

Oudtshoorn Municipality



Annual Report

2021/22



Annual Report

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CHAPTER 1

MAYOR'S FOREWORD

It is a great privilege to present the Annual Report of the Oudtshoorn Municipality for the 2021/22 financial year. This report mainly focuses on the various highlights and achievements, progress made in terms of multiyear projects, challenges and action plans on how to address a wide range of challenges in the Municipality.

Our purpose has always been to serve our community with pride and dignity. Therefore, it is of utmost importance to ensure quality service delivery to our citizens, complaints are addressed within the prescribed period and also to strengthen the relationship between Council and its local residents.

I am delighted to report on the progress made regarding the Dysseisdorp Housing Project. The construction of housing is a major achievement for the Municipality as the last housing project took place 27 years ago. The residents of Dysseisdorp are very happy with the progress made so far. Oudtshoorn Municipality received approval for 425 subsidies for the aforementioned project. During the financial year under review, we've managed to handover 82 houses to the rightful beneficiaries although the planned target was to handover 150 houses but due to constraints such as sub-contractors who put construction on hold and salary and wages related conflict and in January 2022 there were national protest at the steel and metal industry, this was not achievable. Despite the challenging environment, measures have been put in place to ensure that the outstanding total be achieved within the upcoming financial year.

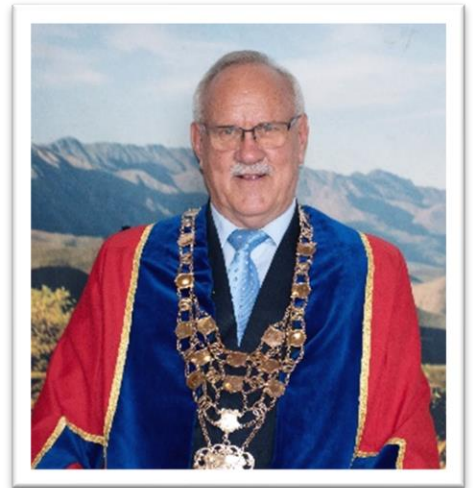
Oudtshoorn Municipality made a number of service delivery achievements for the financial year under discussion. These services delivery achievements include *inter alia* the following:

Blossoms Emergency Water Supply

The original supply of water from the Blossoms Wellfield was initiated in the early 2000's. The emergency drought project was initiated in 2018. The purpose of the emergency project is to utilize existing exploration boreholes to assist during the drought. The total project cost for the drought project is estimated at R100m. A total of R100m was received from DWS. Approximately 10km of the pipeline connecting the Blossoms Wellfield to the Oudtshoorn reticulation network was completed by June 2022. The remainder to be installed before March 2023 which is the anticipated completion date for the project.

Network upgrading

The programme to replace old AC pipes continued and approximately 12 000m of pipes between 75 and 350mm in diameter were replaced in the Bridgton area, Victoria Street and Schoemanshoek (Cango Caves Pipe) in Oudtshoorn.



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Installation of Telemetry

The installation of bulk water meters and a telemetry system continued to assist in monitoring water supply and reduce losses continued.

Refurbishment of the KKRWSS Boreholes

The mechanical installations of the Vermaak's River boreholes were upgraded during this period.

Refurbishment of Mechanical Installations at WWTW

The screw pumps were refurbished at the Oudtshoorn WWTW.

None withstanding the abovementioned performances, the Municipal Infrastructure Grant allocated R22 775 000 of which the Municipality spent approximately R22 607 730 in total. The table below provides a summary of progress in relation to projects implemented during the 2021/22 financial year.

Project ID	Project Name	MIG Approved budget	Total Expenditure	Balance registered MIG funding	Budget	Expenditure	Physical progress of projects	
			2020/21	2021/22				
			R-value					%
216591	Oudtshoorn, Dysselsdorp & Blomnek at De Rust: High Mast Lighting Ph1	9 000 000	8 073 955	0.00	926 440	926 095	100%	
161122	De Jager Sport Complex: Rehabilitate Sport Field Lighting	8 000 000	5 496 547	2 077 357	2 503 435	428 218	17%	
231247 231299 231293	Upgrade of Stormwater Systems Bongoletu, Dysselsdorp & De Rust	9 321 772	8 121 772	0.00	2 348 185	5 569 194	237%	
400082	Upgrade of Asbestos Water Pipe Infrastructure Ph1	37 988 301	26 059 798	0.00	12 095 773	10 780 346	89%	
397810	Upgrade Gravel Roads, Stormwater & Sidewalks Ph1	11 847 085	0.00	6 795 156	3 762 340	3 765 075	100%	
PMU/045 /2122	Oudtshoorn: PMU 2021/22	1 138 750	0.00	0.00	1 138 750	1 138 750	100%	
Total					22 775 000	22 607 730	99.27%	

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I trust that the residents of the greater Oudtshoorn see through this annual report the Municipality are putting the needs of our residents first through what we have accomplished under a challenging political and administrative climate. It remains important for us to promote accountability, transparency and oversight.

