         | 6 572 014         |
| Staff Leave   | 16 192 378        | 17 053 487        |
| Other   | 1 045             | 1 045             |
| Current Portion of Non-Current Provisions             | 6 167 000         | 6 309 000         |
| Current Portion of Post Retirement Benefits - Note 13 | 5 274 000         | 5 040 000         |
| Current Portion of Long-Service Provisions - Note 13  | 893 000           | 1 269 000         |
| <b>Total Provisions</b>                               | <b>29 639 545</b> | <b>30 764 138</b> |

The movement in current provisions are reconciled as follows:

**15.1 Performance Bonuses**

|                                 |                |                |
|---------------------------------|----------------|----------------|
|                                 | <b>2 021</b>   | <b>2 020</b>   |
| Balance at beginning of year    | 828 593        | 886 922        |
| Contribution to current portion | (185 730)      | 770 263        |
| Expenditure incurred            | (149 618)      | (828 592)      |
| Balance at end of year          | <b>493 245</b> | <b>828 593</b> |

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

**15.2 Staff Bonuses**

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Balance at beginning of year    | 6 572 014        | 6 106 817        |
| Contribution to current portion | 12 562 413       | 11 913 127       |
| Expenditure incurred            | (12 348 550)     | (11 447 930)     |
| Balance at end of year          | <b>6 785 877</b> | <b>6 572 014</b> |

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

**15.3 Staff Leave**

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| Balance at beginning of year    | 17 054 005        | 11 394 740        |
| Contribution to current portion | 889 230           | 6 479 986         |
| Expenditure incurred            | (1 750 339)       | (820 721)         |
| Balance at end of year          | <b>16 192 896</b> | <b>17 054 005</b> |

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.





NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R         | 2020<br>R         |
|--|-------------------|-------------------|
| <b>16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b> |                   |                   |
| Trade Payables   | 32 176 450        | 60 729 747        |
| Pre-paid electricity   | 496 197           | 397 642           |
| Unallocated funds debtors                                      | 33 769            | 62 133            |
| Payments received in advance                                   | 4 535 076         | 4 856 733         |
| Control, Clearing and Interface Accounts                       | 109 434           | 1 068 415         |
| Sundry Deposits  | 8 730             | 8 730             |
| Retentions   | 7 646 314         | 2 753 091         |
| Correction of error note 37.1(l)                               | -                 | 652 174           |
| Correction of error note 37.1(b)                               | -                 | 61 916            |
| Correction of error note 37.1 ( e )                            | -                 | 61 438            |
| Correction of error note 37.1(f)                               | -                 | 193 442           |
| Correction of error note 37.1(g)                               | -                 | 213 695           |
| Correction of error note 37.1(k)                               | -                 | 10 655            |
| Correction of error note 37.1( r )                             | -                 | 158 253           |
| <b>Total Trade Payables</b>                                    | <b>45 005 971</b> | <b>71 228 063</b> |

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

|  |                   |                   |
|--|-------------------|-------------------|
| <b>17. UNSPENT TRANSFERS AND SUBSIDIES</b>   |                   |                   |
| Unspent Transfers and Subsidies              | 11 043 305        | 53 508 289        |
| National Government Grants                   | 4 841 070         | 37 339 099        |
| Provincial Government Grants                 | 6 202 235         | 16 169 190        |
| <b>Less:</b> Unpaid Transfers and Subsidies  | -                 | (2 000 000)       |
| Provincial Government Grants                 | -                 | (2 000 000)       |
| <b>Total Unspent Transfers and Subsidies</b> | <b>11 043 305</b> | <b>51 508 289</b> |

See Appendix "B" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

|  |                     |                     |
|--|---------------------|---------------------|
| <b>18. TAXES</b>                         |                     |                     |
| <b>18.1 VAT Payable</b>                  |                     |                     |
| VAT Payable                              | 1 263 365           | (447 423)           |
| VAT Output in Suspense                   | (13 634 229)        | (12 375 991)        |
| <b>Total VAT Payable</b>                 | <b>(12 370 863)</b> | <b>(12 823 414)</b> |
| <b>18.2 VAT Receivable</b>               |                     |                     |
| VAT Receivable                           | -                   | -                   |
| VAT Input in Suspense                    | 4 467 842           | 7 708 040           |
| <b>Total VAT Receivable</b>              | <b>4 467 842</b>    | <b>7 708 040</b>    |
| <b>18.3 Net VAT (Payable)/Receivable</b> | <b>(7 903 021)</b>  | <b>(5 115 373)</b>  |

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R             | 2020<br>R             |
|--|-----------------------|-----------------------|
| <b>19. PROPERTY RATES</b>                |                       |                       |
| <b><u>Actual</u></b>                     |                       |                       |
| <b>Rateable Land and Buildings</b>       | 104 557 531           | 98 805 323            |
| Business and Commercial Property         | 21 767 565            | 20 876 631            |
| Farm Holdings                            | 4 201 687             | 3 962 227             |
| Mining Properties                        | 83 721                | 79 356                |
| Public Benefit Organisations             | 117 161               | 228 477               |
| Public Service Infrastructure Properties | 18 535                | 17 819                |
| Residential Properties                   | 66 774 360            | 62 585 092            |
| State-owned Properties                   | 11 594 502            | 11 055 721            |
| <b>Less: Revenue Forgone</b>             | (6 668 781)           | (5 896 155)           |
| <b>Total Property Rates</b>              | <b>97 888 750</b>     | <b>92 909 167</b>     |
| <br>                                     |                       |                       |
| <b><u>Valuations - 1 July 2020</u></b>   |                       |                       |
| <b>Rateable Land and Buildings</b>       | 10 396 431 500        | 10 382 798 100        |
| Business and Commercial Property         | 1 319 057 000         | 1 331 951 000         |
| Churches                                 | 231 055 000           | 231 205 000           |
| Pensioners                               | 85 069 000            | 161 976 000           |
| Municipal Properties                     | 376 804 000           | 383 882 000           |
| Public Benefit Organisations             | 85 915 000            | 80 280 000            |
| Public Service Infrastructure Properties | 9 820 500             | 9 924 500             |
| Residential Properties                   | 5 565 374 000         | 5 458 382 600         |
| State-owned Properties                   | 718 816 000           | 723 116 000           |
| Agricultural Property                    | 1 999 451 000         | 1 997 011 000         |
| Mining Properties                        | 5 070 000             | 5 070 000             |
| <b>Less: Rebates</b>                     | (225 915 000)         | (225 306 150)         |
| <b>Total Assessment Rates</b>            | <b>10 170 516 500</b> | <b>10 157 491 950</b> |
| <br>                                     |                       |                       |
| <b>Basic Rate</b>                        |                       |                       |
| Residential                              | 1.201c/R              | 1.138c/R              |
| Government                               | 1.613c/R              | 1.529c/R              |
| Commercial                               | 1.651c/R              | 1.565c/R              |
| Agricultural                             | 0.210c/R              | 0.199c/R              |

Rates are levied annually and monthly. Monthly rates are payable by the 10th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R15 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R          | 2020<br>R          |
|--|--------------------|--------------------|
| <b>20. GOVERNMENT GRANTS AND SUBSIDIES</b>             |                    |                    |
| <b><u>Unconditional</u></b>                            | 89 790 000         | 73 525 000         |
| Equitable Share  | 89 790 000         | 73 525 000         |
| <b><u>Conditional</u></b>                              | 73 538 619         | 84 368 757         |
| Local Government Financial Management Grant (FMG)      | 2 517 000          | 2 085 000          |
| Integrated National Electrification Programm           | 379 916            | 6 000 000          |
| Municipal Infrastructure Grant                         | 25 299 048         | 17 202 952         |
| Extended Public Works Program                          | 2 243 000          | 2 728 000          |
| CDW operational support grant                          | 56 000             | 158 825            |
| Library Services                                       | 9 069 680          | 6 668 765          |
| Integrating Housing Settlement Grant                   | 480 846            | 9 569 429          |
| Emergency Housing Program                              | -                  | 2 000 000          |
| Finance Management Support Grant                       | 434 184            | 1 815 500          |
| Local Government Graduate Internship Grant             | 80 000             | 56 383             |
| Local Government Support Grant                         | -                  | 550 000            |
| Fire Service Capacity Building Grant                   | 177 577            | 652 423            |
| National Disaster Fund                                 | 156 100            | 52 900             |
| Airport Infrastructure Grant                           | 875 303            | 561 770            |
| Municipal Service Delivery and Capacity Building grant | 120 000            | -                  |
| Maintenance Main Road Subsidy                          | 125 000            | -                  |
| Water Services Infrastructure Grant                    | 31 524 965         | 34 266 810         |
| <b>Total Government Grants and Subsidies</b>           | <b>163 328 619</b> | <b>157 893 757</b> |
| Government Grants and Subsidies - Operating            | 103 919 207        | 94 712 069         |
| Government Grants and Subsidies - Capital              | 59 409 413         | 63 181 689         |
| <b>Total Government Grants and Subsidies</b>           | <b>163 328 619</b> | <b>157 893 757</b> |

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

|  |                    |                    |
|--|--------------------|--------------------|
| Equitable share                              | 89 790 000         | 73 525 000         |
| Corporate Services                           | 570 184            | 558 708            |
| Financial Services                           | 2 517 000          | 3 557 000          |
| Community and Public Safety                  | 9 523 357          | 7 374 088          |
| Technical Services                           | 59 571 930         | 60 197 763         |
| Human Settlement                             | 480 846            | 11 569 429         |
| Strategic Services                           | 875 303            | 1 111 770          |
| <b>Total Government Grants and Subsidies</b> | <b>163 328 619</b> | <b>157 893 757</b> |

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

**20.1 Equitable Share**

|                            |              |              |
|----------------------------|--------------|--------------|
| Grants received            | 89 790 000   | 73 525 000   |
| Conditions met - Operating | (89 790 000) | (73 525 000) |
| Conditions still to be met | -            | -            |

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

**20.2 Local Government Financial Management Grant (FMG)**

|                            |             |             |
|----------------------------|-------------|-------------|
| Grants received            | 2 517 000   | 2 085 000   |
| Conditions met - Operating | (2 517 000) | (2 085 000) |
| Conditions still to be met | (0)         | (0)         |

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R    | 2020<br>R    |
|--|--------------|--------------|
| <b>20.3 <u>Water services Infrastructure Grant</u></b> |              |              |
| Opening balance  | 31 024 965   | 24 498 463   |
| Grants received  | 10 000 000   | 39 500 000   |
| Repaid to National Revenue Fund                        | (9 500 000)  | -            |
| Conditions met - Capital                               | (31 524 965) | (32 973 498) |
| Conditions still to be met                             | (0)          | 31 024 965   |

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

|   |              |              |
|---|--------------|--------------|
| <b>20.4 <u>Municipal Infrastructure Grant (MIG)</u></b> |              |              |
| Opening balance   | 4 544 048    | -            |
| Grants received   | 21 362 000   | 21 747 000   |
| Conditions met - Operating                              | (870 996)    | (1 409 975)  |
| Conditions met - Capital                                | (24 428 052) | (15 792 977) |
| Conditions still to be met                              | 607 000      | 4 544 048    |

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

|  |           |             |
|--|-----------|-------------|
| <b>20.5 <u>Integrated National Electrification Grant</u></b> |           |             |
| Opening balance  | -         | 43 960      |
| Grants received  | -         | 6 000 000   |
| Interest received  | 3 000 000 | -           |
| Repaid to National Revenue Fund                              | -         | (43 960)    |
| Conditions met - Capital                                     | (379 916) | (6 000 000) |
| Conditions still to be met                                   | 2 620 084 | 0           |

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

|  |             |             |
|--|-------------|-------------|
| <b>20.6 <u>Extended Public Works Program</u></b> |             |             |
| Opening balance                                  | -           | -           |
| Grants received                                  | 2 243 000   | 2 728 000   |
| Conditions met - Operating                       | (2 243 000) | (2 728 000) |
| Conditions still to be met                       | -           | -           |

Job creation projects in previous disadvantage areas.

|   |   |           |
|---|---|-----------|
| <b>20.7 <u>Finance Management Support Grant</u></b> |   |           |
| Opening balance                                     | - | -         |
| Grants received                                     | - | 1 472 000 |
| Conditions met - Operating                          | - | (975 094) |
| Conditions met - Capital                            | - | (496 906) |
| Conditions still to be met                          | - | -         |

The Financial Management Support Grant was received from Provincial Treasury to assist the finance department with the revenue enhancement strategy, asset management functions and mSCOA Implementation.

|   |             |             |
|---|-------------|-------------|
| <b>20.8 <u>Integrating Human Settlement Grant</u></b> |             |             |
| Opening balance                                       | 6 625 633   | 9 883 116   |
| Grants received                                       | 2 725 470   | 6 311 946   |
| Repaid to National Revenue Fund                       | (8 870 256) | -           |
| Conditions met - Operating                            | (480 846)   | (4 569 429) |
| Conditions met - Capital                              | -           | (5 000 000) |
| Conditions still to be met                            | 0           | 6 625 633   |

The Integrated Human Settlement Grant was received from the Provincial Government and is utilised for the building of low cost housing.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R        | 2020<br>R        |
|--|------------------|------------------|
| <b>20.9 <u>Library Services</u></b>  |                  |                  |
| Opening balance  | 8 143 915        | 1 941 680        |
| Grants received  | 7 128 000        | 12 871 000       |
| Conditions met - Operating   | (7 126 810)      | (6 257 963)      |
| Conditions met - Capital   | (1 942 870)      | (410 802)        |
| Conditions still to be met   | <u>6 202 235</u> | <u>8 143 915</u> |
| Library conditional grant utilised for operating expenditure of the Library, and the Rosevalley Library Subsidy for the building of a new library within the low cost housing project Rosevalley |                  |                  |
| <b>20.10 <u>Municipal Service Delivery and Capacity Building grant</u></b>   |                  |                  |
| Opening balance  | 120 000          | 500 000          |
| Grants received  | -                | 120 000          |
| Repaid to National Revenue Fund  | -                | (500 000)        |
| Conditions met - Operating   | (39 271)         | -                |
| Conditions met - Capital   | (80 729)         | -                |
| Conditions still to be met   | <u>-</u>         | <u>120 000</u>   |
| This grant was received for the Operational Expenditure of the Thusong Centre  |                  |                  |
| <b>20.11 <u>Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant</u></b>  |                  |                  |
| Opening balance  | 1 613 986        | 1 613 986        |
| Conditions still to be met   | <u>1 613 986</u> | <u>1 613 986</u> |
| The grant was given to assist with the water shortage in the area.   |                  |                  |
| <b>20.12 <u>Local Government Support Grant</u></b>   |                  |                  |
| Opening balance  | -                | -                |
| Grants received  | -                | 550 000          |
| Conditions met - Operating   | -                | (550 000)        |
| Conditions still to be met   | <u>-</u>         | <u>-</u>         |
| This grant was received for Covid 19 Relief and was utilised for the distribution of food parcels  |                  |                  |
| <b>20.13 <u>Disaster Relief Grant</u></b>  |                  |                  |
| Opening balance  | 156 100          | -                |
| Grants received  | -                | 209 000          |
| Conditions met - Operating   | (156 100)        | (52 900)         |
| Conditions still to be met   | <u>-</u>         | <u>156 100</u>   |
| This grant was received for Covid 19 Relief and was utilised for the purchase of PPE   |                  |                  |
| <b>20.14 <u>Other Grants</u></b>   |                  |                  |
| Opening balance  | (720 358)        | 213 470          |
| Grants received  | 2 481 000        | 4 132 385        |
| Repaid to National Revenue Fund  | (12 578)         | -                |
| Conditions met - Operating   | (695 184)        | (2 558 708)      |
| Conditions met - Capital   | (1 052 880)      | (2 507 505)      |
| Conditions still to be met   | <u>(1)</u>       | <u>(720 358)</u> |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R                 | 2020<br>R                 |
|--|---------------------------|---------------------------|
| <b>20.15 Total Grants</b>  |                           |                           |
| Opening balance  | 51 508 288                | 38 694 674                |
| Grants received  | 138 246 469               | 171 251 331               |
| Interest received  | 3 000 000                 | -                         |
| Repaid to National Revenue Fund  | (18 382 835)              | (543 960)                 |
| Conditions met - Operating   | (103 919 207)             | (94 712 069)              |
| Conditions met - Capital   | (59 409 413)              | (63 181 689)              |
| Conditions still to be met/(Grant expenditure to be recovered)   | <u>11 043 303</u>         | <u>51 508 288</u>         |
| <br>   |                           |                           |
| <u>Disclosed as follows:</u>   |                           |                           |
| Unspent Conditional Government Grants and Receipts   | 11 043 305                | 53 508 289                |
| Unpaid Conditional Government Grants and Receipts  | -                         | (2 000 000)               |
| <b>Total</b>   | <u><u>11 043 305</u></u>  | <u><u>51 508 289</u></u>  |
| <br>   |                           |                           |
| <b>21. SERVICE CHARGES</b>   |                           |                           |
| <b>Electricity</b>   | <b>238 939 066</b>        | <b>227 509 838</b>        |
| Service Charges  | 247 362 914               | 235 629 499               |
| <u>Less:</u> Revenue Foregone  | (8 423 848)               | (8 119 661)               |
| <br>   |                           |                           |
| <b>Water</b>   | <b>52 914 735</b>         | <b>52 487 695</b>         |
| Service Charges  | 68 096 922                | 66 341 118                |
| <u>Less:</u> Revenue Foregone  | (15 182 186)              | (13 853 423)              |
| <br>   |                           |                           |
| <b>Water Klein Karoo Rural Scheme</b>  | <b>6 168 301</b>          | <b>5 449 861</b>          |
| Service Charges  | 6 168 301                 | 5 449 861                 |
| <u>Less:</u> Revenue Foregone  | -                         | -                         |
| <br>   |                           |                           |
| <b>Waste Management</b>  | <b>19 294 301</b>         | <b>18 771 793</b>         |
| Service Charges  | 31 158 753                | 29 609 818                |
| <u>Less:</u> Revenue Foregone  | (11 864 452)              | (10 838 025)              |
| <br>   |                           |                           |
| <b>Waste Water Management</b>  | <b>35 285 360</b>         | <b>33 359 083</b>         |
| Service Charges  | 46 303 442                | 43 420 618                |
| <u>Less:</u> Revenue Foregone  | (11 018 082)              | (10 061 535)              |
| <br>   |                           |                           |
| <b>Total Service Charges</b>   | <u><u>352 601 762</u></u> | <u><u>337 578 269</u></u> |
| <br>   |                           |                           |
| Revenue Foregone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission. |                           |                           |
| <br>   |                           |                           |
| <b>22. SALES OF GOODS AND RENDERING OF SERVICES</b>  |                           |                           |
| Academic Services  | -                         | 278                       |
| Advertisements   | 473 182                   | 335 276                   |
| Application Fees for Land Usage  | 106 998                   | 105 928                   |
| Building Plan Approval   | 1 126 343                 | 493 504                   |
| Camping Fees   | 9 018                     | 184 884                   |
| Cemetery and Burial  | 1 547 957                 | 874 404                   |
| Computer Services  | 97 688                    | 90 607                    |
| Encroachment Fees  | 149 577                   | 81 091                    |
| Fire Services  | 63 838                    | -                         |
| Legal Fees Recovered   | 1 411 970                 | 1 656 591                 |
| Library Fees   | 375                       | 596                       |
| Parking Fees   | -                         | 435                       |
| Photocopies and Faxes  | 29 333                    | 11 233                    |
| Sale of Goods  | 15 188                    | 41 659                    |
| Valuation Services   | 237 069                   | 230 054                   |
| <b>Total Sales of Goods and Rendering of Services</b>  | <u><u>5 268 535</u></u>   | <u><u>4 106 539</u></u>   |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R          | 2020<br>R          |
|--|--------------------|--------------------|
| <b>23. RENTAL FROM FIXED ASSETS</b>                    |                    |                    |
| Property, Plant and Equipment                          | 1 522 383          | 2 573 777          |
| <b>Total Rental from Fixed Assets</b>                  | <b>1 522 383</b>   | <b>2 573 777</b>   |
| <b>24. INTEREST EARNED - EXTERNAL INVESTMENTS</b>      |                    |                    |
| Bank   | 1 098 199          | 1 695 647          |
| Investments  | 4 650 642          | 9 303 086          |
| <b>Total Interest Earned - External Investments</b>    | <b>5 748 841</b>   | <b>10 998 733</b>  |
| <b>25. INTEREST EARNED - EXCHANGE TRANSACTIONS</b>     |                    |                    |
| Trade Receivables                                      | 2 298 441          | 3 687 499          |
| <b>Total Interest Earned - Outstanding Receivables</b> | <b>2 298 441</b>   | <b>3 687 499</b>   |
| <b>26. OPERATIONAL REVENUE</b>                         |                    |                    |
| Collection Charges                                     | 7 660              | 52 637             |
| Incidental Cash Surpluses                              | 166 241            | 131 906            |
| Merchandising, Jobbing and Contracts                   | 64 269             | 76 331             |
| Registration Fees                                      | 31 683             | 59 991             |
| Request for Information                                | 122                | 236                |
| Staff Recoveries                                       | 14 722             | 31 353             |
| <b>Total Operational Revenue</b>                       | <b>284 696</b>     | <b>352 454</b>     |
| <b>27. EMPLOYEE RELATED COST</b>                       |                    |                    |
| Acting Allowance                                       | 1 460 682          | 1 238 235          |
| Contributions to Group Insurance                       | 3 402 089          | 2 921 978          |
| Contributions to Workman's Compensation                | 1 480 259          | 1 407 948          |
| Housing Benefits and Allowance                         | 1 979 688          | 1 917 760          |
| Leave payments   | 889 230            | 6 479 986          |
| Standby Allowance                                      | 3 941 790          | 2 240 258          |
| Shift Allowance  | 592 889            | 532 485            |
| Basic Salaries and Wages                               | 155 624 229        | 150 292 635        |
| Pension and UIF Contributions                          | 28 159 142         | 26 353 589         |
| Medical Aid Contributions                              | 11 756 739         | 10 958 156         |
| Overtime   | 12 732 751         | 12 310 830         |
| Bonuses  | 12 376 684         | 12 693 936         |
| Motor Vehicle Allowance                                | 4 413 094          | 4 632 594          |
| Cellphone Allowance                                    | 1 284 395          | 1 246 265          |
| Other benefits and allowances                          | 159 235            | 137 930            |
| Contribution to Long Service awards                    | 1 803 000          | 1 858 158          |
| Contribution to Post Employment Medical                | 12 390 000         | 12 918 861         |
| <b>Total Employee Related Costs</b>                    | <b>254 445 894</b> | <b>250 141 605</b> |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

KEY MANAGEMENT PERSONNEL

Key Management personnel in Corporate Services and Community Services are permanently employed, but the Chief Financial Officer were appointed on a 5 year contract. The Acting Director Human Settlements were seconded from Provincial Government to Oudtshoorn Municipality through a memorandum of agreement. All permanent staff is entitled to post retirement benefits upon retirement.

|   | 2021<br>R        | 2020<br>R        |
|---|------------------|------------------|
| <b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>   |                  |                  |
| <b>Remuneration of the Municipal Manager - Mr Pause (resignation October 2020)</b>                                  |                  |                  |
| Basic Salary  | 284 404          | 949 481          |
| Pension and UIF Contributions   | 56 379           | 163 352          |
| Medical Aid Contributions   | 19 092           | 53 908           |
| Performance Bonus   | -                | 167 783          |
| Motor Vehicle Allowance   | 80 564           | 241 693          |
| Cell Phone Allowance  | 23 398           | 51 384           |
| Payments in lieu of leave   | 174 790          | -                |
| Other benefits and allowances   | 75 655           | 220 334          |
| <b>Total</b>  | <b>714 283</b>   | <b>1 847 935</b> |
| <b>Remuneration of the Chief Financial Officer - Mr Lötter(service ended 31 October 2019)</b>                       |                  |                  |
| Basic Salary  | -                | 290 772          |
| Pension and UIF Contributions   | -                | 595              |
| Medical Aid Contributions   | -                | 10 903           |
| Performance Bonus   | -                | 174 553          |
| Motor Vehicle Allowance   | -                | 65 855           |
| Cell Phone Allowance  | -                | 17 128           |
| Payments in lieu of leave   | -                | 50 073           |
| Other benefits and allowances   | -                | 78 499           |
| <b>Total</b>  | <b>-</b>         | <b>688 378</b>   |
| <b>Remuneration of the Acting Chief Financial Officer - LH Fourie(temp service started August 2020- March 2021)</b> |                  |                  |
| Basic Salary  | 722 126          | 340 039          |
| Pension and UIF Contributions   | 1 338            | 539              |
| Cell Phone Allowance  | 44 720           | 18 610           |
| Payments in lieu of leave   | 58 942           | -                |
| Other benefits and allowances   | 7 101            | 8 041            |
| <b>Total</b>  | <b>834 227</b>   | <b>367 228</b>   |
| <b>Remuneration of the Chief Financial Officer - GP De Jager (Acting MM Aug 2020 - Dec 2020)</b>                    |                  |                  |
| Basic Salary  | 737 628          | 245 776          |
| Acting Allowance  | 101 406          | -                |
| Pension and UIF Contributions   | 135 532          | 45 168           |
| Housing allowance   | 118 416          | 39 472           |
| Motor Vehicle Allowance   | 144 000          | 36 000           |
| Cell Phone Allowance  | 70 194           | 17 128           |
| Other benefits and allowances   | 15 351           | 13 240           |
| <b>Total</b>  | <b>1 322 526</b> | <b>396 784</b>   |
| <b>Remuneration of Director : Corporate Services - Mr Smit (Acting MM July 2020 and then Jan 2021-Jun 2021)</b>     |                  |                  |
| Basic Salary  | 960 561          | 958 612          |
| Acting Allowance  | 168 102          | 135 485          |
| Pension and UIF Contributions   | 174 715          | 178 952          |
| Performance Bonus   | 87 279           | 174 553          |
| Cell Phone Allowance  | 70 194           | 51 384           |
| Payments in lieu of leave   | -                | 37 221           |
| Other benefits and allowances   | 142 359          | 200 496          |
| <b>Total</b>  | <b>1 603 209</b> | <b>1 736 702</b> |





NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021<br>R        | 2020<br>R        |
|---|------------------|------------------|
| <b>Remuneration of Director : Director Infrastructure and Technical Services - Mr Koch ( service ended 31 October 2019)</b> |                  |                  |
| Basic Salary  | -                | 377 821          |
| Pension and UIF Contributions   | -                | 595              |
| Performance Bonus   | -                | 137 149          |
| Cell Phone Allowance  | -                | 17 128           |
| Payments in lieu of leave   | -                | 50 073           |
| Other benefits and allowances   | -                | 85 777           |
|   | -                | -                |
| <b>Total</b>  | <b>-</b>         | <b>668 542</b>   |
| <b>Remuneration of Director : Community Services - Mr T Matthee (terminated May 2021)</b>                                   |                  |                  |
| Basic Salary  | 715 482          | 840 916          |
| Acting Allowance  | -                | 2 966            |
| Pension and UIF Contributions   | 141 912          | 141 099          |
| Medical Aid Contributions   | 52 504           | 53 908           |
| Performance Bonus   | 62 340           | 174 553          |
| Motor Vehicle Allowance   | 55 000           | 100 000          |
| Cell Phone Allowance  | 64 344           | 51 384           |
| Other benefits and allowances   | 227 606          | 184 404          |
| Payments in lieu of leave   | 177 790          | 29 220           |
|   | -                | -                |
| <b>Total</b>  | <b>1 496 980</b> | <b>1 578 450</b> |
| <b>Remuneration of Acting Director: Human Settlement - Ms S Simms (resignation Oct 2020)</b>                                |                  |                  |
| Basic Salary  | 365 000          | 1 095 000        |
| Pension and UIF Contributions   | 599              | 1 785            |
| Cell Phone Allowance  | 3 000            | 9 000            |
| Housing Allowances  | 32 000           | 96 000           |
| Other benefits and allowances   | 523              | 18 957           |
| Payments in lieu of leave   | 48 322           | -                |
|   | -                | -                |
| <b>Total</b>  | <b>449 443</b>   | <b>1 220 742</b> |

Ms S Simms is seconded from Provincial Government to be acting Director: Human Settlement. Provincial Government compensates the municipality for her remuneration through a memorandum of agreement annually.

The remuneration of Key Management Personnel and benefits are within the upper limits of the framework envisaged in Section 71(1)(g) of the Municipal Systems Act and the Upper Limits Notice issued in Government Gazette 43122, 20 March 2020. No increase for current financial year was proclaimed by the government. All other benefits paid as disclosed in the note was in terms of their official employment contract, the Local Government Regulation on Appointments and Conditions of Employment of Senior Managers and council resolution number 63.43/05/17 and 63.10/04/17.

**28. REMUNERATION OF COUNCILLORS**

|  |                   |                   |
|--|-------------------|-------------------|
| Salaries                               | 7 005 785         | 7 035 503         |
| Pension                                | 468 853           | 698 425           |
| Travelling Allowance                   | 2 245 318         | 2 201 481         |
| Telephone Allowance                    | 1 045 927         | 1 048 505         |
| Medical Scheme                         | 217 214           | 228 977           |
|  | -                 | -                 |
| <b>Total Councillors' Remuneration</b> | <b>10 983 096</b> | <b>11 212 892</b> |

Remuneration paid to Councillors can be summarised as follow:

| 2021 financial year:                   | Salary           | Travel Allowance | Other Allowances | Contributions  | Total             |
|--|------------------|------------------|------------------|----------------|-------------------|
| Executive Mayor                        | 639 530          | 165 351          | 50 317           | 7 078          | 862 276           |
| Executive Deputy-Mayor                 | 487 982          | 162 661          | 44 400           | 5 059          | 700 102           |
| Speaker                                | 378 128          | 172 172          | 44 400           | 141 786        | 736 487           |
| Executive Committee Members            | 2 466 247        | 788 034          | 256 692          | 240 279        | 3 751 251         |
| Section 79 Committee Chairperson       | 262 214          | 87 405           | 44 400           | 2 524          | 396 542           |
| Councillors                            | 2 771 238        | 869 696          | 542 223          | 353 281        | 4 536 438         |
|  | -                | -                | -                | -              | -                 |
| <b>Total Councillors' Remuneration</b> | <b>7 005 339</b> | <b>2 245 318</b> | <b>982 432</b>   | <b>750 008</b> | <b>10 983 096</b> |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

| 2020 financial year:                   | Salary           | Travel Allowance | Other Allowances | Contributions  | Total             |
|--|------------------|------------------|------------------|----------------|-------------------|
| Executive Mayor                        | 492 313          | 203 856          | 42 057           | 125 901        | 864 126           |
| Executive Deputy-Mayor                 | 477 777          | 172 172          | 44 400           | 38 739         | 733 088           |
| Speaker                                | 382 506          | 172 172          | 44 400           | 134 010        | 733 088           |
| Executive Committee Members            | 2 459 182        | 469 462          | 199 810          | 299 586        | 3 428 040         |
| Councillors                            | 3 223 725        | 1 183 819        | 717 838          | 329 167        | 5 454 549         |
| <b>Total Councillors' Remuneration</b> | <b>7 035 503</b> | <b>2 201 481</b> | <b>1 048 505</b> | <b>927 402</b> | <b>11 212 892</b> |

**In-kind Benefits**

The Executive Mayor, Executive Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Municipality.

**Certification by the Municipal Manager**

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

|  | 2021<br>R          | 2020<br>R          |
|--|--------------------|--------------------|
| <b>29. CONTRACTED SERVICES</b>             |                    |                    |
| Outsourced Services                        | 12 913 878         | 13 131 695         |
| Consultants and Professional Services      | 6 887 520          | 8 227 682          |
| Contractors                                | 1 593 817          | 1 702 488          |
| Correction of error note 37.1( c )         | -                  | 259 158            |
| Correction of error note 37.1 (f)          | -                  | 193 442            |
| Correction of error note 37.1 (m)          | -                  | (768 116)          |
| Correction of error note 37.1(n)           | -                  | 23 790             |
| <b>Total Contracted Services</b>           | <b>21 395 215</b>  | <b>22 770 139</b>  |
| <b>30. DEPRECIATION AND AMORTISATION</b>   |                    |                    |
| Property, Plant and Equipment              | 39 518 405         | 42 930 006         |
| Intangible Assets                          | 675 778            | 397 068            |
| Investment Property carried at cost        | 118 374            | 118 702            |
| <b>Total Depreciation and Amortisation</b> | <b>40 312 557</b>  | <b>43 445 776</b>  |
| <b>31. Finance Charges</b>                 |                    |                    |
| Long-term Borrowings                       | 3 995 097          | 4 222 364          |
| Non-current Provisions                     | 1 430 755          | 1 289 704          |
| Payables                                   | 44 998             | -                  |
| Finance leases                             | 120 846            | 464 715            |
| Correction of error note 37.01(w)          | -                  | 470 753            |
| <b>Total Finance Costs</b>                 | <b>5 591 695</b>   | <b>6 447 537</b>   |
| <b>32. BULK PURCHASES</b>                  |                    |                    |
| Electricity                                | 176 489 766        | 169 110 184        |
| <b>Total Bulk Purchases</b>                | <b>176 489 766</b> | <b>169 110 184</b> |
| <b>33. TRANSFERS AND SUBSIDIES</b>         |                    |                    |
| Operational                                | 1 901 107          | 4 717 217          |
| Monetary Allocations                       | 1 901 107          | 4 717 217          |
| Bursaries Non-Employee                     | 835 832            | 160 312            |
| Households                                 | 23 000             | 1 344 283          |
| Non-profit Institutions                    | 1 042 275          | 1 123 583          |
| Provincial Government                      | -                  | 2 089 040          |
| <b>Total Transfers and Subsidies</b>       | <b>1 901 107</b>   | <b>4 717 217</b>   |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>R          | 2020<br>R           |
|--|--------------------|---------------------|
| <b>34. OPERATIONAL COST</b>  |                    |                     |
| Advertising, Publicity and Marketing                                       | 2 027 792          | 2 168 262           |
| Assets less than the Capitalisation Threshold                              | 156 737            | 121 800             |
| Bank Charges, Facility and Card Fees                                       | 1 486 705          | 2 139 563           |
| Bursaries (Employees)  | 166 897            | 231 836             |
| Cleaning Services  | 23 343             | 66 563              |
| Commission   | 2 503 029          | 2 070 211           |
| Courier and Delivery Services  | 20 322             | 16 939              |
| Communication  | 2 496 459          | 2 405 685           |
| Deeds  | 14 914             | 16 221              |
| Entrance Fees  | -                  | 77 217              |
| Entertainment  | 7 698              | 35 485              |
| External Audit Fees  | 4 546 240          | 5 576 362           |
| External Computer Service  | 1 739 391          | 1 412 539           |
| Full Time Union Representative   | -                  | 55 698              |
| Hire Charges   | 5 561 741          | 3 424 492           |
| Housing Top Structures   | -                  | 3 299 429           |
| Indigent Relief  | 986 530            | 487 230             |
| Insurance Underwriting   | 2 059 993          | 2 098 860           |
| Land Alienation Costs  | -                  | 14 417              |
| Learnerships and Internships   | 486 691            | 771 425             |
| Levies Paid - Water Resource Management Charges                            | 591 936            | 341 237             |
| Licences   | 438 582            | 266 114             |
| Membership fees SALGA  | 2 777 075          | 2 673 926           |
| Printing, Publications and Books   | 1 356 865          | 1 730 138           |
| Professional Bodies, Membership and Subscription                           | 41 733             | 61 907              |
| Registration Fees  | 324 152            | 566 609             |
| Remuneration to Section 79 Committee Members                               | 19 425             | 4 317               |
| Remuneration to Ward Committees  | 113 477            | 155 750             |
| Resettlement Cost  | 2 025 143          | 42 650              |
| Samples and Specimens  | 104 195            | 290 191             |
| Skills Development Fund Levy   | 1 764 805          | 1 664 716           |
| Travel Agencies and Visas  | -                  | 4 015               |
| Travel and Subsistence   | 1 004 551          | 2 483 663           |
| Uniform and Protective Clothing  | 1 119 057          | 828 797             |
| Vehicle Tracking   | 315 801            | 315 380             |
| Wet Fuel   | 4 750 501          | 5 044 159           |
| Correction of error note 37.1(d)   | -                  | (916 746)           |
| Correction of error note 37.1( e )   | -                  | 61 438              |
| <b>Total Operational Costs</b>   | <b>41 031 778</b>  | <b>42 108 496</b>   |
| <b>35. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES</b>   |                    |                     |
| Receivables from Exchange Transactions and Non-Exchange                    | 12 411 708         | (13 080 695)        |
| <b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b> | <b>12 411 708</b>  | <b>(13 080 695)</b> |
| <b>36. GAINS/ (LOSS) ON SALE OF FIXED ASSETS</b>                           |                    |                     |
| Property, Plant and Equipment  | (1 086 130)        | (306 991)           |
| <b>Total Gains/ (Loss) on Sale of Fixed Assets</b>                         | <b>(1 086 130)</b> | <b>(306 991)</b>    |