Thank you to all Councillors, municipal employees, citizens, stakeholder groups, business partners and sector departments who worked with us. We are proud to partner with all relevant stakeholders to ensure the success of the greater Oudtshoorn Municipality.

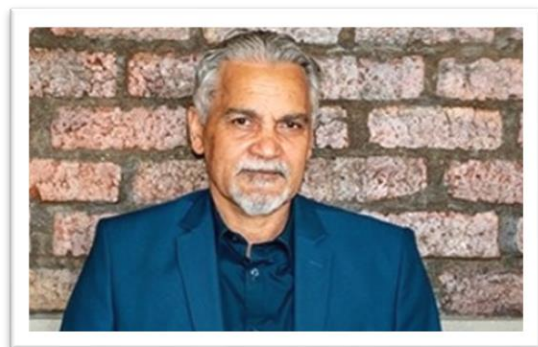
ALDM CD MACPHERSON

EXECUTIVE MAYOR

EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

The overall purpose of the Annual Report is to provide a record of the activities of the Municipality throughout the financial year to which the report relates. It remains our responsibility to promote accountability, transparency and oversight by giving an overview of the performances in service delivery and budget implementation for the financial year. Management and Council regard the involvement of the local community in the business of council as extremely important and therefore, implemented mechanisms to enhance community participation.



It is evident throughout the annual report that management worked extremely hard to fulfil the Constitutional mandate as outlined under *section 152 of the Constitution* which is *inter alia* -

- (a) to provide democratic and accountable government for local communities*
- (b) to ensure the provision of services to communities in a sustainable manner*
- (c) to promote social and economic development*
- (d) to promote a safe and healthy environment*
- (e) to encourage the involvement of communities and community organisations in the matters of local government*

The organisational review process is now in the final stage and we wish to finalise it early in the new financial year. Due to various challenges, we were not able to finalise the process within the prescribed period. Notwithstanding the challenges, Council managed to fill the vacant post of the Municipal Manager. In addition, thereto we are also in process to fill the post of Director: Planning and Development as well as the Director: Community Services. Our goal is to fill all vacant senior management positions within the next financial year to ensure administrative stability which will enhance service delivery and promote the principles of good governance.

As stated in the previous financial year, the collection of revenue remains an ongoing challenge due to the deficiency of progression in the local economy which impact negatively on the growth in revenue of the municipality. This however has placed the Municipality's cash flow under extreme pressure for the past 2 years. During the post covid period, the Municipality made reasonable progress insofar it relates to its financial recovery process with a net increase in cash and cash equivalents of R27.9 million (30 June 2022) compared to a decreased of R61.8 million (30 June 2021).

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The liquidity position remains under strain and is just within the norm with a small improvement noticed in the current year. Management and Council deliberated and conclude that the financial recovery plan will be further extended to 2025 to ensure financial sustainability on revenue streams of the Municipality, after a cost reflective tariff study was performed to recover costs to render basic services.

Having said the above, it should be noted that the Municipality's performance on capital spending decreased from the previous financial year. Capital spending as at year-end was below target at 63%. Majority of underspending relates to the new Blossoms Pipeline that is funded from the National Disaster Relief Fund and have been committed as a multi-year project. Due to the extensive nature of this project and late transfer of Disaster Relief Funds from the government, this project is to be carried over and intended for completion during the 2022/23 financial year. Appropriate corrective measures have been implemented to ensure the successful completion of the aforementioned project.

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.

W HENDRICKS

ACTING MUNICIPAL MANAGER

Annual Report

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 2021/22 Annual Report reflects on the performance of the Municipality for the period 1 July 2021 to 30 June 2022. 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.

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

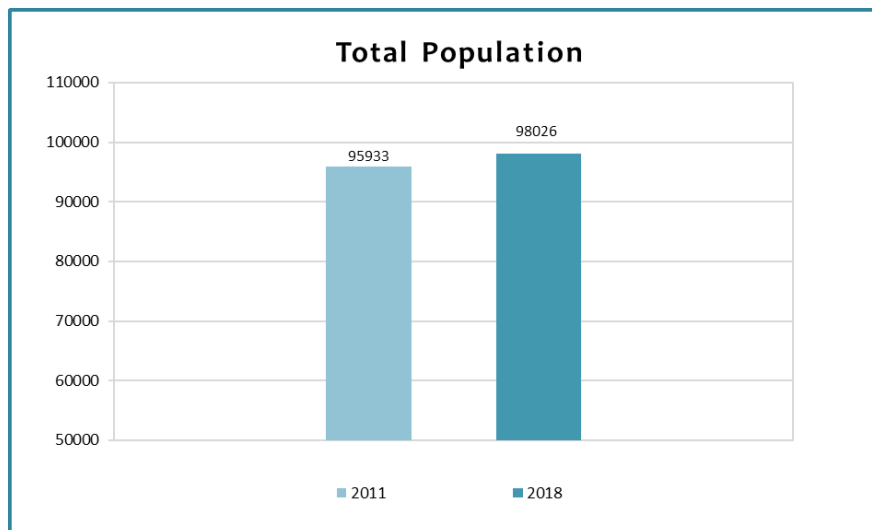
Oudtshoorn Municipal Area		
Description	2011	2018
Population	95 933	98 026
Households	21 910	23 362
People per Household	4.4	4.2
Sex Ratio	91.8	92.3
Gender Breakdown	Males	45 913 (47.9%)
	Females	50 021 (52.1%)
Age Breakdown	0 - 14	28.7%
	15 - 64	64.2%
	65+	7.2%