|  | 2020<br>R | 2019<br>R |
|--|-----------|-----------|
| <b>37 CORRECTION OF ERROR IN TERMS OF GRAP 3</b>   |           |           |
| The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:   |           |           |
| <b>37.1</b>  |           |           |
| (a)  |           |           |
| First Time Recognition of Capitalised Restoration to include the Post Closure Costs retrospectively. This is done with the following entries, (Dt) Capitalised Restoration Cost Asset Opening balance R717 690.79, (Ct) Landfill Site Non Current Provision R717 690.79. Dt Capitalised Restoration Cost Asset 2019/20 R29 568.86, (Ct) Landfill Site Non Current Provision R29 568.86. Dt Accumulated Surplus Opening balance R58462.53, (Ct) Accumulated Depreciation Capitalised Restoration Cost R58 462.53. Dt Accumulated Depreciation 2019/20 R3 871.55 and (Ct) Accumulated Surplus Current Year R3 871.55 |           |           |
| (b)  |           |           |
| Correction of Property Plant & Equipment Buildings - Cango Caves Upgrading of ablution facility Retention payment not provided for in 2019/20. This is now corrected with the following entries (Dt) Buildings at Cost R61 916. 46 (Ct) Trade Payables Retention Fees 2019-20 R61 916. 46  |           |           |
| (c)  |           |           |
| Correction of Infrastructure Sanitation at Cost, maintenance items incorrectly capitalised during 2019/20 against Infrastructure Sanitation WIP. This is not corrected with the following entries (Dt) Accumulated Surplus 2019/20 R259 158 and (Ct) Infrastructure Sanitation at Cost R259 158  |           |           |
| (d)  |           |           |
| Correction of Infrastructure Water WIP at Cost, smart water meters incorrectly purchased against operational budget in prior years. This is now corrected with the following entries: Infrastructure Water at Cost opening balance WIP R1 390 460, (Ct) Accumulated surplus Opening balance R1 390 460. Dt Infrastructure Water WIP 2019/10 R916 746 and (Ct) Accumulated Surplus 2019/20 R916 746   |           |           |
| (e)  |           |           |
| Correction of Trade Payables from Exchange Transactions(Operational Cost) 2019/20. Invoices relating to 2019/20 only paid in 2020/21. This is now corrected with the following entries Dt Accumulated Surplus 2019/20 R61 438 and (Ct) Trade Payables from Exchange Transactions R61 438   |           |           |
| (f)  |           |           |
| Correction of Trade Payables from Exchange Transactions(Contracted Services) 2019/20, invoices relating to 2019/20 was only paid in 2020/21. This is now corrected with the following entries Dt Accumulated Surplus 2019/20 R193 441.57 and (Ct) Trade Payables from Exchange Transactions (Operational Cost) R193 441.57   |           |           |
| (g)  |           |           |
| Correction of Trade Payables from Exchange Transactions(Inventory Consumed) 2019/20. Invoices relating to 2019/20 only paid in 2020/21. This is now corrected with the following entries: Dt Accumulated Surplus 2019/20 R213 694.50, (Ct) Trade Payables from Exchange Transactions R213 694.50   |           |           |
| (h)  |           |           |
| Correction of Receivables from Exchange Transactions Sundry debtors. Rental of Thusong centre office space by Dept of Public Works was incorrectly levied for prior period and 2019/20. Corrections only made in 2020/21. This is now corrected with the following entries Dt Accumulated Surplus Prior Year R214 175 .29, (Ct) Receivables from Exchange Transactions Sundry Debtors R214 175.29. Dt Accumulated Surplus Current Year R142 002.49 and (Ct) Receivables from Exchange Transactions Sundry Debtors R142 002.49  |           |           |
| (i)  |           |           |
| Correction of Receivables from Exchange Transactions Opening balance - Salary overpayment to Councillor Thyse applicable to prior periods only provided for as debtor in 2020/21. This is now corrected with the following entries: Dt Receivables from Exchange Debtors Opening balance R320 811.97 and (Ct) Accumulated Surplus Opening balance R320 811.97  |           |           |
| (j)  |           |           |
| Correction of Receivables from Exchange Transactions Opening balance - Rental of Feedem Foods relating to prior year only corrected in 2020/21. This is now corrected with the following entries, Dt Receivables from Non Exchange Opening balance R311 348.74 and (Ct) Accumulated Surplus Prior Opening balance R311 348.74  |           |           |
| (k)  |           |           |
| Correction of Trade Payables from Exchange Transactions Opening balance, clearing of salary suspense accounts relating to prior periods. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R10655.12 and (Ct) Trade Payables from Exchange Transactions Opening balance R10655.12  |           |           |
| (l)  |           |           |
| Correction of Infrastructure Road at Cost WIP 2019/20. VAT portion of payment Dysselsdorp External services repaid to Department of Human Settlement in 2020/21 relating to 2019/20. This is now corrected with the following entries: (Dt) Infrastructure Roads at Cost WIP R652 173.92 and (Ct) Trade Payables from Exchange 2019/20 R652 173.92   |           |           |
| (m)  |           |           |
| Correction of Infrastructure Water WIP 2019/20. Capital Infrastructure project expenditure incorrectly paid against operational contracted services. This is now corrected with the following entries, Dt Infrastructure Water at Cost R768 116 and (Ct) Accumulated Surplus Current Year R768 116.  |           |           |
| (n)  |           |           |
| Correction of Buildings at Cost WIP 2019/20 operational maintenance item incorrectly Capitalised. This is now corrected with the following entries, Dt Accumulated Surplus Current Year R23 790, (Ct) Buildings at Cost R23 790.   |           |           |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- First time recognition of properties that were omitted in prior years due to the title deed registrations not yet completed.
- (o) IGRAP 18 test was performed, and it is has been seen to be under the control of the municipality. This is now corrected with the following entries Dt Land at Cost Opening balance R13 437 200, (Ct) Accumulated Surplus Opening balance R13 437 200. Dt Land At Cost 2019/20 Additions R1 987 000 and (Ct) Accumulated Surplus Current year R1 987 000. Dt Buildings at Cost Opening balance R356 800 ( Ct) Accumulated Surplus Opening balance R356 800, Dt Accumulated Surplus Opening balance R7267 and (Ct) Accumulated Depreciation Buildings R7267. Dt Accumulated Surplus Current Year R3567 and (Ct) Accumulated Depreciation Buildings 2019/20 R3567.
- (p) First time recognition of Movable Assets with the following entries corrected: Dt Movable Assets at Cost Opening balance R1 260 960, (Ct) Accumulated Surplus Opening Balance R1 260 960. Dt Accumulated Surplus 2019/20 R119 137 and (Ct) Accumulated Depreciation 2019/20 Movable Assets R119 137
- (q) Correction of Movable Asset incorrectly purchased against Buildings Immovable Property in 2019/20 WIP. This is now corrected with the following entries. Dt Movable Asses at Cost 2019/20 R5 193, (Ct) Buildings at Cost 2019/20 WIP R5 193. Dt Accumulated Surplus 2019/20 R218 and (Ct) Accumulated Depreciation Movable Assets 2019/20 R218
- ( r ) Correction of Infrastructure WIP Sanitation 2019/20. Retention on Dysselsdorp WWTW was not provided for. This is now corrected with the following entries: Dt Infrastructure Sanitation WIP 2019/20 R158 253, Dt Taxes VAT Input Provisional R23 737.95 and (Ct) Retentions 2019/20 R181 990.95
- ( s ) Correction of Infrastructure Water Opening WIP - Blossoms project. Expenditure relating to 2012 only discovered during in debt analysis of project expenditure per consultant. This is now corrected with the following entries, Dt Infrastructure Water WIP Opening balance R769 748, (Ct) Accumulated Surplus Opening balance R769 748
- (t) Correction of Infrastructure WIP Sanitation, movable chlorine meters incorrectly purchased against infrastructure. This is now corrected with the following entries Dt Movable Assets at Cost 2019/20 R19 214 and (Ct) Infrastructure Sanitation WIP R19 214. (Dt) Accumulated Surplus 2019/20 R502 an (Ct) Accumulated Depreciation 2019/20 Movable Assets R502
- Derecognition of Electricity pre-paid household meters incorrectly capitalised. This is kept as current assets and purchased as inventory items. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R1 131 916, (Ct) Infrastructure at Cost Opening Balance R1 131 916. Dt Accumulated Surplus Current Year R261 331 and (Ct) Infrastructure at Cost 2019/20 R261 331. Dt Accumulated Depreciation Opening balance R368 803 and (Ct) Accumulated Surplus Opening balance R368 803. Dt Accumulated Surplus Current year R76 858 and (Ct) Accumulated Depreciation Infrastructure 2019/20 R76 858
- (v) First time Recognition of Electricity Infrastructure Assets. A full field verification of all electricity infrastructure assets were conducted, and this resulted in assets identified that were not on the Fixed Asset Register. This is now corrected with the following entries Dt Infrastructure Electricity Opening balance R25 007 901 and (Ct) Accumulated Surplus Opening balance R25 007 901, Dt Accumulated Surplus 2019/00 R1 633 480 and (Ct) Accumulated Depreciation Infrastructure R1 633 480.
- (w) Correction of 2019/20 Capitalised Restoration Cost, incorrect discount rate used for determination of the unwinding of interest for the year. This is now corrected with the following entries, Dt Accumulated Surplus 2019/20 (Finance Charges) R470 753.48, Dt Accumulate Surplus 2019/20 ( Reversl of Impairment), (Ct) Capitalised Restoration Cost R721 562.34. Dt Accumulated Deprecation Capitalised Restoration Cost R43 509.13 and (Ct) Accumulated Surplus 2019/20 (Depreciation) R43 509.13

|   | 2020<br>R          | 2019<br>R          |
|---|--------------------|--------------------|
| <b>37.2 Accumulated Surplus/(Deficit)</b>   |                    |                    |
| <b>Balance previously reported</b>  | <b>778 066 337</b> | <b>722 423 954</b> |
| Correction of Accumulated Depreciation Opening balance Capitalised Restoration Cost as per note 37.1(a) | (58 463)           | (58 463)           |
| Correction of Accumulated Depreciation 2019/20 Capitalised Restoration Cost as per note 37.1(a)         | 3 872              | -                  |
| Correction of Infrastructures Sanitation at Cost WIP as per note 37.1( c )                              | (259 158)          | -                  |
| Correction of Infrastructure Water WIP 2019/20 as per note 37.1(d)                                      | 916 746            | -                  |
| Correction of Infrastructure Water WIP Opening balance as per note 37.1(d)                              | 1 390 460          | 1 390 460          |
| Correction of Trade Payables from Exchange Transactions as per note 37.1(b)                             | (61 438)           | -                  |
| Correction of Trade Payables from Exchange Transactions as per note 37.1(f)                             | (193 442)          | -                  |
| Correction of Trade Payables from Exchange Transactions as per note 37.1(g)                             | (213 695)          | -                  |
| Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(h)                | (214 175)          | (214 175)          |
| Correction of Receivables from Exchange Transactions 2019/20balance as per note 37.1(h)                 | (142 002)          | -                  |
| Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(i)                | 320 812            | 320 812            |
| Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(j)                | 311 349            | 311 349            |
| Correction of Trade Payables from Exchange Transactions Opening balance as per note 37.1(k)             | (10 655)           | (10 655)           |
| Correction of Infrastructure Water WIP 2019/20 as per note 37.1(m)                                      | 768 116            | -                  |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   |                    |                    |
|---|--------------------|--------------------|
| Correction of Buildings WIP 2019/20 as per note 37.1(n)                                   | (23 790)           | -                  |
| Correction of Land at Cost Opening balance as per note 37.1(o)                            | 13 437 200         | 13 437 200         |
| Correction of Buildings at Cost Opening balance as per note 37.1(o)                       | 356 800            | 356 800            |
| Correction of Land at Cost 2019/20 as per note 37.1(o)                                    | 1 987 000          | -                  |
| Correction of Accumulated Depreciation Buildings Opening balance as per note 37.1(o)      | (7 267)            | (7 267)            |
| Correction of Accumulated Depreciation Buildings 2019/20 as per note 37.1(o)              | (3 567)            | -                  |
| Correction of Movable assets at Cost Opening balance as per note 37.1(p)                  | 1 260 960          | 1 260 960          |
| Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(p)         | (119 137)          | -                  |
| Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(q)         | (218)              | -                  |
| Correction of Infrastructure Water WIP Opening balance as per note 37.1(s)                | 769 748            | 769 748            |
| Correction of Infrastructure Sanitation WIP 2019/20 as per note 37.1(t)                   | (502)              | -                  |
| Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(u)      | (1 131 916)        | (1 131 916)        |
| Correction of Infrastructure Electricity Additions 2019/20 at Cost as per note 37.1(u)    | (261 331)          | -                  |
| Correction of Accumulated Depreciation Infrastructure Opening balance as per note 37.1(u) | 368 803            | 368 803            |
| Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(u)         | 76 858             | -                  |
| Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(v)      | 25 007 901         | 25 007 901         |
| Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(v)         | (1 633 480)        | -                  |
| Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)                   | (470 753)          | -                  |
| Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)                   | (250 809)          | -                  |
| Correction of Capitalised Restoration Cost Accumulated Depreciation as per note 37.01(w)  | 43 509             | -                  |
|   | <b>820 030 672</b> | <b>764 225 511</b> |

37.3 Property, Plant and Equipment

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Balance previously reported</b>  | 856 007 048        | 831 597 293        |
| Cost  | 45 116 776         | 41 452 044         |
| Correction of Error Capitalised Restoration Cost as per note 37.1(a)                                    | 717 691            | 717 691            |
| Correction of Error Capitalised Restoration Cost as per note 37.1(a)                                    | 29 569             | -                  |
| Correction of Error Buildings at Cost 2019/20 as per note 37.1(b)                                       | 61 916             | -                  |
| Correction of Error Infrastructure Sanitation at Cost Opening balance as per note 37.1(c)               | (259 158)          | -                  |
| Correction of Error Infrastructure Water at Cost 2019/20 as per note 37.1(d)                            | 916 746            | -                  |
| Correction of Error Infrastructure Water WIP Opening balance as per note 37.1(d)                        | 1 390 460          | 1 390 460          |
| Correction of Error Infrastructure Road Transport WIP as per note 37.1(l)                               | 652 174            | -                  |
| Correction of Infrastructure Water WIP 2019/20 as per note 37.1(m)                                      | 768 116            | -                  |
| Correction of Buildings WIP 2019/20 as per note 37.1(n)   | (23 790)           | -                  |
| Correction of Land at Cost Opening balance as per note 37.1(o)  | 13 437 200         | 13 437 200         |
| Correction of Land at Cost 2019/20 as per note 37.1(o)  | 1 987 000          | -                  |
| Correction of Buildings at Cost Opening balance as per note 37.1(o)                                     | 356 800            | -                  |
| Correction of Movable assets at Cost Opening balance as per note 37.1(p)                                | 1 260 960          | 1 260 960          |
| Correction of Infrastructure Sanitation WIP 2019-20   | 158 253            | -                  |
| Correction of Infrastructure Water WIP Opening balance as per note 37.1(s)                              | 769 748            | 769 748            |
| Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(u)                    | (1 131 916)        | (1 131 916)        |
| Correction of Infrastructure Electricity Additions 2019/20 at Cost as per note 37.1(u)                  | (261 331)          | -                  |
| Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(v)                    | 25 007 901         | 25 007 901         |
| Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)                                 | (470 753)          | -                  |
| Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)                                 | (250 809)          | -                  |
| Accumulated Depreciation  | (1 329 591)        | 303 074            |
| Correction of Accumulated Depreciation Opening balance Capitalised Restoration Cost as per note 37.1(a) | (58 463)           | (58 463)           |
| Correction of Accumulated Depreciation 2019/20 Capitalised Restoration Cost as per note 37.1(a)         | 3 872              | -                  |
| Correction of Accumulated Depreciation Buildings Opening balance as per note 37.1(o)                    | (7 267)            | (7 267)            |
| Correction of Accumulated Depreciation Buildings 2019/20 as per note 37.1(o)                            | (3 567)            | -                  |
| Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(p)                       | (119 137)          | -                  |
| Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(q)                       | (218)              | -                  |
| Correction of Infrastructure Sanitation WIP 2019/20 as per note 37.1(t)                                 | (502)              | -                  |
| Correction of Accumulated Depreciation Infrastructure Opening balance as per note 37.1(u)               | 368 803            | 368 803            |
| Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(u)                       | 76 858             | -                  |
| Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(v)                       | (1 633 480)        | -                  |
| Correction of Capitalised Restoration Cost Accumulated Depreciation as per note 37.01(w)                | 43 509             | -                  |
| <b>Restated Balance</b>   | <b>899 794 232</b> | <b>873 352 411</b> |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

37.4 Receivables from Exchange Transactions

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Balance previously reported</b>   | 40 180 018        | 41 827 712        |
| Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(h) | (214 175)         | (214 175)         |
| Correction of Receivables from Exchange Transactions 2019/20balance as per note 37.1(h)  | (142 002)         | -                 |
| Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(i) | 320 812           | -                 |
| Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(j) | 311 349           | -                 |
| <b>Restated Balance</b>  | <b>40 456 001</b> | <b>41 613 537</b> |

37.5 Trade and Other Payables from Exchange Transactions

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Balance previously reported</b>  | 69 876 490        | 56 629 414        |
| Correction of Trade Payables from Exchange Transactions as per note 37.1(b)                 | 61 438            |                   |
| Correction of Trade Payables from Exchange Transactions as per note 39.1(f)                 | 193 442           |                   |
| Correction of Trade Payables from Exchange Transactions as per note 37.1(g)                 | 213 695           |                   |
| Correction of Trade Payables from Exchange Transactions Opening balance as per note 37.1(k) | 10 655            | 10 655            |
| Correction of Trade Payables from Exchange Transactions as per note 37.1(k)                 | 652 174           |                   |
| Correction of Trade Payables from Exchange Transactions as per note 37.1(b)                 | 61 916            |                   |
| Correction of Trade Payables from Exchange Transactions as per note 37.1( r )               | 158 253           |                   |
| <b>Restated Balance</b>   | <b>71 228 063</b> | <b>56 640 070</b> |

38. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

|  |                   |                    |
|--|-------------------|--------------------|
| Surplus/(Deficit) for the year   | 80 879 822        | 53 818 161         |
| <b>Adjustments for:</b>  |                   |                    |
| Depreciation and Amortisation  | 40 312 557        | 43 445 776         |
| Loss/(Gain) on Sale of Fixed Assets  | 1 086 130         | 306 991            |
| Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets                      | -                 | (1 803 688)        |
| Contributed Property, Plant and Equipment  | (39 066 686)      | (62 200)           |
| Change in Provision for Rehabilitation Cost  | 1 430 755         | 2 167 785          |
| Contribution from/to provisions - Non-Current Employee Benefits                    | 15 670 000        | 8 120 714          |
| Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses | -                 | 86 031             |
| Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains  | -                 | (14 049 546)       |
| Contribution from/to - Current Employee Benefits                                   | (1 124 593)       | 6 553 202          |
| Bad Debts written off  | 34 365 998        | 24 385 890         |
| Reversal of Impairment Loss/(Impairment Loss) on Receivables                       | (12 411 708)      | 13 080 695         |
| Unpaid Government Grant  | 2 000 000         | (2 000 000)        |
| Government Grants and Subsidies received   | 141 246 469       | 171 251 331        |
| Government Grants and Subsidies recognised as revenue                              | (165 328 620)     | (155 893 757)      |
| Repaid to Revenue Fund   | (18 382 835)      | (543 960)          |
| (Increase)/Decrease in Operating Lease Asset                                       | (13 912)          | (4 614)            |
| Operating Surplus/(Deficit) before changes in working capital                      | 80 663 378        | 148 858 810        |
| Changes in working capital   | (68 225 633)      | (23 209 840)       |
| Increase/(Decrease) in Trade and Other Payables                                    | (26 222 092)      | 14 598 649         |
| Increase/(Decrease) in Taxes   | 2 787 648         | (218 747)          |
| (Increase)/Decrease in Inventory   | (766 938)         | 100 276            |
| (Increase)/Decrease in Receivables   | (44 484 585)      | (38 405 241)       |
| Increase in Consumer Deposits  | 460 335           | 715 222            |
| <b>Cash generated/(absorbed) by operations</b>                                     | <b>12 437 745</b> | <b>125 648 970</b> |
|  | <b>2021</b>       | <b>2020</b>        |
|  | <b>R</b>          | <b>R</b>           |

39. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

|   |                    |                    |
|---|--------------------|--------------------|
| Current Accounts - Note 10              | 16 088 101         | 26 490 257         |
| Call Deposits and Investments - Note 10 | 99 841 236         | 151 259 068        |
| Cash Floats - Note 10                   | 37 550             | 37 860             |
| <b>Total cash and cash equivalents</b>  | <b>115 966 886</b> | <b>177 787 185</b> |



|  | 2021<br>R         | 2020<br>R          |
|--|-------------------|--------------------|
| <b>40. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b> |                   |                    |
| Cash and Cash Equivalents - Note 39                                  | 115 966 886       | 177 787 185        |
| <b>Less:</b>   | (31 014 600)      | (69 835 388)       |
| Unspent Transfers and Subsidies - Note 17                            | (11 043 305)      | (53 508 289)       |
| Unspent Borrowings   | (12 068 274)      | (11 211 726)       |
| VAT - Note 18  | (7 903 021)       | (5 115 373)        |
| Net cash resources available for internal distribution               | 84 952 286        | 107 951 797        |
| <b>Resources available for working capital requirements</b>          | <b>84 952 286</b> | <b>107 951 797</b> |

**41. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**

|   |              |              |
|---|--------------|--------------|
| Long-term Liabilities - Note 11   | 54 237 029   | 51 734 549   |
| Used / to be used for the financing of property, plant and equipment - at cost                    | (54 237 029) | (51 734 549) |
| Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. |              |              |

**42. BUDGET INFORMATION**

**42.1 Explanation of variances between approved and final budget amounts**

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity tariffs on consumer debtors, the reprioritising of capital projects, with the corresponding changes to funding sources.

**Explanation of variances greater than 5%: Actual amounts vs Final Budget**

**42.2 Statement of Financial Position**

**42.2.1 Current Assets**

**Cash**

Actual cash is R15.6 million more than budgeted, due to more cash held in current account for payment of creditors at year-end.

**Call Investment Deposits**

Actual investments are R15,4 million less than budgeted by the same overperformance of the cash in bank, this due to more cash that was held in current account for the immediate payment of creditors.

**Other Debtors**

Other debtors are R11.7 million more than budgeted, because the Fines Debtor increasing substantially more than budgeted. Low payment percentage on fines, because no debt collection processes was followed during the Covid 19 Lock-down period.