Source: Community Survey 2016 / 2021/22 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

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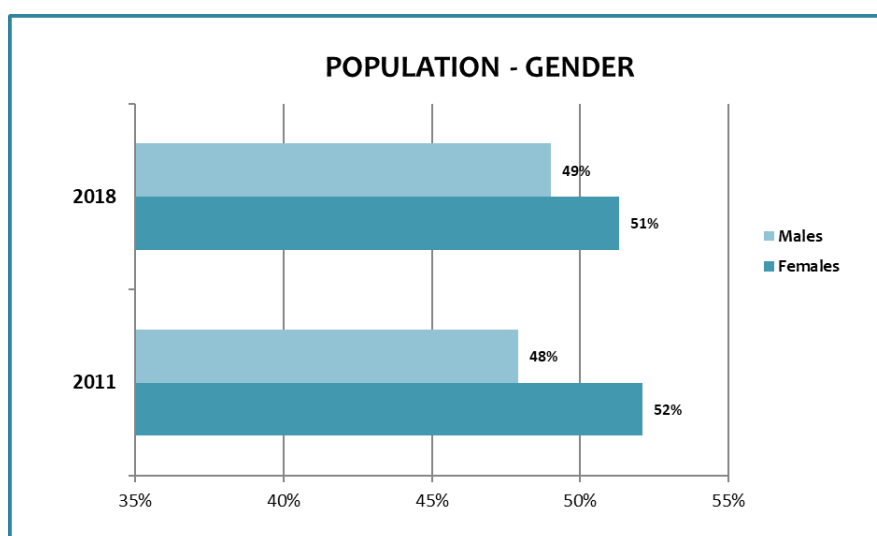
Gender Distribution

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

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1.3.2 Demographic Information

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, Vlakteplaas, 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.

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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, Bongolethu, Thabo Mbeki's Square, Toekomrus
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	Bongolethu, part of Toekomrus, 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, Rooiheuwel
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

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Towns

Oudtshoorn

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) converge.



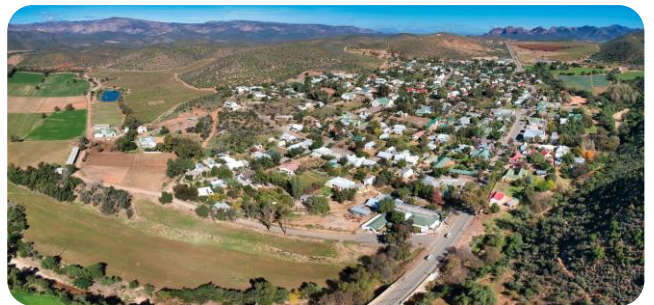
Dysselsdorp

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.



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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

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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 Emergency Water Supply	<ul style="list-style-type: none"> The original supply of water from the Blossoms Wellfield was initiated in the early 2000's. The emergency drought project was initiated in 2018. The purpose of the emergency project is to utilize existing exploration boreholes to assist during the drought. The total project cost for the drought project is estimated at R100m. A total of R100m was received from the Department of Water and Sanitation (DWS). Approximately 10km of the pipeline connecting the Blossoms Wellfield to the Oudtshoorn reticulation network was completed by June 2022. The remainder to be installed before March 2023 which is the anticipated completion date for the project
Network upgrading	The programme to replace old asbestos cement (AC) pipes continued and approximately 12 000m of pipes between 75 and 350mm in diameter were replaced in the Bridgton area, Victoria Street and Schoemanshoek (Cango Caves Pipe) in Oudtshoorn
Installation of Telemetry	The installation of bulk water meters and a telemetry system continued to assist in monitoring water supply and reduce losses continued
Refurbishment of the KKRWSS Boreholes	The mechanical installations of the Vermaaks River boreholes were upgraded
Refurbishment of WWTW in Oudtshoorn	The existing screw pumps at the Oudtshoorn WWTW were refurbished
High mast lights installed	Ward 6 (open space) between Rosevalley & Toekomsrus Ward 8 (open space) in Zanoxolo Street Bongolethu
Upgrade of electrical infrastructure (Area)	<ul style="list-style-type: none"> Upgrading of SAP, Victoria & Merrimar Substations Service & repair of Ring Main Units (all 13 Wards) Upgrading of 11kV cables - Taute to High school, Bellingham to Adderley & Poplar to Els Substations
Upgrade of traffic lights	Queens Mall & Corner of Voortrekker & Baron van Rheede
Dysselsdorp Electrification Project Phase 2 & 3	Dysselsdorp Ward 10
Expansion of Fleet	The Municipality purchased a Tipper, Compactor and Digger Loader to expand the fleet. The Tipper and Compactor was purchased from Avis after the rental period came to an end. This is the first time that the Municipality own these vehicles
Construction of houses in Dysselsdorp	82 Houses were handed to beneficiaries in Dysselsdorp. This was the first project in 27 years for Dysselsdorp