**Operating Lease Asset**

Operating lease assets are more than budgeted, due to a new long term lease recognized for the Dept Of Public Works that was signed for the rental of office space at the Thusong Centre. This was not a known fact during the budget process.

**Inventory**

Inventory in stock at year end is R660 985 more than budgeted, this is mainly due to more water inventory stock items held as inventory than anticipated during the budget process

**42.2.2 Non-Current Assets**

**Property, Plant and Equipment**

Actual Capital expenditure R60 million less than budgeted, mainly due to transport assets not yet delivered at year-end and mayor infrastructure projects from borrowed and provincial grants that could not be completed because adjudication of contractors was only late in June 2021. All projects where appointments have been made will be appropriated in the Roll-Over Adjustment budget as a commitments have been raised.

**Intangible Assets**

Intangible assets purchased R690 193 less than budgeted, due to an error in the split between computer hardware and software during the budget process. Budget with regards to Computer IT equipment was spent in full when combined



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**42.2.3 Current Liabilities**

**Borrowing**

Borrowing is R2.4 million less than budgeted because the new financial leases for vehicles that was not delivered as anticipated. Tender processes took longer and extension on the existing lease contract with AVIS was performed, where majority have expired and was paid on a month-to-month basis. LT Borrowing will be raised once new leases are delivered in 2021-22.

**Trade and Other Payables**

Actual Trade and Other Payables are R31 million less than budgeted, because it was anticipated that there would be a large amount of unspent grants at year-end with relation to capital projects. All major infrastructure capital projects from National Government was fully paid by year-end.

**Provisions**

Provisions R2.9 million less than anticipated during budget process, this item is for current employee benefits that can not accurately forecasted before year-end. Leave provision and Bonus provision, as well as the current portion of Post Employment benefits that are influenced by interest rates are included here.

**42.2.4 Non-Current Liabilities**

**Borrowing**

LT Borrowing R5.8 million less than budgeted, mainly because the financial lease contract was not yet finalised by year -end. Delivery and repayment will commence during the next financial year. Liability can only be raised once vehicles are delivered.

**Provisions**

Non Current Provisions on Post Employment Benefits and Landfill Site Provision is R13.7million higher than anticipated. This is coupled with interest calculations that can not be forecasted accurately at the beginning of the year. Actual provision is determined by external specialist at year-end.

**42.2.5 Net Assets**

**Accumulated Surplus/(Deficit)**

Accumulated Surplus is R99 million more than anticipated, this is mainly due to the increase in non-cash revenue item - Contributing PPE that was not budgeted. This related so the external services of the Dysselsdorp Housing project that was completed during the year, contractor was paid directly by the Dept of Human Settlement for municipal assets that was constructed. The larger than anticipated reversal in bad debts provision also contributed to the larger surplus that was generated.

**Statement of Financial Performance**

**42.2.6 Revenue**

**Rental of Facilities and Equipment**

Rental of facilities and equipment is R108 016 less than budgeted, due to the Covid 19 restrictions on gatherings. It was anticipated during the budget process that public gatherings will be permitted and that the income for ad-hoc rentals will be generated.

**Interest Earned - Outstanding Debtors**

Interest earned on debtors R848 618 more than budgeted, that was based on the prior year actual. Strict debt collection policies was implemented and full interest was charged since January 2021 on all arrears debt.

**Fines**

Camera Fines are R6 million more than budgeted, because only actual revenue was budgeted for and fines issued could not be accurately forecasted during the lockdown period. iGRAP1 calculation was performed and journal was passed to recognize all fines issued as revenue in the statement of financial performance.

**Licences and Permits**

Actual expenditure is R0 versus the budget, due to the Roadworthy Certificate incorrectly budgeted against this item. It is allocated correctly on the financial statements against other revenue

**Agency Services**

Agency fees earned on vehicle licencing are R814 157 more than budgeted. This item was budgeted based on prior year actual, for which less licences was issued during the lock-down period in the prior year due to exemption granted by national government. In current year electronic renewals of licences was implemented that caused an increase in revenue earned.

**Transfers Recognised - Capital**

Capital Grant expenditure recognized as revenue R9 million less than budgeted, this is mainly due to the construction of the Rosevalley Library that could not commence during the current period due to SCM processes taking longer than anticipated. Roll-Over application was submitted to Provincial Treasury, as a commitment was raised an contractor was appointed during June 2021.



Other Revenue

Other revenue are aggregated on the Statement of Budget Comparison and is the nett result of Operational Revenue, Sales on Goods and Services, Entrance Fees and Availability Charges Non-Exchange. This is done in accordance with National Treasury validations for budget and reporting.

**42.2.7 Expenditure**

Remuneration of Councillors

Councillor Remuneration is R828 566 less than budgeted, because an increase was anticipated that was not implemented during the current period. The increase is determined the national government and published in the Government Gazette that is issued, and is not at the discretion of the municipal council.

Debt Impairment

The Debt Impairment Provision is R1,1 million more than budgeted, mainly due to the non-payment of traffic fines being more than anticipated. This is due to debt collection of fines that could not be performed during the Covid lockdown period and a staff shortage at the Traffic Departments to deliver summonses and warrants.

Debt Impairment on the Statement of Budget Comparison are aggregated and is the nett result of the Bad Debts Written-off and Reversal of Impairment/(Impairment Losses) on Receivables as disclosed on the Statement of Financial Performance. This is done in accordance with the National Treasury validations for budget and reporting.

Depreciation and Asset Impairment

Depreciation on assets are R2 million less than budgeted, because this item is based on prior year actuals plus assumption that all projects in WIP will be completed. This can only be accurately determined once the Fixed Asset Register is compiled at year-end, and it was seen that the WIP was larger than anticipated and therefore the less assets depreciation calculated for the year.

Finance Charges

Finance Charges are R382 456 more than anticipated, mainly due to the interest portion of the Landfill Site that is influenced by the interest rate and could not be accurately forecasted. Actual is determined at year-end by an external specialist.

Other Materials

Other materials are R3.2 million less than budgeted, due to strict cost containment measures implemented during the year and only essential expenditure allowed. This is mainly due to the decrease in cash available due to the non-payment of consumer accounts.

Other materials on the Statement of Budget Comparison is compared to Inventory Consumed on the Statement of Financial Performance as they are in nature the same.

Contracted Services

Contracted Services are R10.7 million below budget due to procurement processed could not be finalised during the financial year. Cost saving measures were implemented for all non-essential items of expenditure during the 2020-21 year.

Transfers and Grants

Transfers and subsidies R1.8 million less than budgeted, mainly due to the contribution towards sport and culture festivals that could not take place during the financial year due to Covid 19 lock-down regulations.

Other Expenditure

Other expenditure is R3.9 million less than budgeted, mainly because of cost containment measures implemented and all non-essential expenditure that was stopped as remedy for the low payment percentage of service revenue. During lock-down period only essential services was permitted and goods & services procured only for emergency purposes.

Other expenditure are aggregated on the Statement of Budget comparison and is compared to the nett result of Operational Cost, Operating Leases and Actuarial Losses on the Statement of Financial performance. This is done in accordance with National Treasury validations for budget and reporting.

Loss on Disposal of PPE

Loss on Disposal of Fixed assets is 100% more than budgeted, this item can not be forecasted and is only determined annually after the asset verification is finalised. This consists of the disposal of movable assets and infrastructure assets not in working condition anymore

**Cash Flow Statement**

**42.2.8 Net Cash from Operating Activities**

Service Charges

Service charges are R16 million lower than budgeted. This is because of the debtor payment ratio being less than anticipated (at year-end 92%), and consumers not having the capacity to repay their accounts and the consumption of water and electricity less than anticipated. Also included in this budgeted item is Entrance Fees for the Congo Caves that were less than anticipated due to Covid Lockdown restrictions

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Interest

Actual Interest Earned is R3 million more than budgeted, because according to mSCOA Chart 6.4 changes this is budgeted as part of Ratepayers Other. It is in terms of GRAP disclosed separately on the face of the cashflow statement as part of Interest.

Finance costs

Finance Charges are R1.1 million less than budgeted, which is mainly due to the repayment on borrowing being less on financial leases than anticipated during the budget process. New financial leases were budgeted but due to SCM processes taking longer, delivery will only be in 2021-22

Transfers and Grants

Transfers and subsidies R1.8 million less than budgeted, mainly due to the contribution towards sport and culture festivals that could not take place during the financial year due to Covid 19 lock-down regulations.

**42.2.9 Net Cash from Investing Activities**

Capital Assets

Actual Capital expenditure R28 million less than budgeted, mainly due to transport assets not yet delivered at year-end and mayor infrastructure projects from borrowed and provincial grants that could not be completed because adjudication of contractors was only late in June 2021. All projects where appointments have been made will be appropriated in the Roll-Over Adjustment budget as a commitments have been raised.

**42.2.10 Net Cash from Financing Activities**

Borrowing long term/refinancing

Borrowing is R 11 million more than budgeted, this is because of an error in the budget where the unspent borrowing of 2019-20 was incorrectly added to this item as a cash inflow. The actual receipt was only R16.5 million. The unspent borrowing from the prior year was spent in full and already part of Capital Assets on the Cash Flow.

Increase/(Decrease) in Consumer Deposits

Revenue for Consumer deposits included in Ratepayers and Other on the cash flow statement, and not separately disclosed as per the budget document. Actual movement on consumer deposits was R460 000 have an immaterial difference from the budgeted amount of R640 729

Repayment of Borrowing

Repayment of borrowing is R2.8 million less than budgeted, this is mainly due to the new financial leases tender that was not finalised during the financial year. Repayment will only commence once the vehicles are delivered in 2021-22

|   | 2021<br>R     | 2020<br>R          |
|---|---------------|--------------------|
| <b>43. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b> |               |                    |
| <b>43.1 Unauthorised expenditure</b>  |               |                    |
| Reconciliation of unauthorised expenditure:                                       |               |                    |
| Opening balance   | 313 708 083   | 313 708 083        |
| Unauthorised expenditure current year - operational                               | -             | -                  |
| Unauthorised expenditure current year - capital                                   | -             | -                  |
| Written off by council in terms of Sec 32 of MFMA - prior years                   | (313 708 083) | -                  |
| Unauthorised expenditure awaiting authorisation                                   | <u>-</u>      | <u>313 708 083</u> |

Unauthorised expenditure can be summarised as follow:

| Incident / Cases identified | Disciplinary steps/criminal proceedings |          |          |
|-----------------------------|---|----------|----------|
| None                        |   | -        | -        |
|                             |   | -        | -        |
|                             |   | <u>-</u> | <u>-</u> |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021<br>Actual<br>R | 2021<br>Final Budget<br>R | 2021<br>Variance<br>R | 2021<br>Unauthorised<br>R |
|--|---------------------|---------------------------|-----------------------|---------------------------|
| <b>Unauthorised expenditure current year - operating</b> |                     |                           |                       |                           |
| Community And Public Safety                              | 113 246 457         | 121 931 818               | 8 685 361             | -                         |
| Corporate Services                                       | 24 215 122          | 27 467 357                | 3 252 235             | -                         |
| Executive & Council                                      | 51 609 891          | 52 470 511                | 860 620               | -                         |
| Financial Services                                       | 41 724 237          | 47 258 179                | 5 533 942             | -                         |
| Human Settlement   | 11 791 232          | 17 000 402                | 5 209 170             | -                         |
| Municipal Manager  | 20 238 310          | 21 233 390                | 995 080               | -                         |
| Strategic Services                                       | 19 176 581          | 21 399 757                | 2 223 176             | -                         |
| Technical Services                                       | 328 282 909         | 330 838 393               | 2 555 484             | -                         |
|  | <b>610 284 739</b>  | <b>639 599 807</b>        | <b>29 315 068</b>     | <b>-</b>                  |
| <b>Unauthorised expenditure current year - capital</b>   |                     |                           |                       |                           |
| Community And Public Safety                              | 5 203 927           | 16 669 131                | 11 465 204            | -                         |
| Corporate Services                                       | 20 114              | 30 000                    | 9 886                 | -                         |
| Executive & Council                                      | -                   | 30 000                    | 30 000                | -                         |
| Financial Services                                       | 1 462 687           | 1 547 073                 | 84 387                | -                         |
| Human Settlement   | -                   | 60 000                    | 60 000                | -                         |
| Municipal Manager  | 108 318             | 110 000                   | 1 682                 | -                         |
| Strategic Services                                       | 1 194 772           | 1 596 087                 | 401 315               | -                         |
| Technical Services                                       | 68 770 706          | 85 996 440                | 17 225 734            | -                         |
|  | <b>76 760 524</b>   | <b>106 038 731</b>        | <b>29 278 207</b>     | <b>-</b>                  |

43.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

|   |  |              |                   |
|---|--|--------------|-------------------|
| Opening balance   |  | 36 573 002   | 36 573 002        |
| Fruitless and wasteful expenditure current year         |  | -            | -                 |
| Written off by council - prior years                    |  | (36 573 002) | -                 |
| Fruitless and wasteful expenditure awaiting condonement |  | -            | <b>36 573 002</b> |

Fruitless and wasteful expenditure can be summarised as follow:

| Incident / Cases identified | Disciplinary steps/criminal proceedings |   |   |
|-----------------------------|---|---|---|
| None                        | None                                    | - | - |
|                             |   | - | - |

43.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

|  |  |                   |                    |
|--|--|-------------------|--------------------|
| Opening balance  |  | 524 748 030       | 498 080 424        |
| Irregular expenditure current year                           |  | 24 614 634        | 26 667 606         |
| Written-off by council - prior years                         |  | (524 748 030)     | -                  |
| Written-off by council - current period July 2020 - May 2021 |  | (6 055 775)       | -                  |
| Irregular expenditure awaiting further action                |  | <b>18 558 860</b> | <b>524 748 030</b> |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021<br>R                                      | 2020<br>R         |
|---|--|-------------------|
| Irregular expenditure can be summarised as follow:                                      |  |                   |
| <b>Incident/Cases identified written-off by council in current year</b>                 | <b>Disciplinary steps/criminal proceedings</b> |                   |
| Declaration of interest not submitted by supplier                                       | -  | 30 290            |
| Deviations not justifiable  | -  | 1 987 707         |
| No procurement process followed or less than 3 quotes                                   | 686 253  | 66 141            |
| Payments made to suppliers exceed contract price  | 4 124 340                                      | 29 943            |
| Sec 32 Contract - ASLA not allowed  | -  | 8 091 040         |
| Sec 32 Contract - Makhukane Consulting not allowed                                      | -  | 860 584           |
| Sec 32 Contract - BDE Consulting  | -  | 186 462           |
| Sec 32 Contract - Barnowl   | -  | 53 966            |
| Awards made to bidder not Tax Compliant   | -  | 69 600            |
| Non compliance scm reg 19 no competitive bidding process                                | -  | 6 517 383         |
| Tenders awarded in contradiction with SCM Regulation 29(s) BAC meetings not constituted | 1 223 317                                      | 5 286 542         |
| Local Content- MBD 6 not completed  | 21 864   | 279 335           |
| Non-compliance with PPR   | -  | 3 208 613         |
|   | <b>6 055 775</b>                               | <b>26 667 606</b> |

|   | 2021<br>R                                      | 2020<br>R |
|---|--|-----------|
| <b>Incident/Cases identified in the current year awaiting action</b>  | <b>Disciplinary steps/criminal proceedings</b> |           |
| No procurement process followed or less than 3 quotes   | 75 777   | -         |
| Tenders awarded in contradiction with SCM Regulation 29(s) BAC meetings not constituted                           | 137 087  | -         |
| Non compliance scm reg 19 no competitive bidding process implemented after contract expired                       | 11 164 809                                     | -         |
| Non-Compliance with Sec 112 of the MFMA - Bidder unfairly disqualified, prequalification not fair and transparent | 2 363 841                                      | -         |
| Non Compliance with regulation 12, competitive bidding process not followed                                       | 2 119 836                                      | -         |
| Non Compliance with regulation 13(b), tax clearance not supplied during award                                     | 74 909   | -         |
| Local Content- MBD 6 not completed  | 9 555  | -         |
| Payments made to suppliers exceed contract price  | 1 331 903                                      | -         |
| Non-compliance with PPR   | 1 281 144                                      | -         |
|   | <b>18 558 860</b>                              | <b>-</b>  |

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

44. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

44.1 **Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)**

|   |             |             |
|---|-------------|-------------|
| Opening balance                               | -           | -           |
| Council subscriptions                         | 2 774 994   | 2 625 061   |
| Amount paid - current year                    | (2 774 994) | (2 625 061) |
| <b>Balance unpaid (included in creditors)</b> | <b>-</b>    | <b>-</b>    |

44.2 **Audit fees - [MFMA 125 (1)(c)]**

|   |             |             |
|---|-------------|-------------|
| Opening balance                               | -           | 5 779       |
| Current year audit fee                        | 5 199 258   | 6 412 816   |
| External Audit - Auditor-General              | 5 199 258   | 6 412 816   |
| Amount paid - current year                    | (5 199 258) | (6 412 816) |
| Amount paid - previous year                   | -           | (5 779)     |
| <b>Balance unpaid (included in creditors)</b> | <b>-</b>    | <b>-</b>    |

44.3 **VAT - [MFMA 125 (1)(c)]**

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Opening balance        | (5 115 373)        | (5 613 018)        |
| Nett movements         | (2 787 648)        | 497 645            |
| <b>Closing balance</b> | <b>(7 903 021)</b> | <b>(5 115 373)</b> |
| Input VAT              | 4 467 842          | 7 708 040          |
| Output VAT             | (12 370 863)       | (12 823 414)       |
| <b>Closing balance</b> | <b>(7 903 021)</b> | <b>(5 115 373)</b> |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021<br>R    | 2020<br>R    |
|---|--------------|--------------|
| <b>44.4 PAYE and UIF - [MFMA 125 (1)(c)]</b>  |              |              |
| Opening balance   | -            | -            |
| Current year payroll deductions   | (33 224 802) | (31 846 311) |
| Amount paid - current year  | 33 224 802   | 31 846 311   |
| <b>Balance unpaid (included in creditors)</b>   | <b>-</b>     | <b>-</b>     |
| <b>44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</b>  |              |              |
| Opening balance   | -            | -            |
| Current year payroll deductions and Council Contributions   | 68 975 777   | 64 671 076   |
| Amount paid - current year  | (68 975 777) | (64 671 076) |
| Amount paid - previous year   | -            | -            |
| <b>Balance unpaid (included in creditors)</b>   | <b>-</b>     | <b>-</b>     |
| <b>44.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</b>   |              |              |
| No Councillors had arrear accounts for more than 90 days as at 30 June 2021   |              |              |
| <b>44.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005</b> |              |              |

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

| 2021:          | Amount           | Single Supplier        | Type of Deviation        |                    | Emergency        |
|----------------|------------------|------------------------|--------------------------|--------------------|------------------|
|                |                  |                        | Impossible               | Impractical        |                  |
| July           | 2 178            | -                      | -                        | 2 178              | -                |
| August         | 647 192          | -                      | -                        | 647 192            | -                |
| September      | 319 319          | 7 912                  | -                        | 311 407            | -                |
| October        | 65 379           | -                      | -                        | 65 379             | -                |
| November       | 378 361          | -                      | -                        | 378 361            | -                |
| December       | 186 431          | -                      | -                        | 186 431            | -                |
| January        | 255 467          | -                      | -                        | 255 467            | -                |
| February       | 560 485          | -                      | -                        | 472 571            | 87 914           |
| March          | 493 353          | -                      | -                        | 493 353            | -                |
| April          | 733              | -                      | -                        | 733                | -                |
| May            | 118 150          | -                      | -                        | 118 150            | -                |
| June           | 96 331           | -                      | -                        | 96 331             | -                |
|                | <b>3 123 380</b> | <b>7 912</b>           | <b>-</b>                 | <b>3 027 554</b>   | <b>87 914</b>    |
| <b>2020:</b>   | <b>Amount</b>    | <b>Single Supplier</b> | <b>Type of Deviation</b> |                    | <b>Emergency</b> |
|                |                  |                        | <b>Impossible</b>        | <b>Impractical</b> |                  |
| July 2019      | 11 846           | -                      | -                        | -                  | 11 846           |
| August 2019    | 103 358          | -                      | -                        | -                  | 103 358          |
| September 2019 | -                | -                      | -                        | -                  | -                |
| October 2019   | 107 408          | 68 201                 | -                        | 39 207             | -                |
| November 2019  | 58 484           | 3 086                  | -                        | 29 155             | 26 243           |
| December 2019  | 16 057           | 5 624                  | -                        | 10 433             | -                |
| January 2020   | -                | -                      | -                        | -                  | -                |
| February 2020  | 4 554            | -                      | -                        | -                  | 4 554            |
| March 2020     | 70 813           | -                      | -                        | 42 950             | 27 863           |
| April 2020     | 679 829          | -                      | -                        | -                  | 679 829          |
| May 2020       | -                | -                      | -                        | -                  | -                |
| June 2020      | 2 573 158        | -                      | -                        | 2 323 158          | 250 000          |
|                | <b>3 625 507</b> | <b>76 911</b>          | <b>-</b>                 | <b>2 444 903</b>   | <b>1 103 693</b> |



**44.8 Additional disclosure in terms of the Broad Based Black Economic Empowerment Act**

Information on compliance with the B-BBEE Act will be included in the annual report based on actual audited figures for the current and prior year.

|  | 2021<br>R   | 2020<br>R   |
|--|-------------|-------------|
| <b>44.9 Material losses</b>            |             |             |
| <b>Electricity distribution losses</b> |             |             |
| Units purchased (Kwh)                  | 141 514 167 | 143 532 455 |
| Units lost during distribution (Kwh)   | 10 310 136  | 8 303 169   |
| Percentage lost during distribution    | 7.29%       | 5.78%       |
| Distribution loss (Rand Value)         |             |             |

**Water distribution losses**

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Units purchased (ml)                | 5 093 968 | 4 763 595 |
| Units lost during distribution (ml) | 886 471   | 599 329   |
| Percentage lost during distribution | 17.40%    | 12.58%    |
| Distribution loss (Rand Value)      |           |           |

Normal pipe bursts and field leakages are responsible for water losses.

|  | 2021<br>R | 2020<br>R |
|--|-----------|-----------|
|--|-----------|-----------|

**45. FINANCIAL RISK MANAGEMENT**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign Exchange Currency Risk**

The municipality does not engage in foreign currency transactions.