Table 7: Basic Service Delivery Highlights

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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. This programme is now in its third year
Outdated Master Plans (Water and Sanitation)	Funding was secured from Development Bank of Southern Africa (DBSA) and Master Plans are being updated. Anticipated completion is December 2022
Ageing infrastructure	The sewer network is ageing and a program has been launched to systematically replace old infrastructure
Succession Planning	Staff development was not properly instituted in the Electrotechnical division and as a result, it has led to challenges within the department.
Staff Recruitment	Critical posts have been not always been filled over the years and has resulted in service delivery backlogs. Population growth in terms of housing projects have risen over the years, but the staff compliment has not been reviewed for consideration.
Illegal dumping on open spaces	Awareness campaigns must be launched to create awareness on the negative impact of illegal dumping. The department will be conducting awareness in all wards, every Friday. This will be done in conjunction with Parks, the Environmental Officer and Technical Services, as well as Garden Route District Municipality
Limited Staff	The Municipality is in the process of filling vacant posts and it is envisaged that by 1 August 2022 at least 8 new permanent employees will be appointed
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"> Reduced funding by national and provincial government due to budgetary constraints Shacks spring up with no control Delays in implementation of projects 	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"> Most of the beneficiaries works outside the residential area and are hard to find for handing over of invitations Due to protest actions at Dysselsdorp offices subsidies could not be completed Not all the beneficiaries that got invitations complete their subsidy applications Due to COVID-19 restrictions only a few beneficiaries could complete their subsidy applications daily 	<ul style="list-style-type: none"> Beneficiaries to be educated on the importance of the completion of the subsidy process 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
Electrification of houses in Dysselsdorp Housing Project: The service provider of electrical meters who did not provide meters on time	Technical services to be hands on and manage contractors and ensure they keep to their timelines and deadlines
Sub-contractors: Dispute over salaries with sub-contractors bring a delay in building of houses	Contractors familiarize themselves with the details of the contract prior to the signing of the contract. An information

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Description	Actions to address
	session was held for contractors and guidance provided by the Municipality

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	2020/21	2021/22
Electricity service connections	17 071	17 174
Water - Piped water inside dwelling	15 115	15 232
Sanitation - Households with at least VIP service	15 028	14 911
Waste collection - kerbside collection once a week	14 582	14 687

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	2020/21	2021/22
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	% of debt coverage	9.88%	13.66%
Financial viability measured in terms of the outstanding service debtors as at 30 June ((Total outstanding service debtors/ revenue received for services) x 100)	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	17%	16%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June ((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	2.3	2.1

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

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1.5.3 Financial Overview

Details	2020/21	2021/22		
		Original budget	Adjustment Budget	Actual
	R'000			
Income				
Grants	163 329	119 956	180 968	143 843
Taxes, Levies and Tariffs	450 490	510 944	505 254	508 319
Other	77 445	29 909	44 615	44 289
Sub Total	691 264	660 809	730 837	696 451
Less Expenditure	(616 421)	(642 577)	(660 755)	(672 375)
Reversal of impairment loss/(Impairment Loss) on Receivables	12 412	(13 747)	(10 035)	1 063
Reversal of Impairment loss/(Impairment Loss) on Fixed Assets	(7 790)	0	0	5 772
Gains/(loss) on Sale of Fixed Assets	(1 086)	0	0	(4 891)
Net surplus/(deficit)	78 378	4 485	60 047	26 022

Table 11: Financial Overview

1.5.5 Total Capital Expenditure

Detail	2020/21	2021/22
	R'000	
Original Budget	82 644	51 387
Adjustment Budget	106 039	121 982
Actual	76 909	77 455

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
Approval of Organizational Structure	Council approved the Organizational Structure, Special Council meeting, 6 June 2022
Filling of vacant Municipal Managers post	Council approved the process plan (Ordinary Council Meeting, 24 March 2022) to fill the vacant Municipal Managers post
Implementation of Human Resource (HR) staff regulations (Regulation 891)	HR policies have been amended and new ones developed in line with HR staff regulations

Table 13: Municipal Transformation and Organisational Development Highlights

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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
Cooperation of line management with compilation of Workplace Skills Plan (WSP)	Constant internal communication via all possible platforms
Lack of proper buy-in to the Employee Assistance Program (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

Table 14: Municipal Transformation and Organisational Development Challenges

1.7 Auditor-General Report

1.7.1 Audited Outcomes

Year	2019/20	2020/21	2021/22
Opinion received	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion

Table 15: Audit Outcomes

CHAPTER 2

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
	2020/21	2021/22
The percentage of the municipal capital budget spent on capital projects as at 30 June 2022 $\{(\text{Actual amount spent on capital projects} / \text{Total amount budgeted for capital projects}) \times 100\}$	72%	63.60%

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 categorised the councillors within their specific political parties and wards up until the Municipal Elections of 1 November 2021.

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

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Council Members	Capacity	Political Party	Ward representing or 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
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 that categorised the councillors within their specific political parties and wards following the Municipal Elections of 1 November 2021

Council Members	Capacity	Political Party	Ward representing or proportional
CF Sylvester	Speaker	OGI	Proportional
C Louw	Executive Mayor	African National Congress	Ward 9
VM Donson	Executive Deputy Mayor	ICOSA	Proportional
MA Nyuka	Chairperson: Community Services	SAAMSTAAN	Proportional

Annual Report

Council Members	Capacity	Political Party	Ward representing or proportional
L Campher	Chairperson: Corporate Services	ADVIES	Proportional
DV Moos	Chairperson: Finance Portfolio	African National Congress	Ward 6
BV Owen	Chairperson: Strategic Services	ICOSA	Proportional
A Rondganger	Chairperson: Technical Services	Patriotic Alliance	Proportional
DJ Fourie	Councillor	Democratic Alliance	Ward 1
JN Duvenage	Councillor	VFP	Ward 2
JI du Preez	Councillor	Democratic Alliance	Ward 3
NM Jaxa	Councillor	African National Congress	Ward 4
A Tiemie	Councillor	African National Congress	Ward 5
A Berry	Councillor	Democratic Alliance	Ward 7
MZ Tyatya	Councillor	African National Congress	Ward 8
LSS van Rooyen	Councillor	African National Congress	Ward 10
J van der Ross	Councillor	African National Congress	Ward 11
RR Wildschut	Councillor	Democratic Alliance	Ward 12
JR Canary	Councillor	African National Congress	Ward 13
JJ Allers	Councillor	VFP	Proportional
C Muller	Councillor	VFP	Proportional
RJ April	Councillor	Democratic Alliance	Proportional
JC Lambaatjeen	Councillor	Democratic Alliance	Proportional
CD Macpherson	Councillor	Democratic Alliance	Proportional
SN Bentley	Councillor	GOOD	Proportional

Table 18: Council

Below is a table which indicates the Council meeting attendance for the 2021/22 financial year:

Meeting dates	Meeting	Council Meetings Attendance	Apologies for non-attendance
23 July 2021	Special Council Meeting	22	3
27 August 2021	Special Council Meeting	25	0
30 August 2021	Special Council Meeting	24	1
17 September 2021	Special Council Meeting	13	12
27 September 2021	Special Council Meeting	13	12
07 October 2021	Special Council Meeting	13	12
19 October 2021	Special Council Meeting	13	12
21 October 2021	Special Council Meeting	13	12

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Meeting dates	Meeting	Council Meetings Attendance	Apologies for non-attendance
17 November 2021	Inaugural Council Meeting	25	0
01 December 2021	Ordinary Council Meeting	25	0
17 December 2021	Ordinary Council Meeting	24	1
22 December 2021	Ordinary Council Meeting	14	11
19 January 2022	Special Council Meeting	25	0
31 January 2022	Special Council Meeting	25	0
08 February 2022	Special Council Meeting	15	10
14 February 2022	Special Council Meeting	22	3
24 March 2022	Ordinary Council Meeting	24	1
22 April 2022	Ordinary Council Meeting	25	0
28 April 2022	Special Council Meeting	22	3
05 May 2022	Special Council Meeting	25	0
09 May 2022	Special Council Meeting	25	0
12 May 2022	Special Council Meeting	24	1
31 May 2022	Special Council Meeting	24	1
06 June 2022	Special Council Meeting	24	1
29 June 2022	Special Council Meeting	13	0
29 June 2022	Ordinary Council Meeting	24	1

Table 19: 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.