**(b) Price Risk**

The municipality is not exposed to price risk.

**(c) Interest Rate Risk**

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

|  |           |          |
|--|-----------|----------|
| .5% (2020: .5%) Increase in interest rates   | 262 596   | 152 223  |
| .25% (2020: .25%) Decrease in interest rates | (131 298) | (76 112) |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 8 and 9 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

|                                 | 2021<br>% | 2021<br>R  | 2020<br>% | 2020<br>R  |
|---------------------------------|-----------|------------|-----------|------------|
| <u>Non-exchange Receivables</u> |           |            |           |            |
| Rates                           | 100.00%   | 24 473 552 | 100.00%   | 21 464 257 |
| <u>Exchange Receivables</u>     |           |            |           |            |
| Electricity                     | 26.32%    | 17 812 076 | 19.82%    | 12 651 434 |
| Water                           | 26.51%    | 17 942 798 | 33.36%    | 21 301 851 |
| Property Rentals                | 0.00%     | 506        | 0.00%     | 506        |
| Waste Management                | 13.32%    | 9 011 153  | 13.76%    | 8 783 452  |
| Waste Water Management          | 16.71%    | 11 305 515 | 16.75%    | 10 690 983 |
| Klein Karoo Water Scheme        | 0.04%     | 4 150 166  | 1.14%     | 2 647 927  |
| Legal Fees Recovery             | 6.13%     | 29 216     | 4.15%     | 727 184    |
| Sundry municipal charges        | 10.93%    | 7 396 956  | 10.99%    | 7 018 764  |
| Prepaid expenditure             | 0.00%     | -          | 0.00%     | -          |
| Other receivables               | 0.03%     | 23 400     | 0.04%     | 23 400     |
|                                 | 100.00%   | 67 671 786 | 100.00%   | 63 845 500 |

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 8 and 9 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

|                                 | 2021<br>% | 2021<br>R  | 2020<br>% | 2020<br>R  |
|---------------------------------|-----------|------------|-----------|------------|
| <u>Non-exchange Receivables</u> |           |            |           |            |
| Rates                           | 27.50%    | 18 854 611 | 23.61%    | 19 118 080 |
| Fines                           | 13.86%    | 9 503 991  | 13.33%    | 10 789 722 |
| <u>Exchange Receivables</u>     |           |            |           |            |
| Services                        | 58.63%    | 40 196 752 | 63.06%    | 51 059 260 |
|                                 | 100.00%   | 68 555 354 | 100.00%   | 80 967 062 |

The provision for bad debts could be allocated between the different categories of receivables as follow:

|             | 2021<br>% | 2021<br>R  | 2020<br>% | 2020<br>R  |
|-------------|-----------|------------|-----------|------------|
| Government  | 0.80%     | 550 436    | 1.75%     | 1 420 432  |
| Business    | 8.44%     | 5 787 434  | 6.39%     | 5 174 257  |
| Residential | 76.97%    | 52 769 331 | 74.54%    | 60 351 178 |
| Indigents   | 7.32%     | 5 021 185  | 12.16%    | 9 846 484  |
| Other       | 6.46%     | 4 426 968  | 5.16%     | 4 174 712  |
|             | 100.00%   | 68 555 354 | 100.00%   | 80 967 063 |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

| <u>Balances past due not impaired:</u> | 2021    | 2021      | 2020    | 2020      |
|--|---------|-----------|---------|-----------|
|  | %       | R         | %       | R         |
| <b>Non-exchange Receivables</b>        |         |           |         |           |
| Rates                                  | 82%     | 5 618 941 | 58%     | 3 044 145 |
| Fines                                  | 18%     | 1 249 714 | 42%     | 2 248 733 |
|  | 100.00% | 6 868 655 | 100.00% | 5 292 878 |

| <u>Balances past due not impaired:</u> | 2021 | 2021       | 2020 | 2020       |
|--|------|------------|------|------------|
|  | %    | R          | %    | R          |
| <b>Exchange Receivables</b>            |      |            |      |            |
| Services                               | 100% | 27 475 034 | 100% | 12 786 240 |
|  | 100% | 27 475 034 | 100% | 12 786 240 |

|  | 2021        | 2020        |
|--|-------------|-------------|
|  | R           | R           |
| <b>Financial assets exposed to credit risk at year end are as follows:</b> |             |             |
| Receivables from exchange transactions                                     | 60 020 732  | 40 456 001  |
| Receivables from non-exchange transactions                                 | 13 461 026  | 10 495 462  |
| Cash and Cash Equivalents  | 115 929 336 | 177 749 325 |
|  | 189 411 094 | 228 700 787 |

The municipality is also exposed to a number of guarantees issued in favour of trade creditors. These guarantees are listed below:

|   |         |         |
|---|---------|---------|
| Guarantee held at Standard Bank of South Africa in the favour of AFS Fuel | 200 000 | 200 000 |
| Guarantee held at Standard Bank of South Africa in the favour of ESKOM    | 409 100 | 409 100 |
|   | 609 100 | 609 100 |

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

|  | Less than 1 year | Between 1 and 5 years | Between 5 and 10 years | More than 10 years |
|--|------------------|-----------------------|------------------------|--------------------|
| <b>2021</b>                                    |                  |                       |                        |                    |
| Long-term Liabilities                          | 15 533 468       | 32 525 781            | 21 657 316             | -                  |
| Provision for Rehabilitation of Landfill-sites | 8 770 974        | -                     | -                      | 345 699 488        |
| Trade and Other Payables                       | 45 005 971       | -                     | -                      | -                  |
| Unspent Conditional Grants and Receipts        | 11 043 305       | -                     | -                      | -                  |
|  | 80 353 719       | 32 525 781            | 21 657 316             | 345 699 488        |
| <b>2020</b>                                    |                  |                       |                        |                    |
| Long-term Liabilities                          | 18 418 949       | 33 409 463            | 14 309 301             | -                  |
| Provision for Rehabilitation of Landfill-sites | 8 021 993        | -                     | -                      | 214 639 027        |
| Trade and Other Payables                       | 71 228 063       | -                     | -                      | -                  |
| Unspent Conditional Grants and Receipts        | 53 508 289       | -                     | -                      | -                  |
|  | 151 177 294      | 33 409 463            | 14 309 301             | 214 639 027        |

46. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

| 46.1 <u>Financial Assets</u>                    | <u>Classification</u>                    | 2021<br>R          | 2020<br>R          |
|---|--|--------------------|--------------------|
| <b>Receivables from Exchange Transactions</b>   |  |                    |                    |
| Electricity                                     | Financial Instruments at amortised cost  | 30 695 967         | 22 877 556         |
| Water   | Financial Instruments at amortised cost  | 22 933 740         | 25 339 818         |
| Property Rentals                                | Financial Instruments at amortised cost  | 506                | 506                |
| Waste Management                                | Financial Instruments at amortised cost  | 10 566 315         | 10 297 696         |
| Waste Water Management                          | Financial Instruments at amortised cost  | 13 874 646         | 13 282 828         |
| Legal Fees Recovery                             | Financial Instruments at amortised cost  | 29 216             | 727 184            |
| Klein Karoo Water Scheme                        | Financial Instruments at amortised cost  | 4 656 076          | 3 305 964          |
| <b>Cash and Cash Equivalents</b>                |  |                    |                    |
| Call Deposits                                   | Financial Instruments at amortised cost  | 99 841 236         | 151 259 068        |
| Primary Bank Account                            | Financial Instruments at amortised cost  | 16 088 101         | 26 490 257         |
| <b>Total Financial Assets</b>                   |  | <b>198 685 803</b> | <b>253 580 876</b> |
| <b>SUMMARY OF FINANCIAL ASSETS</b>              |  |                    |                    |
| <b>Financial Instruments at amortised cost:</b> |  |                    |                    |
| Receivables from Exchange Transactions          | Electricity                              | 30 695 967         | 22 877 556         |
| Receivables from Exchange Transactions          | Water                                    | 22 933 740         | 25 339 818         |
| Receivables from Exchange Transactions          | Property Rentals                         | 506                | 506                |
| Receivables from Exchange Transactions          | Waste Management                         | 10 566 315         | 10 297 696         |
| Receivables from Exchange Transactions          | Waste Water Management                   | 13 874 646         | 13 282 828         |
| Receivables from Exchange Transactions          | Legal Fees Recovery                      | 29 216             | 727 184            |
| Receivables from Exchange Transactions          | Klein Karoo Water Scheme                 | 4 656 076          | 3 305 964          |
| Cash and Cash Equivalents                       | Call Deposits                            | 99 841 236         | 151 259 068        |
| Cash and Cash Equivalents                       | Primary Bank Account                     | 16 088 101         | 26 490 257         |
| <b>Total Financial Assets</b>                   |  | <b>198 685 803</b> | <b>253 580 876</b> |
| <b>46.2 <u>Financial Liabilities</u></b>        |  |                    |                    |
| <b><u>Classification</u></b>                    |  |                    |                    |
| <b>Long-term Liabilities</b>                    |  |                    |                    |
| Annuity Loans                                   | Financial Instruments at amortised cost  | 52 391 823         | 48 104 482         |
| Capitalised Lease Liability                     | Financial Instruments at amortised cost  | 1 845 206          | 3 630 067          |
| <b>Trade and Other Payables</b>                 |  |                    |                    |
| Trade Payables                                  | Financial Instruments at amortised cost  | 32 176 450         | 60 729 747         |
| Control, Clearing and Interface Accounts        | Financial Instruments at amortised cost  | 109 434            | 1 068 415          |
| Retentions                                      | Financial Instruments at amortised cost  | 7 646 314          | 2 753 091          |
|   |  | <b>94 169 227</b>  | <b>116 285 802</b> |
| <b>SUMMARY OF FINANCIAL LIABILITIES</b>         |  |                    |                    |
| <b>Financial instruments at amortised cost:</b> |  |                    |                    |
| Long-term Liabilities                           | Annuity Loans                            | 52 391 823         | 48 104 482         |
| Long-term Liabilities                           | Capitalised Lease Liability              | 1 845 206          | 3 630 067          |
| Trade and Other Payables                        | Trade Payables                           | 32 176 450         | 60 729 747         |
| Trade and Other Payables                        | Control, Clearing and Interface Accounts | 109 434            | 1 068 415          |
| Trade and Other Payables                        | Retentions                               | 7 646 314          | 2 753 091          |
|   |  | <b>94 169 227</b>  | <b>116 285 802</b> |



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

47. STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

**Taxes**

VAT Receivable - -

**Receivables from Non-Exchange Transactions**

Rates  
Fines

41 819 627 40 403 263

|            |            |
|------------|------------|
| 30 696 122 | 27 281 708 |
| 11 123 505 | 13 121 555 |

**Total Statutory Receivables (before provision)**

41 819 627 40 403 263

**Less:** Provision for Debt Impairment

(28 358 601) (29 907 801)

**Total Statutory Receivables (after provision)**

13 461 026 10 495 462

**Reconciliation of Provision for Debt Impairment**

Balance at beginning of year  
Contribution to provision

29 907 801 21 249 131  
(1 549 200) 8 658 670

Balance at end of year

28 358 601 29 907 801

2021 R 2020 R

**Ageing of amounts past due but not impaired:**

Non-exchange

6 868 655 5 292 878

6 868 655 5 292 878

48. IN-KIND DONATIONS AND ASSISTANCE

The following officials provided services in-kind to the municipality in support of the Section 139 Intervention with the purpose of aiding with the financial, operational and institutional recovery of the municipality:

The municipality received the following in-kind donations and assistance:

Ms. Simms, funded by Department of Human Settlement through a subsidy who's revenue is recognized in terms of GRAP 23. The memorandum of agreement ended with Ms Simms was upon her resignation October 2020.

2021 R 2020 R

49. PRINCIPAL - AGENT ARRANGEMENTS

**Principal in Principal-Agent Arrangement (Material)**

Oudtshoorn Municipality's binding arrangements for services delivered on behalf of the municipality and for which commissions were paid, have been evaluated and it was found that the conditions don't meet the applicable GRAP 109 criteria to be regarded as a principal arrangements.

**Agent in arrangement**

Oudtshoorn Municipality is the Agent in the Principal-Agent arrangement with the Western Cape Government. The Municipality is issuing motor vehicle licences and managing the INATIS system on behalf of the Provincial Government. Commission based on a percentage of the licences fees issued are deducted from payments due to the Provincial Government. The nett amounts are paid over on a prescribed timeframe in a dedicated bank account.

**Compensation received for agency activities**

Commission

6 085 630 4 882 687

**Total Compensation received**

6 085 630 4 882 687

**Reconciliation of Agency Funds and Disbursements**

| Principal name                                   | 2021 R                      |                                  | 2020 R                      |                                  |
|--|-----------------------------|----------------------------------|-----------------------------|----------------------------------|
|  | Total Agency funds received | Amount remitted to the principal | Total Agency funds received | Amount remitted to the principal |
| Western Cape Government- Department of Transport | 6 085 630                   | 18 486 535                       | 4 882 687                   | 14 682 903                       |
|  | <b>6 085 630</b>            | <b>18 486 535</b>                | <b>4 882 687</b>            | <b>14 682 903</b>                |



Resources under custodianship at year-end

None

|   | 2021<br>R         | 2020<br>R         |
|---|-------------------|-------------------|
| <b>50. CONTINGENT LIABILITIES</b>   |                   |                   |
| The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:  |                   |                   |
| <b>50.1 Cobus Louw Professional Engineers CC v Oudtshoorn Municipality</b>  |                   |                   |
| On/about the 17th of January 2014 the Municipality requested assistance from Cobus Louw Professional Engineers CC for the sourcing of external funding for possible infrastructure projects totalling R20,000,000. As per this request the sourcing of MIG funding was excluded. In terms of ECSA, a 30% of the total amount of project fees was due to the supplier which amounted to R560,960, but only paid R66 543. Although no summons was issued, we are of opinion that a contingent liability exist for the amount of R494,364. | 494 364           | 494 364           |
| <b>50.2 Golden Rewards 965 cc. vs. Oudtshoorn Municipality</b>  |                   |                   |
| This matter involves the contract that was awarded to Golden Rewards 965 to build temporary structures for the displaced people. A settlement of amounts owed was paid out to the company in terms of the contract but this company alleges that a balance is still due, the Municipality denies that it owes the money.  | 155 040           | 155 040           |
| <b>50.3 Cornelius Draai vs Oudtshoorn Municipality</b>  |                   |                   |
| This matter involves a five year old boy, Cornelius Draai that drowned on the 5th of January 2020 at the Bridgeton Municipal Swimming Pool. A public liability claim have been made against the municipality and was referred to council's insurers. An investigation from Webber Wentzel Attorneys was performed and the report was submitted to council and the insurers whom have did not approve the claim. Awaiting further action from 3d party attorneys.  | 10 000 000        | 10 000 000        |
| <b>50.4 S E Zunga vs Oudtshoorn Municipality</b>  |                   |                   |
| Claim for damages by 3d Party to vehicle. Matter was referred to council attorneys and if successful municipality will be held liable damages and legal fees. Matter was set for argument on our special plea for August 2021   | 261 300           | -                 |
| <b>50.5 APJ Marais and CM Marais vs Oudtshoorn Municipality</b>   |                   |                   |
| Claim for damages by 3d Party for water damages due to pipe burst. Matter referred to council attorneys and is awaiting matter to be put on court roll. If found to be guilty the municipality will have to pay for damages and legal fees  | 190 000           | -                 |
| <b>50.6 M J Meyers vs Oudtshoorn Municipality</b>   |                   |                   |
| Claim for damages to their property was made against the municipality by MJ Meyers. Coetzee vd Berg Attorneys was appointed by the council's short-term insurance service providers to deal the matter. If found guilty the municipality must pay for damages.  | 75 000            | -                 |
| <b>50.7 NJ Tereblance vs Oudtshoorn Municipality</b>  |                   |                   |
| Claim for damages to their property was made against the municipality by MJ Meyers. Coetzee vd Berg Attorneys was appointed by the council's short-term insurance service providers to deal the matter. If found guilty the municipality must pay for damages.  | 45 000            | -                 |
| <b>50.8 B B Dido vs Oudtshoorn Municipality</b>   |                   |                   |
| Employee made case against municipality for salary increase. Matter on court roll for September to rescind the order, and refer to the labour court and bargaining council  | 125 000           | -                 |
| <b>50.9 Johan Wagenaar Attorneys on behalf of R September vs Oudtshoorn Municipality</b>  |                   |                   |
| The municipality received a letter of demand from Johan Wagenaar Attorneys on behalf of R September for losses incurred. Possibility does exist with a potential liability if matter is referred to court and a summance is received from the third party.  | 689 772           | -                 |
|   | <u>12 035 476</u> | <u>10 649 404</u> |

51. CONTINGENT ASSETS

51.1 Oudtshoorn Municipality v Imvusa Trading (Pty) Ltd

The municipality disclosed under payables from exchange transactions the amount of R 3,4 million in respect of the creditor, Imvusa Trading for services relating to road repairs allegedly rendered and invoiced, the municipality instituted a counter claim for a similar amount as the payable claimed, for undue enrichment stemming from the irregular extension of the contract to Imvusa Trading (Pty) Ltd.

3 975 896 3 975 896

51.2 Gaihaos (Pty) Ltd vs Oudtshoorn Municipality

Gaihaos applied for interdict against municipality for tender that was awarded. The case was dismissed in court and legal fees was awarded to the municipality that must be paid by the plaintiff

80 000 -

51.3 Oudtshoorn Municipality vs D Hartzenberg

Ex-employee did not honour his re-imbursement agreement with the municipality that was signed to repay his study bursary. Deb collection process was started and handed over to council panel of attorneys appointed for deb collection Lizelle Harker Attorneys

29 400 -

51.4 Oudtshoorn Municipality vs IMATU on behalf of Wagenaar

The decision of the arbitrator in the matter between Imatu obo M Wagenaar vs Oudtshoorn Municipality was taken to the labour court. Bradley Conradie represented the municipality and the case was won. Mr M Wagenaar must repay the monies that was wrongfully paid to him

100 000 -

4 185 296 3 975 896

52. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

|  | 2021<br>R        | 2021<br>R           | 2020<br>R        | 2020<br>R           |
|--|------------------|---------------------|------------------|---------------------|
|  | Rates & Services | Outstanding Balance | Rates & Services | Outstanding Balance |
| <b>52.1 Related Party Transactions</b>     |                  |                     |                  |                     |
| <b>Year ended 30 June 2021</b>             |                  |                     |                  |                     |
| <b>Councillors</b>                         |                  |                     |                  |                     |
| LPO Wagenaar                               | 1 739            | 1 739               | 11 651           | 1 577               |
| JC Lambaatjeen                             | -                | -                   | 16 524           | -                   |
| LS Stone                                   | 848              | 848                 | 5 799            | 1 027               |
| MBG Theyse                                 | 681              | 681                 | 12 106           | 3 106               |
| HG Juthé                                   | -                | -                   | 14 725           | -                   |
| N Mwati                                    | 4 198            | 4 198               | 19 552           | 1 561               |
| DJ Fourie                                  | 4 284            | 4 284               | 19 711           | 3 569               |
| E Fortuin                                  | -                | -                   | 4 320            | -                   |
| H Human                                    | 156              | 156                 | -                | -                   |
| N Soman                                    | -                | -                   | 5 765            | 1 579               |
| JH Tyatya                                  | 1 549            | 1 549               | -                | -                   |
| J le Roux Krowitz                          | 1 088            | 1 088               | -                | -                   |
| BC Berry                                   | 347              | 347                 | -                | -                   |
| F September                                | 937              | 937                 | -                | -                   |
|  | <u>15 827</u>    | <u>15 827</u>       | <u>110 153</u>   | <u>12 419</u>       |
| <b>Senior Management - Directors</b>       |                  |                     |                  |                     |
| Mr Lötter (resigned ended 31 October 2019) | -                | -                   | 21 487           | -                   |
| Mr GP De Jager                             | 1 098            | 1 098               | -                | -                   |
| Ms S Simms (resigned October 2020)         | -                | -                   | 10 353           | -                   |

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2021:

OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

|   | Staff Leave Provision | Performance Bonus | Subsistence and Travel |
|---|-----------------------|-------------------|------------------------|
| Key Management Personnel                                    |                       |                   |                        |
| Mr Paulse (resigned October 2020)                           | 174 791               | -                 | -                      |
| Mr. LH Fourie (temporary appointment Aug 2020 - March 2021) | 58 942                | -                 | -                      |
| Mr. GP De Jager   | -                     | -                 | 7 863                  |
| Mr Smit   | -                     | 87 277            | -                      |
| Mr T Matthee (terminated May 2021)                          | 145 884               | 62 340            | 489                    |
| Ms S Simms (resigned October 2020)                          | 48 322                | -                 | -                      |
|   | <b>427 939</b>        | <b>149 617</b>    | <b>8 352</b>           |

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2020:

|   | Staff Leave Provision | Performance Bonus | Subsistence and Travel |
|---|-----------------------|-------------------|------------------------|
| Key Management Personnel                      |                       |                   |                        |
| Mr Paulse                                     | 135 354               | 167 783           | 35 924                 |
| Mr Lötter(service ended 31 October 2019)      | -                     | 174 553           | 24 025                 |
| Mr. LH Fourie( November 2019 - February 2020) | -                     | -                 | 4 392                  |
| Mr. GP De Jager(started 1 March 2020)         | 39 245                | -                 | 5 070                  |
| Mr Smit                                       | 111 861               | 174 553           | 39 813                 |
| Mr Koch ( service ended 31 October 2019)      | -                     | 137 149           | 17 520                 |
| Mr T Matthee                                  | 98 621                | 174 553           | 29 094                 |
| Ms S Simms                                    | -                     | -                 | 6 801                  |
|   | <b>385 081</b>        | <b>828 592</b>    | <b>162 640</b>         |

51.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

51.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

52. TRANSACTIONS WHERE COUNCILLORS AND STAFF HAVE AN INTEREST

The following transactions occurred where a councillor or staff have an interest

| Company Name                      | Related Party              | Service Capacity                          | Relationship   | 2021 R         | 2020 R           |
|-----------------------------------|----------------------------|---|--|----------------|------------------|
| Suave Unlocked Pty Ltd            | A. Oliphant                | Communications Officer                    | Brother of Communications officer                    | 58 000         | 238 970          |
| GH Towing                         | N. Wolmerans / I Malgas    | Disaster Management Officers              | Disaster Management Officers Brother                 | 178 195        | 42 910           |
| Bridgton Autospare                | H Trimm                    | Traffic Officer                           | Brother of a Traffic Officer                         |                | 4 915            |
| Transform Construction            | I. Malgas                  | Disaster Management Officers              | Disaster Management officer, sister-in-law of owners | 245 904        | 396 827          |
| Gemini Projects                   | I Malgas                   | Disaster Management Officers              | Disaster Management, sister-in-law of owners         | -              | 116 289          |
| Marita Serfontein - TD 01/04/2020 | Spouse of Service Provider | Employee in South African Police Services | Spouse   | -              | 160 250          |
| Nandipha Belinda Ngalo            | M. Ngalo                   | Employee                                  | Cousin of the owner                                  | -              | 125 290          |
|                                   |                            |   |  | <b>482 099</b> | <b>1 085 451</b> |

**53. FINANCIAL SUSTAINABILITY**

There has been a markable improvement in both the financial position and financial performance since the 2015/2016 financial year and through the subsequent financial years since the administration was lifted after the Local Government elections of 2016. Various cost savings initiatives, revenue enhancement, and debt collection efforts have aided in the improvement of the financial performance as well as the liquidity position of the municipality. The strengthening of financial and other internal controls have also aided in the financial recovery process of the municipality. Senior personnel are enforcing financial strategies and strict financial controls aimed at further improving accountability and reducing unnecessary expenditure also ensuring that more care is taken by the sub-ordinate managers and staff members in general, in the utilization of municipal resources.

Oudtshoorn Municipality is in no way immune to the harsh economic realities as a result of the COVID-19 pandemic. As far possible, the Municipality factored in the effect the lockdown levels had on its economic environment. At this stage, the uncertainty still remains as to how long the pandemic will remain and how long the economy will take to recover from the lockdowns levels.

The Municipality incurred costs amounting to R11 675 592 (2020 - R1 236 643) in the fight against the COVID-19 pandemic of which R11 378 100 (2020 - R602 900) was grant funded. The remaining expenditure was funded by the Municipality.

Management is therefore of the opinion that the municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

**Financial Indicators**

The following challenges are an indication of the risk relating to going concern:

- The current assets to current liabilities ratio is 1.66:1 which within the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
- Improvement on the 1.26:1 reported in the prior year, but the ratio remains at risk and marginally within the norm
- A consecutive surplus was realized from the comparative year.
- Debtors payment ratio declined from 92.5% in 2020 to 92% in 2021. The decline in the debt recovery ratio is evident of the negative impact of the Covid 19 lock-down period. Management regards this as short-term in nature and it has no severe impact on the municipality to perform as a going concern.

**Other Indicators**

Possible outflow of recourses due the contingent liabilities disclosed in note 50.



**APPENDIX A**  
**OUTSHOORN LOCAL MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2021**

| EXTERNAL LOANS                                  | Rate   | Loan Number       | Redeemable | Balance at 30 June 2020 | Received during the period | Redeemed written off during the period | Balance at 30 June 2021 |
|---|--------|-------------------|------------|-------------------------|----------------------------|--|-------------------------|
| <b>ANNUITY LOANS</b>                            |        |                   |            |                         |                            |  |                         |
| Standard Bank                                   | 12.65% | 330071688         | 2021/06    | 3 524 595               | -                          | (3 524 595)                            | 0                       |
| Standard Bank                                   | 11.09% | 061134732         | 2022/12/31 | 2 666 852               | -                          | (981 337)                              | 1 685 515               |
| Standard Bank                                   | 11.70% | 302786511         | 2023/06/20 | 11 605 981              | -                          | (3 435 913)                            | 8 170 068               |
| Standard Bank                                   | 7.65%  | 009733922         | 2029/12/31 | 18 000 000              | -                          | (1 246 966)                            | 16 753 034              |
| Standard Bank                                   | 5.80%  |                   | 2031/12/31 |                         | 16 500 000                 |  | 16 500 000              |
| FNB   | 11.97% | 4-000-022-701-624 | 2016/06    | 812 961                 |                            | (812 961)                              | 0                       |
| Development Bank of SA                          |        |                   |            |                         |                            |  | -                       |
| Urban Infrastructure Project 10608/1            | 14.00% | 10608/1'01        | 2017/06    | 3 553 116               |                            | (758 176)                              | 2 794 940               |
| Multiple Infrastructure 101096/2                | 10.16% | 101096/2          | 2019/12    | 1 302 632               |                            | (236 842)                              | 1 065 790               |
| Multiple Infrastructure 101647/3                | 6.88%  | 101647/3          | 2015/06    | 3 184 211               |                            | (578 947)                              | 2 605 264               |
| Infrastructure 102003/1                         | 6.56%  | 102003/1          | 2025/12    | 1 819 559               |                            | (303 260)                              | 1 516 299               |
| Electricity And Water 102292/2                  | 6.59%  | 102292/2          | 2016/06    | 116 843                 | -                          | (116 843)                              | (0)                     |
| Deep Aquifer Hydrogeological 13774              | 15.67% | 13774             | 2021/06    | 1 517 731               | -                          | (216 819)                              | 1 300 913               |
| <b>Total Annuity Loans</b>                      |        |                   |            | <b>48 104 482</b>       | <b>16 500 000</b>          | <b>(12 212 659)</b>                    | <b>52 391 823</b>       |
| <b>LEASE LIABILITY</b>                          |        |                   |            |                         |                            |  |                         |
| Toyota Hilux 2.4 GD-6 RB SRX CG 24657           | 10.00% |                   | 2021/02/28 | 49 762                  |                            | (49 762)                               | 0                       |
| Ford Ranger 2.2tdci L/r P/u S/c Cg 30855        | 10.25% |                   | 2022/05/31 | 133 019                 |                            | (66 153)                               | 66 866                  |
| Ford Ranger 2.2tdci L/r P/u S/c Cg 29680        | 10.25% |                   | 2022/05/31 | 133 019                 |                            | (66 153)                               | 66 866                  |
| Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33999    | 10.25% |                   | 2022/05/31 | 92 551                  |                            | (46 027)                               | 46 524                  |
| Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33996    | 10.25% |                   | 2022/05/31 | 92 558                  |                            | (46 029)                               | 46 528                  |
| Ford Figio 1.5ti Vct Ambiente (5dr) Cg 31834    | 10.25% |                   | 2022/05/31 | 92 556                  |                            | (46 029)                               | 46 526                  |
| Ford Ranger 2.2tdci Xl 4*4 P/u Sup/cab Cg 34001 | 10.25% |                   | 2022/06/30 | 226 928                 |                            | (107 679)                              | 119 249                 |
| Ford Ranger 2.2tdci L/r P/u S/c Cg 32359        | 10.25% |                   | 2022/05/31 | 133 019                 |                            | (66 153)                               | 66 866                  |
| Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 32597     | 10.25% |                   | 2022/05/31 | 211 486                 |                            | (105 176)                              | 106 310                 |
| Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 34003     | 10.25% |                   | 2022/05/31 | 211 486                 |                            | (105 176)                              | 106 310                 |
| Ford Ranger 2.2tdci L/r P/u S/c Cg 34006        | 10.25% |                   | 2022/05/31 | 133 019                 |                            | (66 153)                               | 66 866                  |
| Ford Ranger 2.2tdci L/r P/u S/c Cg 33895        | 10.25% |                   | 2022/05/31 | 133 019                 |                            | (66 153)                               | 66 866                  |
| Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 34007     | 10.25% |                   | 2022/05/31 | 209 356                 |                            | (104 116)                              | 105 240                 |
| Ford Ranger 2.2tdci L/r P/u S/c Cg 34012        | 10.25% |                   | 2022/05/31 | 133 019                 |                            | (66 153)                               | 66 866                  |
| Suzuki Ertiga 1.5 Ga Cg 20395                   | 10.25% |                   | 2022/05/31 | 138 278                 |                            | (68 768)                               | 69 510                  |
| UD TRUCKS CRONER PKE 250 TIPPER CG 18771        | 10.25% |                   | 2022/06    | 404 171                 |                            | (191 781)                              | 212 389                 |
| UD TRUCKS CRONER PKE 250 TIPPER CG 31467        | 10.25% |                   | 2022/06    | 822 084                 |                            | (390 084)                              | 432 000                 |
| ISUZU TRUCKS N SERIES NPR 400 CREW CAB AMT      | 10.25% |                   | 2022/07    | 280 729                 |                            | (127 318)                              | 153 411                 |
|   |        |                   |            | -                       | -                          | -                                      | -                       |
| <b>Total Lease Liabilities</b>                  |        |                   |            | <b>3 630 058</b>        | <b>-</b>                   | <b>(1 784 861)</b>                     | <b>1 845 197</b>        |
| <b>TOTAL EXTERNAL LOANS</b>                     |        |                   |            | <b>51 734 539</b>       | <b>16 500 000</b>          | <b>(13 997 520)</b>                    | <b>54 237 019</b>       |



**APPENDIX B**  
**OUTSHOORN LOCAL MUNICIPALITY**  
**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

| Grant Description   | Balance<br>30 June 2020 | Restated<br>Balance<br>30 June 2020 | Contributions<br>during the year | Repaid<br>to<br>National<br>Revenue<br>Fund | Operating<br>Expenditure<br>during the year<br>Transferred<br>to Revenue | Capital<br>Expenditure<br>during the year<br>Transferred<br>to Revenue | Balance<br>30 June 2021 | Unspent<br>30 June 2021<br>(Creditor) | Unpaid<br>30 June 2021<br>(Debtor) |
|---|-------------------------|-------------------------------------|----------------------------------|---|--|--|-------------------------|---------------------------------------|------------------------------------|
| <b><u>National Government Grants</u></b>                      |                         |                                     |                                  |   |  |  |                         |                                       |                                    |
| Equitable Share   | -                       | -                                   | 89 790 000                       | -   | (89 790 000)   | -  | -                       | -                                     | -                                  |
| Local Government Financial Management Grant                   | (0)                     | (0)                                 | 2 517 000                        | -   | (2 517 000)  | -  | (0)                     | -                                     | (0)                                |
| Municipal Infrastructure Grant                                | 4 544 048               | 4 544 048                           | 21 362 000                       | -   | (870 996)  | (24 428 052)   | 607 000                 | 607 000                               | -                                  |
| Integrated National Electrification Grant                     | 0                       | 0                                   | 3 000 000                        | -   | -  | (379 916)  | 2 620 084               | 2 620 084                             | -                                  |
| Regional Bulk Infrastructure Grant - Department of Water Affa | 1 613 986               | 1 613 986                           | -                                | -   | -  | -  | 1 613 986               | 1 613 986                             | -                                  |
| Extended Public Works Program                                 | -                       | -                                   | 2 243 000                        | -   | (2 243 000)  | -  | -                       | -                                     | -                                  |
| Water services Infrastructure Grant                           | 31 024 965              | 31 024 965                          | 10 000 000                       | (9 500 000)                                 | -  | (31 524 965)   | (0)                     | -                                     | (0)                                |
| Disaster Relief Grant   | 156 100                 | 156 100                             | -                                | -   | (156 100)  | -  | -                       | -                                     | -                                  |
| Water Macro Planning  | 0                       | 0                                   | -                                | -   | -  | -  | 0                       | 0                                     | -                                  |
| <b>Total National Government Grants</b>                       | <b>37 339 099</b>       | <b>37 339 099</b>                   | <b>128 912 000</b>               | <b>(9 500 000)</b>                          | <b>(95 577 096)</b>  | <b>(56 332 934)</b>  | <b>4 841 069</b>        | <b>4 841 070</b>                      | <b>(1)</b>                         |
| <b><u>Provincial Government Grants</u></b>                    |                         |                                     |                                  |   |  |  |                         |                                       |                                    |
| CDW operational support grant                                 | -                       | -                                   | 56 000                           | -   | (56 000)   | -  | -                       | -                                     | -                                  |
| Library Services  | 0                       | 0                                   | 7 128 000                        | -   | (7 126 810)  | (1 190)  | (0)                     | -                                     | (0)                                |
| Rosevalley Library Grant                                      | 8 143 915               | 8 143 915                           | -                                | -   | -  | (1 941 680)  | 6 202 235               | 6 202 235                             | -                                  |
| Integrating Housing Settlement Grant                          | 6 625 633               | 6 625 633                           | 2 725 470                        | (8 870 256)                                 | (480 846)  | -  | 0                       | 0                                     | -                                  |
| Emergency Housing Programm                                    | (2 000 000)             | (2 000 000)                         | 2 000 000                        | -   | -  | -  | -                       | -                                     | -                                  |
| Maintenance Main Road Subsidy                                 | -                       | -                                   | 125 000                          | -   | (125 000)  | -  | (0)                     | -                                     | (0)                                |
| WC Municipal Financial Management Capacity Building Gran      | 134 184                 | 134 184                             | 300 000                          | -   | (434 184)  | -  | -                       | -                                     | -                                  |
| Municipal Service Delivery and Capacity Building grant        | 120 000                 | 120 000                             | -                                | -   | (39 271)   | (80 729)   | -                       | -                                     | -                                  |
| Local Government Graduate Internship Grant                    | 92 578                  | 92 578                              | -                                | (12 578)                                    | (80 000)   | -  | 0                       | 0                                     | -                                  |
| Fire Service Capacity Building Grant                          | 177 577                 | 177 577                             | -                                | -   | -  | (177 577)  | 0                       | 0                                     | -                                  |
| Airport Infrastructure Grant                                  | 875 303                 | 875 303                             | -                                | -   | -  | (875 303)  | (0)                     | -                                     | (0)                                |
| <b>Total Provincial Government Grants</b>                     | <b>14 169 190</b>       | <b>14 169 190</b>                   | <b>12 334 469</b>                | <b>(8 882 835)</b>                          | <b>(8 342 111)</b>   | <b>(3 076 479)</b>   | <b>6 202 235</b>        | <b>6 202 235</b>                      | <b>(1)</b>                         |
| <b>Total Grants</b>   | <b>51 508 289</b>       | <b>51 508 289</b>                   | <b>141 246 469</b>               | <b>(18 382 835)</b>                         | <b>(103 919 207)</b>   | <b>(59 409 413)</b>  | <b>11 043 304</b>       | <b>11 043 305</b>                     | <b>(2)</b>                         |

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received.