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The name and portfolio of each Member of the Executive Committee up until the Municipal Elections of 1 November 2021 is listed in the table below:

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 20: Mayoral Committee Members

The name and portfolio of each Member of the Executive Committee following the Municipal Elections of 1 November 2021 is listed in the table below:

Name of member	Capacity
C Louw	Executive Mayor
DV Moos	Chairperson: Financial Services
BV Owen	Chairperson: Strategic Services
L Campher	Chairperson: Corporate Services
A Rondganger	Chairperson: Technical Services
MA Nyuka	Chairperson: Community Services
VM Donson	Chairperson: Human Settlements

Table 21: 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
W Hendricks	Acting Municipal Manager
GP De Jager	Director: Financial Services
RK Smit	Director: Corporate Services
L Fatuse	Acting Director: Community Services
LA Coetzee	Acting Director: Strategic Services
J Lesch	Director: Technical Services
S Tyatya	Acting Director: Human Settlements

Table 22: 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
National Structures		
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
Provincial Structures		
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	CFOs 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
District Structures		
Garden Route District IDP Forum	IDP Managers of municipalities, District Officials and Provincial Departments	<ul style="list-style-type: none"> • Support to IDP alignment processes. • Best Practice for public engagement. • Support to sector departments engagements • Support to IDP representative forum meetings • Support for legal compliance

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Name of Structure	Members	Outcomes of Engagements/Topics Discussed
		<ul style="list-style-type: none"> Hands on support on Section 26 of MSA. Support for IDP planning processes
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"> To prepare Municipalities for the next five-year term of office To serve as a platform for sharing good planning practices To provide support to municipalities in ensuring legally compliant IDP's To provide relevant information in terms of planning and drafting of IDP's

Table 23: 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 Development of strategy and implementation programme 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 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 24: 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
Mayoral Imbizo's			
1,2,3,7	Public Participation IDP Meeting	6	35
4	Public Participation IDP Meeting	2	47
5	Public Participation IDP Meeting	2	34
6	Public Participation IDP Meeting	2	33
7	Public Participation IDP Meeting	7	26
8	Public Participation IDP Meeting	1	197
9	Public Participation IDP Meeting	2	76
10	Public Participation IDP Meeting	1	75
11	Public Participation IDP Meeting	4	71
12	Public Participation IDP Meeting	2	36
13	Public Participation IDP Meeting	2	39
2	Public Participation IDP Meeting (Lategansvlei)	1	15
9	Public Participation IDP Meeting (Roodewal)	1	31
11	Public Participation IDP Meeting (Vlakteplaas)	1	50
12	Public Participation IDP Meeting (Welbedacht)	2	43
2	Public Participation IDP Meeting (Volmoed)	2	36
11	Public Participation IDP Meeting (Grootkraal)	1	39
12	Public Participation IDP Meeting (Klipdrift)	1	20

Table 25: Public Meetings

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2.4.1 Representative Forums

Labour Forum

The table below specifies the members of the Labour Forum for the 2021/22 financial year:

Name of representative	Capacity
VM Donson	Chairperson: Community Services
Jl Du Preez	Chairperson: Financial Services
RR Wildschut	Chairperson: Corporate Services
LSS Van Rooyen	Employer Representative
JD Fourie	Chairperson: Technical Services
GP de Jager	Acting Municipal Manager
B Metembo	Acting Chief Financial Officer
L Fatuse	Acting Director: Community Services
J Lesch	Director: Technical Services
RK Smit	Director: Corporate Services
SAMWU Representatives	5 Representatives
IMATU Representatives	5 Representatives

Table 26: 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.

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

Name of representative	Dates of meetings held during the year
L Jansen Van Rensburg	9 May 2022 (Ward Establishment)
M Schutte	
F	
N Smith	
N Sili	
L Lotter	
P Marè	
E Marè	

Table 27: Ward 1 Committee Meetings

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

Name of representative	Dates of meetings held during the year
H Lamprecht	3 May 2022 (Ward Establishment)
B Human	
C Horn	
J Swart	
J Vorster	
E Claassen	
E Jacobs	
J Terblanche	
I Oktober	
G Juthe	

Table 28: Ward 2 Committee Meetings

Ward 3: North, East and South of Town

Name of representative	Dates of meetings held during the year
J Gerber	25 April 2022(Ward Establish Meeting) 8 June 2022(WC Meeting)
J Davel	
I Coetzee	
J Cloete	
G Snyman	
G Deelman	
P Mc Duling	
M Roos	
J Meyer	

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Name of representative	Dates of meetings held during the year
C Van der Nest	

Table 29: Ward 3 Committee Meetings

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

Name of representative	Dates of meetings held during the year
H Baatjies	4 May 2022(Ward Establishment)
I Fielies	
L Tenge	
S Lucas	
S Marthinus	
Z Dangazele	
P Sambo	
B Nakasayi	
H Kumutu	
S Williams	

Table 30: Ward 4 Committee Meetings

Ward 5: Part of Bridgton, Smartie Town

Name of representative	Dates of meetings held during the year
H Barends	28 April 2022(Ward Establishment)
B Prins	
M Baartman	
J Kamfer	
P saterdag	
M Minnies	
A Britz	
L Stuurman	
J Martins	
M Kiewiets	

Table 31: Ward 5 Committee Meetings

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

Name of representative	Dates of meetings held during the year
E Murphy	29 April 2022(Ward Establishment)
S Visagie	
F Thomas	

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Name of representative	Dates of meetings held during the year
V George	
L Rhodes	
P Koopman	
R Le Roux	