MUN - Reconciliation of Table A1 Budget Summary

| Description  | 2020/21         |  |                          |                 |                          |                  |                                     |  | 2019/20                  |
|--|-----------------|--|--------------------------|-----------------|--------------------------|------------------|-------------------------------------|--|--------------------------|
|  | Original Budget | Budget Adjustments<br>(i.t.o. MFMA s28 ) | Final adjustments budget | Actual Outcome  | Unauthorised expenditure | Variance         | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
|  | 1               | 2  | 3                        | 4               | 5                        | 6                | 7                                   | 8                                      | 12                       |
| <b>R thousands</b>   |                 |  |                          |                 |                          |                  |                                     |  |                          |
| <b>Financial Performance</b>   |                 |  |                          |                 |                          |                  |                                     |  |                          |
| Property rates   | 98 078          | (72)                                     | 98 005                   | 97 889          |                          | (117)            | 99.9%                               | 99.8%                                  | 92 909                   |
| Service charges  | 379 843         | (18 787)                                 | 361 056                  | 352 602         |                          | (8 454)          | 97.7%                               | 92.8%                                  | 340 097                  |
| Investment revenue   | 10 901          | (5 249)                                  | 5 651                    | 5 749           |                          | 97               | 101.7%                              | 52.7%                                  | 10 999                   |
| Transfers recognised - operational                                   | 96 292          | 12 007                                   | 108 299                  | 103 919         |                          | (4 380)          | 96.0%                               | 107.9%                                 | 94 712                   |
| Other own revenue  | 34 289          | (11 302)                                 | 22 987                   | 71 597          |                          | 48 609           | 311.5%                              | 208.8%                                 | 60 390                   |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>619 403</b>  | <b>(23 404)</b>                          | <b>595 999</b>           | <b>631 755</b>  |                          | <b>35 756</b>    | <b>106.0%</b>                       | <b>102.0%</b>                          | <b>599 108</b>           |
| Employee costs   | 266 090         | (6 076)                                  | 260 013                  | 254 446         | -                        | (5 568)          | 97.9%                               | 95.6%                                  | 250 142                  |
| Remuneration of councillors  | 11 303          | 508                                      | 11 812                   | 10 983          | -                        | (829)            | 93.0%                               | 97.2%                                  | 11 213                   |
| Depreciation & asset impairment                                      | 43 172          | (1 526)                                  | 41 646                   | 40 313          | -                        | (1 334)          | 96.8%                               | 93.4%                                  | 32 420                   |
| Finance charges  | 5 911           | (514)                                    | 5 396                    | 5 592           | -                        | 195              | 103.6%                              | 94.6%                                  | 6 448                    |
| Materials and bulk purchases   | 204 768         | (1 572)                                  | 203 196                  | 195 735         | -                        | (7 461)          | 96.3%                               | 95.6%                                  | 185 286                  |
| Transfers and grants   | 6 193           | (2 430)                                  | 3 763                    | 1 901           | -                        | (1 862)          | 50.5%                               | 30.7%                                  | 4 717                    |
| Other expenditure  | 119 694         | (5 921)                                  | 113 773                  | 101 315         | -                        | (12 458)         | 89.1%                               | 84.6%                                  | 118 246                  |
| <b>Total Expenditure</b>   | <b>657 130</b>  | <b>(17 530)</b>                          | <b>639 600</b>           | <b>610 285</b>  | <b>-</b>                 | <b>(29 315)</b>  | <b>95.4%</b>                        | <b>92.9%</b>                           | <b>608 471</b>           |
| <b>Surplus/(Deficit)</b>   | <b>(37 728)</b> | <b>(5 873)</b>                           | <b>(43 601)</b>          | <b>21 470</b>   |                          | <b>65 071</b>    | <b>-49.2%</b>                       | <b>-56.9%</b>                          | <b>(9 364)</b>           |
| Transfers recognised - capital                                       | 64 464          | 4 383                                    | 68 847                   | 59 409          |                          | (9 438)          | 86.3%                               | 92.2%                                  | 63 182                   |
| Contributions recognised - capital & contributed assets              | -               | -  | -                        | -               |                          | -                |                                     |  | -                        |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>26 737</b>   | <b>(1 490)</b>                           | <b>25 246</b>            | <b>80 880</b>   |                          | <b>55 634</b>    | <b>320.4%</b>                       | <b>302.5%</b>                          | <b>53 818</b>            |
| Share of surplus/ (deficit) of associate                             | -               | -  | -                        | -               |                          | -                |                                     |  | -                        |
| <b>Surplus/(Deficit) for the year</b>                                | <b>-</b>        | <b>-</b>                                 | <b>-</b>                 | <b>-</b>        |                          | <b>-</b>         |                                     |  | <b>-</b>                 |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |  |                          |                 |                          |                  |                                     |  |                          |
| <b>Capital expenditure</b>   | <b>82 644</b>   | <b>23 395</b>                            | <b>106 039</b>           | <b>76 761</b>   |                          |                  |                                     |  | <b>73 370</b>            |
| Transfers recognised - capital                                       | 56 056          | 5 563                                    | 61 619                   | 52 000          |                          | (9 619)          | 84.4%                               | 92.8%                                  | 55 500                   |
| Public contributions & donations                                     |                 | -  |                          |                 |                          | -                |                                     |  | 62                       |
| Borrowing  | 16 500          | 11 212                                   | 27 712                   | 15 643          |                          | (12 068)         | 56.5%                               | 94.8%                                  | 8 670                    |
| Internally generated funds   | 10 088          | 6 620                                    | 16 708                   | 9 117           |                          | (7 591)          | 54.6%                               | 90.4%                                  | 9 138                    |
| <b>Total sources of capital funds</b>                                | <b>82 644</b>   | <b>23 395</b>                            | <b>106 039</b>           | <b>76 761</b>   |                          | <b>(29 278)</b>  |                                     |  | <b>73 370</b>            |
| <b>Cash flows</b>  |                 |  |                          |                 |                          |                  |                                     |  |                          |
| Net cash from (used) operating                                       | 67 946          | (36 449)                                 | 31 497                   | 12 438          |                          | (19 059)         | 39.5%                               | 18.3%                                  | 123 636                  |
| Net cash from (used) investing                                       | (81 661)        | (23 414)                                 | (105 075)                | (76 761)        |                          | 28 314           | 73.1%                               | 94.0%                                  | (70 896)                 |
| Net cash from (used) financing                                       | 224             | 11 254                                   | 11 478                   | 2 502           |                          | (8 976)          | 21.8%                               | 1117.1%                                | 1 898                    |
| <b>Cash/cash equivalents at the year end</b>                         | <b>83 704</b>   | <b>31 983</b>                            | <b>115 687</b>           | <b>(61 820)</b> |                          | <b>(177 508)</b> | <b>-53.4%</b>                       | <b>-73.9%</b>                          | <b>52 141</b>            |

| MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification) |                 |   |                          |                |                          |   |                                     |  |                          |
|--|-----------------|---|--------------------------|----------------|--------------------------|---|-------------------------------------|--|--------------------------|
| Description  | 2020/21         |   |                          |                |                          |   |                                     |  | 2019/20                  |
|  | Original Budget | Budget Adjustments<br>(i.t.o. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance of Actual Outcome against Adjustments Budget | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
| R thousand   | 1               | 2                                       | 3                        | 4              | 5                        | 6   | 7                                   | 8                                      | 12                       |
| <b>Revenue - Standard</b>  |                 |   |                          |                |                          |   |                                     |  |                          |
| <b>Governance and administration</b>   | 170 554         | 1 091                                   | 171 645                  | 171 367        |                          | (278)   | 0.0%                                | 0.0%                                   | 170 419                  |
| Executive and council  | 69 141          | 99                                      | 69 239                   | 70 156         |                          | 917   | 101.3%                              | 101.5%                                 | 72 512                   |
| Finance and administration   | 101 413         | 992                                     | 102 406                  | 101 212        |                          | (1 194)   | 98.8%                               | 99.8%                                  | 97 906                   |
| <b>Community and public safety</b>   | 24 091          | 3 768                                   | 27 859                   | 62 992         |                          | 35 133  | 226.1%                              | 261.5%                                 | 36 928                   |
| Community and social services  | 7 128           | 8 264                                   | 15 392                   | 9 198          |                          | (6 193)   | 59.8%                               | 129.0%                                 | 6 669                    |
| Sport and recreation   | 1 330           | (1 130)                                 | 200                      | 110            |                          | (90)  | 54.9%                               | 8.3%                                   | 1 265                    |
| Public safety  | 10 751          | (3 366)                                 | 7 385                    | 53 203         |                          | 45 818  | 720.4%                              | 494.9%                                 | 17 425                   |
| Housing  | 4 882           | -                                       | 4 882                    | 481            |                          | (4 401)   | 9.8%                                | 9.8%                                   | 11 569                   |
| <b>Economic and environmental services</b>   | 23 995          | 5 040                                   | 29 035                   | 28 542         |                          | (493)   | 98.3%                               | 119.0%                                 | 21 279                   |
| Planning and development   |                 | 761                                     | 761                      | 875            |                          | 114   | 115.0%                              | 0.0%                                   | 1 348                    |
| Road transport   | 23 995          | 4 279                                   | 28 274                   | 27 667         |                          | (607)   | 97.9%                               | 115.3%                                 | 19 931                   |
| <b>Trading services</b>  | 465 227         | (28 920)                                | 436 307                  | 428 263        |                          | (8 044)   | 98.2%                               | 92.1%                                  | 420 077                  |
| Energy Sources   | 271 763         | (11 884)                                | 259 879                  | 249 897        |                          | (9 982)   | 96.2%                               | 92.0%                                  | 243 586                  |
| Water Management   | 118 388         | (17 085)                                | 101 303                  | 103 579        |                          | 2 276   | 102.2%                              | 87.5%                                  | 104 952                  |
| Waste water management   | 45 914          | (577)                                   | 45 337                   | 45 798         |                          | 461   | 101.0%                              | 99.7%                                  | 43 439                   |
| Waste management   | 29 162          | 626                                     | 29 788                   | 28 988         |                          | (799)   | 97.3%                               | 99.4%                                  | 28 099                   |
| <b>Other</b>   | -               | -                                       | -                        | -              |                          | -   | 0.0%                                | 0.0%                                   | -                        |
| <b>Total Revenue - Standard</b>  | <b>683 867</b>  | <b>(19 021)</b>                         | <b>664 846</b>           | <b>691 165</b> |                          | <b>26 318</b>   | <b>104.0%</b>                       | <b>101.1%</b>                          | <b>648 702</b>           |
| <b>Expenditure - Standard</b>  |                 |   |                          |                |                          |   |                                     |  |                          |
| <b>Governance and administration</b>   | 164 987         | (13 010)                                | 151 976                  | 141 896        | -                        | (10 080)  | 93.4%                               | 86.0%                                  | 131 906                  |
| Executive and council  | 79 305          | (9 125)                                 | 70 180                   | 68 453         | -                        | (1 727)   | 97.5%                               | 86.3%                                  | 61 662                   |
| Finance and administration   | 83 183          | (3 910)                                 | 79 273                   | 71 001         | -                        | (8 272)   | 89.6%                               | 85.4%                                  | 68 360                   |
| Internal audit   | 2 499           | 24                                      | 2 523                    | 2 442          | -                        | (81)  | 96.8%                               | 97.7%                                  | 1 884                    |
| <b>Community and public safety</b>   | 114 327         | (2 191)                                 | 112 137                  | 104 192        | -                        | (7 945)   | 92.9%                               | 91.1%                                  | 104 932                  |
| Community and social services  | 21 187          | 2 015                                   | 23 202                   | 22 283         | -                        | (919)   | 96.0%                               | 105.2%                                 | 21 079                   |
| Sport and recreation   | 39 646          | (1 035)                                 | 38 611                   | 32 412         | -                        | (6 198)   | 83.9%                               | 81.8%                                  | 33 025                   |
| Public safety  | 37 064          | (3 741)                                 | 33 323                   | 37 705         | -                        | 4 382   | 113.1%                              | 101.7%                                 | 36 253                   |
| Housing  | 16 431          | 569                                     | 17 000                   | 11 791         | -                        | (5 209)   | 69.4%                               | 71.8%                                  | 14 575                   |
| <b>Economic and environmental services</b>   | 62 895          | (4 572)                                 | 58 322                   | 54 593         | -                        | (3 729)   | 93.6%                               | 86.8%                                  | 53 272                   |
| Planning and development   | 22 652          | (1 252)                                 | 21 400                   | 19 177         | -                        | (2 223)   | 89.6%                               | 84.7%                                  | 20 326                   |
| Road transport   | 40 243          | (3 320)                                 | 36 923                   | 35 417         | -                        | (1 506)   | 95.9%                               | 88.0%                                  | 32 947                   |
| <b>Trading services</b>  | 314 922         | 2 243                                   | 317 165                  | 309 604        | -                        | (7 560)   | 97.6%                               | 98.3%                                  | 304 773                  |
| Energy Sources   | 213 265         | (2)                                     | 213 263                  | 211 021        | -                        | (2 242)   | 98.9%                               | 98.9%                                  | 202 345                  |
| Water Management   | 45 081          | 5 768                                   | 50 849                   | 53 466         | -                        | 2 617   | 105.1%                              | 118.6%                                 | 50 695                   |
| Waste water management   | 27 742          | (1 485)                                 | 26 257                   | 24 271         | -                        | (1 986)   | 92.4%                               | 87.5%                                  | 26 069                   |
| Waste management   | 28 834          | (2 038)                                 | 26 796                   | 20 846         | -                        | (5 950)   | 77.8%                               | 72.3%                                  | 25 664                   |
| <b>Other</b>   | -               | -                                       | -                        | -              | -                        | -   | 0.0%                                | 0.0%                                   | -                        |
| <b>Total Expenditure - Standard</b>  | <b>657 130</b>  | <b>(17 530)</b>                         | <b>639 600</b>           | <b>610 285</b> | <b>-</b>                 | <b>(29 315)</b>                                       | <b>95.4%</b>                        | <b>92.9%</b>                           | <b>594 884</b>           |
| <b>Surplus/(Deficit) for the year</b>  | <b>26 737</b>   | <b>(1 490)</b>                          | <b>25 246</b>            | <b>80 880</b>  | <b>-</b>                 | <b>55 634</b>   | <b>320.4%</b>                       | <b>302.5%</b>                          | <b>53 818</b>            |

MUN - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description<br><br>R thousand    | 2020/21         |                                      |                          |                |                          |   |                                     |  | 2019/20                  |
|---------------------------------------|-----------------|--------------------------------------|--------------------------|----------------|--------------------------|---|-------------------------------------|--|--------------------------|
|                                       | Original Budget | Budget Adjustments (i.t.o. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance of Actual Outcome against Adjustments Budget | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
|                                       | 1               | 2                                    | 3                        | 4              | 5                        | 6   | 7                                   | 8                                      | 12                       |
| <b>Revenue by Vote</b>                |                 |                                      |                          |                |                          |   |                                     |  |                          |
| Executive & Council                   | 57 576          | 5 644                                | 63 220                   | 65 398         |                          | 2 178   | 103.4%                              | 113.6%                                 | 56 281                   |
| Municipal Manager                     | 11 565          | (5 546)                              | 6 019                    | 4 758          |                          | (1 261)   | 79.0%                               | 41.1%                                  | 16 231                   |
| Corporate Services                    | 819             | 366                                  | 1 185                    | 890            |                          | (295)   | 75.1%                               | 108.7%                                 | 1 519                    |
| Financial Services                    | 100 595         | 627                                  | 101 221                  | 100 322        |                          | (899)   | 99.1%                               | 99.7%                                  | 96 387                   |
| Community and Public Safety           | 48 371          | 4 394                                | 52 765                   | 91 500         |                          | 38 735  | 173.4%                              | 189.2%                                 | 53 457                   |
| Technical Services                    | 460 060         | (25 267)                             | 434 793                  | 426 941        |                          | (7 852)   | 98.2%                               | 92.8%                                  | 411 909                  |
| Human Settlement                      | 4 882           | -                                    | 4 882                    | 481            |                          | (4 401)   | 9.8%                                | 9.8%                                   | 11 569                   |
| Strategic Services                    | -               | 761                                  | 761                      | 875            |                          | 114   | 115.0%                              | 100.0%                                 | 1 348                    |
| <b>Total Revenue by Vote</b>          | <b>683 867</b>  | <b>(19 021)</b>                      | <b>664 846</b>           | <b>691 165</b> |                          | <b>-</b>  | <b>104.0%</b>                       | <b>101.1%</b>                          | <b>648 702</b>           |
| <b>Expenditure by Vote</b>            |                 |                                      |                          |                |                          |   |                                     |  |                          |
| Executive & Council                   | 59 883          | (7 413)                              | 52 471                   | 51 610         | -                        | (861)   | 98.4%                               | 86.2%                                  | 44 883                   |
| Municipal Manager                     | 22 918          | (1 684)                              | 21 233                   | 20 238         | -                        | (995)   | 95.3%                               | 88.3%                                  | 19 527                   |
| Corporate Services                    | 26 905          | 562                                  | 27 467                   | 24 215         | -                        | (3 252)   | 88.2%                               | 90.0%                                  | 25 100                   |
| Financial Services                    | 52 036          | (4 778)                              | 47 258                   | 41 724         | -                        | (5 534)   | 88.3%                               | 80.2%                                  | 39 169                   |
| Community and Public Safety           | 126 730         | (4 798)                              | 121 932                  | 113 246        | -                        | (8 685)   | 92.9%                               | 89.4%                                  | 116 021                  |
| Technical Services                    | 329 575         | 1 263                                | 330 838                  | 328 283        | -                        | (2 555)   | 99.2%                               | 99.6%                                  | 315 283                  |
| Human Settlement                      | 16 431          | 569                                  | 17 000                   | 11 791         | -                        | (5 209)   | 69.4%                               | 71.8%                                  | 14 575                   |
| Strategic Services                    | 22 652          | (1 252)                              | 21 400                   | 19 177         | -                        | (2 223)   | 89.6%                               | 84.7%                                  | 20 326                   |
| <b>Total Expenditure by Vote</b>      | <b>657 130</b>  | <b>(17 530)</b>                      | <b>639 600</b>           | <b>610 285</b> | <b>-</b>                 | <b>-</b>  | <b>95.4%</b>                        | <b>92.9%</b>                           | <b>594 884</b>           |
| <b>Surplus/(Deficit) for the year</b> | <b>26 737</b>   | <b>(1 490)</b>                       | <b>25 246</b>            | <b>80 880</b>  |                          | <b>-</b>  | <b>320.4%</b>                       | <b>302.5%</b>                          | <b>53 818</b>            |

| MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure) |                 |                                      |                          |                 |                          |                 |                                     |  |                          |
|---|-----------------|--------------------------------------|--------------------------|-----------------|--------------------------|-----------------|-------------------------------------|--|--------------------------|
| Description   | 2020/21         |                                      |                          |                 |                          |                 |                                     |  | 2019/20                  |
|   | Original Budget | Budget Adjustments (i.t.o. MFMA s28) | Final adjustments budget | Actual Outcome  | Unauthorised expenditure | Variance        | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
| R thousand  |                 |                                      |                          |                 |                          |                 |                                     |  |                          |
| <b>Revenue By Source</b>  |                 |                                      |                          |                 |                          |                 |                                     |  |                          |
| Property rates  | 98 078          | (72)                                 | 98 005                   | 97 889          |                          | (117)           | 99.9%                               | 99.8%                                  | 92 909                   |
| Service charges - electricity revenue   | 259 159         | (11 340)                             | 247 819                  | 241 796         |                          | (6 023)         | 97.6%                               | 93.3%                                  | 337 578                  |
| Service charges - water revenue   | 65 574          | (8 005)                              | 57 568                   | 59 083          |                          | 1 515           | 102.6%                              | 90.1%                                  | -                        |
| Service charges - sanitation revenue  | 35 908          | (291)                                | 35 618                   | 35 285          |                          | (332)           | 99.1%                               | 98.3%                                  | -                        |
| Service charges - refuse revenue  | 19 202          | 849                                  | 20 051                   | 19 294          |                          | (757)           | 96.2%                               | 100.5%                                 | -                        |
| Rental of facilities and equipment  | 2 214           | (584)                                | 1 630                    | 1 522           |                          | (108)           | 100.0%                              | 100.0%                                 | 2 574                    |
| Interest earned - external investments  | 10 901          | (5 249)                              | 5 651                    | 5 749           |                          | 97              | 101.7%                              | 52.7%                                  | 10 999                   |
| Interest earned - outstanding debtors   | 4 992           | (2 582)                              | 2 410                    | 3 258           |                          | 849             | 135.2%                              | 65.3%                                  | 4 732                    |
| Dividends received  | -               | -                                    | -                        | -               |                          | -               | 0.0%                                | 0.0%                                   | -                        |
| Fines   | 6 476           | (4 286)                              | 2 190                    | 8 341           |                          | 6 151           | 380.8%                              | 128.8%                                 | 12 303                   |
| Licences and permits  | 353             | -                                    | 353                      | -               |                          | (353)           | 0.0%                                | 0.0%                                   | -                        |
| Agency services   | 4 218           | 800                                  | 5 018                    | 6 086           |                          | 1 068           | 121.3%                              | 144.3%                                 | 4 883                    |
| Transfers recognised - operational  | 96 292          | 12 007                               | 108 299                  | 103 919         |                          | (4 380)         | 96.0%                               | 107.9%                                 | 103 919                  |
| Other revenue   | 16 036          | (4 650)                              | 11 386                   | 10 466          |                          | (920)           | 91.9%                               | 65.3%                                  | 29 149                   |
| Gains on disposal of PPE  | -               | -                                    | -                        | -               |                          | -               | -                                   | -                                      | -                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b>                      | <b>619 403</b>  | <b>(23 404)</b>                      | <b>595 999</b>           | <b>592 688</b>  |                          | <b>(3 310)</b>  | <b>99.4%</b>                        | <b>95.7%</b>                           | <b>599 046</b>           |
| <b>Expenditure By Type</b>  |                 |                                      |                          |                 |                          |                 |                                     |  |                          |
| Employee related costs  | 266 090         | (6 076)                              | 260 013                  | 254 446         | -                        | (5 568)         | 97.9%                               | 95.6%                                  | 250 142                  |
| Remuneration of councillors   | 11 303          | 508                                  | 11 812                   | 10 983          | -                        | (829)           | 93.0%                               | 97.2%                                  | 11 213                   |
| Debt impairment   | 22 351          | (1 590)                              | 20 761                   | 21 954          | -                        | 1 193           | 105.7%                              | 98.2%                                  | 37 467                   |
| Depreciation & asset impairment   | 43 172          | (1 526)                              | 41 646                   | 40 313          | -                        | (1 334)         | 96.8%                               | 93.4%                                  | 43 446                   |
| Finance charges   | 5 911           | (514)                                | 5 396                    | 5 592           | -                        | 195             | 103.6%                              | 94.6%                                  | 6 448                    |
| Bulk purchases  | 182 714         | (1 988)                              | 180 727                  | 176 490         | -                        | (4 237)         | 97.7%                               | 96.6%                                  | 169 110                  |
| Other materials   | 22 054          | 415                                  | 22 469                   | 19 245          | -                        | (3 224)         | 85.7%                               | 87.3%                                  | 16 651                   |
| Contracted services   | 38 593          | (6 447)                              | 32 146                   | 21 395          | -                        | (10 751)        | 66.6%                               | 55.4%                                  | 22 770                   |
| Transfers and grants  | 6 193           | (2 430)                              | 3 763                    | 1 901           | -                        | (1 862)         | 50.5%                               | 30.7%                                  | 4 717                    |
| Other expenditure   | 58 750          | 2 116                                | 60 866                   | 56 880          | -                        | (3 986)         | 93.5%                               | 96.8%                                  | 46 201                   |
| Loss on disposal of PPE   | -               | -                                    | -                        | 1 086           | -                        | 1 086           | -                                   | -                                      | 307                      |
| <b>Total Expenditure</b>  | <b>657 130</b>  | <b>(17 530)</b>                      | <b>639 600</b>           | <b>610 285</b>  | <b>-</b>                 | <b>(29 315)</b> | <b>95.4%</b>                        | <b>92.9%</b>                           | <b>608 471</b>           |
| <b>Surplus/(Deficit)</b>  | <b>(37 728)</b> | <b>(5 873)</b>                       | <b>(43 601)</b>          | <b>(17 596)</b> |                          | <b>26 005</b>   | <b>40.4%</b>                        | <b>46.6%</b>                           | <b>(9 426)</b>           |
| Transfers recognised - capital  | 64 464          | 4 383                                | 68 847                   | 59 409          |                          | (9 438)         | 86.3%                               | 92.2%                                  | 63 182                   |
| Contributions recognised - capital  | -               | -                                    | -                        | -               |                          | -               | -                                   | -                                      | -                        |
| Contributed assets  | -               | -                                    | -                        | 39 067          |                          | 39 067          | -                                   | -                                      | 62                       |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>                      | <b>26 737</b>   | <b>(1 490)</b>                       | <b>25 246</b>            | <b>80 880</b>   |                          | <b>55 634</b>   | <b>320.4%</b>                       | <b>302.5%</b>                          | <b>53 818</b>            |

MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description                            | 2020/21         |  |                          |                |                          |                 |                                     |  | 2019/20                  |
|---|-----------------|--|--------------------------|----------------|--------------------------|-----------------|-------------------------------------|--|--------------------------|
|   | Original Budget | Total Budget Adjustments (i.t.o. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance        | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
| R thousand                                  | 1               | 2  | 3                        | 4              | 5                        | 6               | 7                                   | 8                                      | 12                       |
| <b>Capital expenditure - Vote</b>           |                 |  |                          |                |                          |                 |                                     |  |                          |
| <b>Multi-year expenditure</b>               |                 |  |                          |                |                          |                 |                                     |  |                          |
| Executive & Council                         | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     |                          |
| Municipal Manager                           | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     |                          |
| Corporate Services                          | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     |                          |
| Financial Services                          | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     |                          |
| Community and Public Safety                 | 10 857          | (10 657)                                   | 200                      | 159            | -                        | (41)            | 79%                                 | 1%                                     |                          |
| Technical Services                          | 20 652          | 19 136                                     | 39 788                   | 27 722         | -                        | (12 067)        | 70%                                 | 134%                                   |                          |
| Human Settlement                            | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     |                          |
| Strategic Services                          | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     |                          |
| <b>Capital multi-year expenditure</b>       | <b>31 509</b>   | <b>8 479</b>                               | <b>39 988</b>            | <b>27 880</b>  | <b>-</b>                 | <b>(12 108)</b> | <b>70%</b>                          | <b>88%</b>                             | <b>-</b>                 |
| <b>Single-year expenditure</b>              |                 |  |                          |                |                          |                 |                                     |  |                          |
| Executive & Council                         | 30              | -  | 30                       | -              | -                        | (30)            | 0%                                  | 0%                                     | -                        |
| Municipal Manager                           | 110             | -  | 110                      | 108            | -                        | (2)             | 98%                                 | 98%                                    | -                        |
| Corporate Services                          | 50              | (20)                                       | 30                       | 20             | -                        | (10)            | 0%                                  | 0%                                     | -                        |
| Financial Services                          | 1 447           | 100  | 1 547                    | 1 463          | -                        | (84)            | 95%                                 | 101%                                   | -                        |
| Community and Public Safety                 | 3 440           | 13 029                                     | 16 469                   | 5 045          | -                        | (11 424)        | 31%                                 | 147%                                   | 357                      |
| Technical Services                          | 45 638          | 570  | 46 208                   | 41 049         | -                        | (5 159)         | 89%                                 | 90%                                    | 24 938                   |
| Human Settlement                            | 60              | -  | 60                       | -              | -                        | (60)            | 0%                                  | 0%                                     | 4 348                    |
| Strategic Services                          | 360             | 1 236                                      | 1 596                    | 1 195          | -                        | (401)           | 75%                                 | 332%                                   | -                        |
| <b>Capital single-year expenditure</b>      | <b>51 135</b>   | <b>14 916</b>                              | <b>66 050</b>            | <b>48 880</b>  | <b>-</b>                 | <b>(17 170)</b> | <b>74%</b>                          | <b>96%</b>                             | <b>29 643</b>            |
| <b>Total Capital Expenditure - Vote</b>     | <b>82 644</b>   | <b>23 395</b>                              | <b>106 039</b>           | <b>76 761</b>  | <b>-</b>                 | <b>(29 278)</b> | <b>72%</b>                          | <b>93%</b>                             | <b>29 643</b>            |
| <b>Capital Expenditure - Standard</b>       |                 |  |                          |                |                          |                 |                                     |  |                          |
| <b>Governance and administration</b>        | <b>1 637</b>    | <b>80</b>                                  | <b>1 717</b>             | <b>1 591</b>   | <b>-</b>                 | <b>(126)</b>    | <b>93%</b>                          | <b>97%</b>                             | <b>2 793</b>             |
| Executive and council                       | 80              | -  | 80                       | 97             | -                        | 17              | 122%                                | 122%                                   | 1 304                    |
| Finance and administration                  | 1 537           | 80   | 1 617                    | 1 483          | -                        | (134)           | 92%                                 | 96%                                    | 1 489                    |
| Internal audit                              | 20              | -  | 20                       | 11             | -                        | (9)             | 55%                                 | 55%                                    | -                        |
| <b>Community and public safety</b>          | <b>7 000</b>    | <b>9 729</b>                               | <b>16 729</b>            | <b>5 204</b>   | <b>-</b>                 | <b>(11 525)</b> | <b>31%</b>                          | <b>74%</b>                             | <b>6 787</b>             |
| Community and social services               | 1 857           | 10 632                                     | 12 489                   | 4 207          | -                        | (8 281)         | 34%                                 | 227%                                   | 1 101                    |
| Sport and recreation                        | 4 535           | (1 789)                                    | 2 746                    | 493            | -                        | (2 253)         | 18%                                 | 11%                                    | 746                      |
| Public safety                               | 548             | 886  | 1 434                    | 503            | -                        | (931)           | 35%                                 | 92%                                    | 593                      |
| Housing                                     | 60              | -  | 60                       | -              | -                        | (60)            | 0%                                  | 0%                                     | 4 348                    |
| Health                                      | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     | -                        |
| <b>Economic and environmental services</b>  | <b>9 944</b>    | <b>8 812</b>                               | <b>18 755</b>            | <b>18 186</b>  | <b>-</b>                 | <b>(570)</b>    | <b>97%</b>                          | <b>183%</b>                            | <b>11 562</b>            |
| Planning and development                    | 360             | 1 236                                      | 1 596                    | 1 195          | -                        | (401)           | 75%                                 | 332%                                   | 1 149                    |
| Road transport                              | 9 584           | 7 576                                      | 17 159                   | 16 991         | -                        | (168)           | 99%                                 | 177%                                   | 10 413                   |
| Environmental protection                    | -               | -  | -                        | -              | -                        | -               | 0%                                  | 0%                                     | -                        |
| <b>Trading services</b>                     | <b>64 063</b>   | <b>4 774</b>                               | <b>68 837</b>            | <b>51 780</b>  | <b>-</b>                 | <b>(17 057)</b> | <b>75%</b>                          | <b>81%</b>                             | <b>52 229</b>            |
| Energy Sources                              | 6 489           | (365)                                      | 6 124                    | 2 947          | -                        | (3 177)         | 48%                                 | 45%                                    | 10 233                   |
| Water Management                            | 47 577          | 7 323                                      | 54 900                   | 41 224         | -                        | (13 676)        | 75%                                 | 87%                                    | 37 850                   |
| Waste water management                      | 2 640           | 5 173                                      | 7 813                    | 7 609          | -                        | (204)           | 97%                                 | 288%                                   | 4 145                    |
| Waste management                            | 7 357           | (7 357)                                    | 0                        | -              | -                        | (0)             | 0%                                  | 0%                                     | -                        |
| <b>Other</b>                                | <b>-</b>        | <b>-</b>                                   | <b>-</b>                 | <b>-</b>       | <b>-</b>                 | <b>-</b>        | <b>0%</b>                           | <b>0%</b>                              | <b>-</b>                 |
| <b>Total Capital Expenditure - Standard</b> | <b>82 644</b>   | <b>23 395</b>                              | <b>106 039</b>           | <b>76 761</b>  | <b>-</b>                 | <b>(29 278)</b> | <b>72%</b>                          | <b>93%</b>                             | <b>73 370</b>            |
| <b>Funded by:</b>                           |                 |  |                          |                |                          |                 | 0%                                  | 0%                                     |                          |
| National Government                         | 55 418          | (3 775)                                    | 51 643                   | 49 072         | -                        | (2 572)         | 95%                                 | 89%                                    | 55 500                   |
| Provincial Government                       | 638             | 9 338                                      | 9 976                    | 2 928          | -                        | (7 047)         | 29%                                 | 459%                                   | -                        |
| <b>Transfers recognised - capital</b>       | <b>56 056</b>   | <b>5 563</b>                               | <b>61 619</b>            | <b>52 000</b>  | <b>-</b>                 | <b>(9 619)</b>  | <b>84%</b>                          | <b>93%</b>                             | <b>55 563</b>            |
| <b>Public contributions &amp; donations</b> | <b>-</b>        | <b>-</b>                                   | <b>-</b>                 | <b>-</b>       | <b>-</b>                 | <b>-</b>        | <b>0%</b>                           | <b>0%</b>                              | <b>-</b>                 |
| <b>Borrowing</b>                            | <b>16 500</b>   | <b>11 212</b>                              | <b>27 712</b>            | <b>15 643</b>  | <b>-</b>                 | <b>(12 068)</b> | <b>56%</b>                          | <b>95%</b>                             | <b>8 670</b>             |
| <b>Internally generated funds</b>           | <b>10 088</b>   | <b>6 620</b>                               | <b>16 708</b>            | <b>9 117</b>   | <b>-</b>                 | <b>(7 591)</b>  | <b>55%</b>                          | <b>90%</b>                             | <b>9 138</b>             |
| <b>Total Capital Funding</b>                | <b>82 644</b>   | <b>23 395</b>                              | <b>106 039</b>           | <b>76 761</b>  | <b>-</b>                 | <b>(29 278)</b> | <b>72%</b>                          | <b>93%</b>                             | <b>73 370</b>            |

| MUN - Reconciliation of Table A7 Budgeted Cash Flows |                 |                                 |                          |                 |                 |                                     |  |                          |
|--|-----------------|---------------------------------|--------------------------|-----------------|-----------------|-------------------------------------|--|--------------------------|
| Description  | 2020/21         |                                 |                          |                 |                 |                                     |  | 2019/20                  |
|  | Original Budget | Budget Adjustments (i.t.o. s28) | Final adjustments budget | Actual Outcome  | Variance        | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
| R thousand   | 1               | 2                               | 3                        | 4               | 5               | 6                                   | 7                                      | 8                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>           |                 |                                 |                          |                 |                 |                                     |  |                          |
| <b>Receipts</b>                                      |                 |                                 |                          |                 |                 |                                     |  |                          |
| Ratepayers and Other                                 | 468 872         | (20 445)                        | 448 427                  | 438 726         | (9 701)         | 97.8%                               | 93.6%                                  | 444 280                  |
| Government Grants and Subsidies                      | 160 756         | (19 252)                        | 141 504                  | 141 246         | (258)           | 99.8%                               | 87.9%                                  | 171 251                  |
| Interest   | 15 643          | (9 991)                         | 5 651                    | 8 793           | 3 141           | 155.6%                              | 56.2%                                  | 9 765                    |
| <b>Payments</b>                                      |                 |                                 |                          |                 |                 |                                     |  |                          |
| Suppliers and employees                              | (565 276)       | 10 296                          | (554 980)                | (570 265)       | (15 285)        | 102.8%                              | 100.9%                                 | (490 243)                |
| Finance charges                                      | (5 856)         | 514                             | (5 342)                  | (4 161)         | 1 181           | 77.9%                               | 71.0%                                  | (4 687)                  |
| Transfers and Grants                                 | (6 193)         | 2 430                           | (3 763)                  | (1 901)         | 1 862           | 50.5%                               | 30.7%                                  | (4 717)                  |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>     | <b>67 945</b>   | <b>(36 448)</b>                 | <b>31 497</b>            | <b>12 438</b>   | <b>(19 060)</b> | <b>39.5%</b>                        | <b>18.3%</b>                           | <b>125 649</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |                 |                                 |                          |                 |                 |                                     |  |                          |
| <b>Receipts</b>                                      |                 |                                 |                          |                 |                 |                                     |  |                          |
| Proceeds on disposal of PPE                          | -               | -                               | -                        | -               | -               | 100.0%                              | 100.0%                                 | 462                      |
| Decrease (Increase) in non-current debtors           | -               | -                               | -                        | -               | -               | 0.0%                                | 0.0%                                   | -                        |
| Decrease (increase) other non-current receivables    | -               | -                               | -                        | -               | -               | 0.0%                                | 0.0%                                   | -                        |
| Decrease (increase) in non-current investments       | -               | -                               | -                        | -               | -               | 0.0%                                | 0.0%                                   | -                        |
| <b>Payments</b>                                      |                 |                                 |                          |                 |                 |                                     |  |                          |
| Capital assets                                       | (81 661)        | (23 414)                        | (105 075)                | (76 761)        | 28 314          | 73.1%                               | 94.0%                                  | (73 371)                 |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>     | <b>(81 661)</b> | <b>(23 414)</b>                 | <b>(105 075)</b>         | <b>(76 761)</b> | <b>28 314</b>   | <b>0.0%</b>                         | <b>0.0%</b>                            | <b>(72 909)</b>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>          |                 |                                 |                          |                 |                 |                                     |  |                          |
| <b>Receipts</b>                                      |                 |                                 |                          |                 |                 |                                     |  |                          |
| Borrowing long term/refinancing                      | 16 500          | 11 212                          | 27 712                   | 16 500          | -               | 59.5%                               | 100.0%                                 | 18 000                   |
| Increase (decrease) in consumer deposits             | 598             | 42                              | 641                      | -               | 28 314          | 0.0%                                | 0.0%                                   | -                        |
| <b>Payments</b>                                      |                 |                                 |                          |                 |                 |                                     |  |                          |
| Repayment of borrowing                               | (16 874)        | -                               | (16 874)                 | (13 998)        | -               | 83.0%                               | 83.0%                                  | (16 102)                 |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>     | <b>224</b>      | <b>11 254</b>                   | <b>11 478</b>            | <b>2 502</b>    | <b>-</b>        | <b>21.8%</b>                        | <b>1117.1%</b>                         | <b>1 898</b>             |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>         | <b>(13 491)</b> | <b>(48 608)</b>                 | <b>(62 099)</b>          | <b>(61 820)</b> |                 |                                     |  | <b>54 639</b>            |
| Cash/cash equivalents at the year begin:             | 97 195          | 80 592                          | 177 787                  | 177 787         |                 |                                     |  | 123 149                  |
| Cash/cash equivalents at the year end:               | <b>83 704</b>   | <b>31 983</b>                   | <b>115 687</b>           | <b>115 967</b>  |                 | 100.2%                              | 138.5%                                 | <b>177 787</b>           |



# Annexure B

## Report of the Auditor General

# Report of the auditor-general to the Western Cape Provincial Parliament and council on the Oudtshoorn Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Oudtshoorn Municipality set out on pages 5 to 117, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oudtshoorn Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

### Basis for opinion

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

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

## Material impairments

8. As disclosed in note 8 to the financial statements, the municipality provided for debt impairment of receivables from exchange transactions amounting to R40,2 million (2019-20: R51,1 million).
9. As disclosed in note 9 to the financial statements, the municipality provided for debt impairment of receivables from non-exchange transactions amounting to R28,4 million (2019-20: R29,9 million).
10. As disclosed in the statement of financial performance, material losses of R34,4 million (2019-20: R24,4 million) were incurred as a result of a write-off of irrecoverable trade debtors.

## Underspending of conditional grants

11. As disclosed in note 17 to the financial statements, the municipality underspent its conditional grants by R11,0 million (2019-20: R51,5 million).

## 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 118 to 125 does 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 on them.

## 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.

## Auditor-general’s responsibilities 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 audit of the annual performance report

#### Introduction and scope

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality’s annual performance report for the year ended 30 June 2021:

| Objective  | Pages in the annual performance report |
|--|--|
| Objective 5: to provide basic services to all residents in an environmentally sustainable manner | 11 – 13                                |

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

## Report on the audit of compliance with legislation

### Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. The material findings on compliance with specific matters in key legislation are as follows:

### Procurement and contract management

26. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

### Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure amounting to R24,7 million as disclosed in note 43.3 to the financial statements, as required by section 62(1)(d) of the MFMA.

## Other information

28. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported in this auditor's report.
29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to

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

### Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
33. The deficiencies in the review processes and ineffective implementation and monitoring of approved policies and procedures aimed at ensuring compliance with key applicable legislation resulted in non-compliance with the Municipal Supply Chain Management Regulations and irregular expenditure being incurred.

*Auditor-General*

Cape Town

15 December 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

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

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.