Table 32: Ward 6 Committee Meetings

Ward 7: Part of town (north), Bridgton

Name of representative	Dates of meetings held during the year
D Ruiters	3 May 2022(Ward Establishment)
R Titus	
J Pietersen	
S Williams	
C Van Der Nest	
D Everts	
G Tait	
J Vaas	
J Jonck	

Table 33: Ward 7 Committee Meetings

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

Name of representative	Dates of meetings held during the year
F Bergh	10 May 2022(Ward Establishment)
K Lewendal	
A Damans	
G Van Wyk	
K Le Roux	
J Figeland	
P Olyn	
F Kleynhans	
R Witbooi	
X Ngalo	

Table 34: Ward 8 Committee Meetings

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

Name of representative	Dates of meetings held during the year
A Solomons	30 June 2022(Ward Establishment)
A Maart	
S Plaatjies	
P Van Rooyen	
S Damons	
S Lewis	
J Olivier	
K Du Plessis	
M Samson	
B Jantjies	

Table 35: Ward 9 Committee Meetings

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

Name of representative	Dates of meetings held during the year
M Antony	30 June 2022 (Ward Establishment)
S Buys	
C Makier	
T Rala	
F Prins	
L Afrika	
E Arends	
J Marnewick	
D Herman	
G Oktober	

Table 36: Ward 10 Committee Meetings

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

Name of representative	Dates of meetings held during the year
S Bakkies	4 May 2022 (Ward Establishment) 18 May 2022(WC Meeting)
B Le Roux	
C Smit	
D Boesak	
J Wolwerans	
L Januarie	
D Titus	

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Name of representative	Dates of meetings held during the year
A Pietersen	
A Schoeman	
E Britz	

Table 37: Ward 11 Committee Meetings

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

Name of representative	Dates of meetings held during the year
S Meyer	23 June 2022 (Ward Establishment)
D Meyer	
S Meiring	
J Koegelenberg	
N Hufke	
J Ockers	
L Booysen	
S Delport	
D Maart	
E Stuurman	

Table 38: Ward 12 Committee Meetings

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

Name of representative	Dates of meetings held during the year
J Arends	
I Escourt	
C Ceaser	
D Linden	
C Jansen	
M Marnewil	
D Gysman	
C Jacobs	
F Stoffels	
J Plaatjies	

Table 39: 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
L Fourie	Chairperson	31 August 2021
D Block	Member	29 September 2021
P Hayward	Member	6 December 2021
D Mooney	Member	25 March 2022
A Dippenaar	Member	28 June 2022

Table 40: 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 2021/22 financial year the following Internal Audit reports were issued:

No.	Internal Audit Reports issued
1	Quarterly reports on performance management results
2	Risk management
3	Division of Revenue Act (DoRA)
4	Routine follow-up of internal audit recommendations
5	Governance
6	Town Planning (follow-up)
7	Overtime
8	Financial reporting
9	Leave management (sick leave)
10	Traffic administration (follow-up)
11	Contract management (security services)
12	Fleet management
13	New housing

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No.	Internal Audit Reports issued
14	Ad -hoc assignments

Table 41: 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 2021/22 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
27	21	22

Table 42: Bid Committee Meetings

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

Member (Capacity)	Percentage attendance
Manager: Fire and Disaster Management	7%
Manager: Fleet	0%
Senior Manager: Electrical Services	0%
Senior Manager: Street and Stormwater	4%
SCM Manager	37%
Manager Security and Law Enforcement Services	4%
Acting Director: Community Services	7%
Acting Manager: Traffic	0%
Senior Accountant: Accounting	0%
Senior Clerk: Asset	0%
Acting Manager: Housing	0%
Manager: Job Creation	0%
Snr SCM Practitioner: Tenders	48%
Snr SCM Practitioner: Logistics	4%
Manager: Revenue	4%
Manager ICT	7%
Acting Operational Manager: Cango Cave	0%
Logistics Coordinator	0%
Superintendent KKLWS	7%
Logistics Operator Cango Caves	0%
Senior Manager Electro Technical Services	0%

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Member (Capacity)	Percentage attendance
Manager Parks	4%
Chief Internal Audit	4%
Technical Services: Snr Engineering Tech	7%
Distribution: Engineering Technician	4%
Electricity: Snr Engineering Technician	7%
Manager Legal Services	4%
SCM Practitioner: Contract Admin	4%
Snr Manager Water	11%
Fleet Superintendent	7%
Acting Fleet Manager	4%
Manager Solid Waste	4%
Snr Manager Accounting Services	7%
SCM Practitioner: Tenders	11%
LED Manager	19%
Snr Manager Strategic Services	19%
Manager Town Planning	7%
OHS Officer	4%
Snr Communications Officer	4%

Table 43: Attendance of Members of Bid Specification Committee

All role players attend meetings to ensure complete specifications.

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

Member	Percentage attendance
Senior Engineer: Civil Engineering Services	0%
Manager: Job Creation	0%
Acting Manager: Housing	0%
SCM: Buyer	0%
SCM Practitioner (1): tenders	24%
Manager: Fire and Disaster Management	10%
Traffic Officer	5%
Acting Manager: Parks	0%
Chief: Fire	0%
Manager: Technical Services	0%
Manager: Fleet	0%
Manager: ICT	10%
Senior Accountant: Accounting	0%

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Member	Percentage attendance
Manager: Street and Storm Water	0%
Senior Manager: Electrical Services	0%
Senior Engineering Technician	5%
Senior Manager Electro Technical Services	0%
Manager: Expenditure	43%
SCM Practitioner (2) Senior Accountant: Tenders	67%
Snr Logistics	24%
SCM Practitioner (3)	33%
Acting Operational Manager: Cango Cave	0%
Senior Head Guide (Cango Caves)	0%
Manager: Revenue	100%
Manager Parks	29%
Chief IA	5%
Technical Services: Snr Engineering Technician	5%
Distribution: Engineering Technician	0%
Electricity: Snr Engineering Technician	5%
Manager Legal Services	19%
SCM Practitioner: Contract Admin	14%
Snr Manager Water	5%
Fleet Superintendent	5%
Acting Fleet Manager	10%
Manager Solid Waste	0%
Snr Manager Accounting Services	10%
LED Manager	71%
Snr Manager Strategic Services	0%
Manager Town Planning	0%
OHS Officer	0%
Snr Communications Officer	0%
Acting Sup Bergoord	10%
Network Administrator	5%
Communication Officer 1 + 2 + 3	10%
Manager Security & Law Enforcement Services	14%
Manager Budget	14%
Town Planner	5%

Table 44: Attendance of Members of Bid Evaluation Committee

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Legal Services provides input if requested.

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

Member	Percentage attendance
Chief Financial Officer	95%
Director Corporate Services	50%
Director Technical Services	91%
Director Community Services	0%
Senior Manager Strategic Services	86%
SCM Manager	91%
J Uys (Acting: Technical Services)	0%
D Visagie (Acting Corp) / community	23%
W Nojoko (Acting Corp)	18%
M Konnie (Acting Community)	23%
L Fatuse (Acting Corp) / community	73%
E Jantjies (Acting Corp)	0%
M Du Plessis (Acting CFO)	5%
P Muller (Acting Technical Services)	0%

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

Table 45: 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-06/06/2022	Provision of short-term insurance portfolio managers for Oudtshoorn Municipality	Financial Services	Silver Lake Trading 305 (Pty) Ltd	R 3 606 812.00
TD-03/04/2022	Supply and delivery of wastewater treatment chemicals for the period ending 30 June 2025	Technical Services	Metsi Ikapa	R3 085 284.00
TD-01/08/2021	Supply, install, monitor and maintain intrusion alarm system, security beams and CCT camera system as well as 24-hour armed response service for period ending 30 June 2024	Community Services	Alert Patrol	R2 442 120.80

Table 46: Highest Bids Awarded by Bid Adjudication Committee

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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-02/02/2021	Upgrade of water infrastructure from Raubenheimer dam - Phase 1	Technical Services	R11 321 750.00
TD-01/11/2021	Provision of External Loans to Oudtshoorn Municipality	Financial Services	R30 384 811.00

Table 47: Awards Made by Accounting Officer

Appeals Lodged by Aggrieved Bidders

16 Objections were received for the period under review, and only one on was successful.

Awards Made in terms of Preferential Procurement Regulations, 2011

All awards above R200 000 were made in terms of the above-mentioned amended Regulation including the phase of Interim Arrangements. Further all deviations were approved by the Municipal Manager or delegated authority.

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 R6 111 242,28 was approved by the Accounting Officer. The following table provides a summary of deviations approved for 2021/22:

Type of deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Sole Provider	3	R338 347.30	6%
Impractical / Exceptional	12	R4 948 187.53	81%
Emergency	9	R824 707.45	13%

Table 48: Summary of Deviations

Deviations from the normal procurement processes have been monitored closely and reported on a monthly basis. Thus, the significant reduction in total number of deviations in 2021/22.

2.7.3 Logistics Management

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

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

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- 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	2020/21	2021/22
Ensure that tenders are successfully finalised and awarded within the validity period of the tender to enhance effective delivery of services	95%	91%
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%	94%

Table 49: 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"> • Issuing of media release • Responding to media enquiries • Convening of press/media conferences and media tours
External communication	<ul style="list-style-type: none"> • Issuing of external newsletters • Attend public imbizo for communication purposes • Manager municipal website
Internal communication	<ul style="list-style-type: none"> • Issue internal messages through internal memorandums, circulars • Issuing of internal newsletters
Social media	<ul style="list-style-type: none"> • Manager social media platforms such as Facebook and Twitter
Language services	<ul style="list-style-type: none"> • Management of translation services • Management of interpreting services • Editing of documents
Corporate identity and image	<ul style="list-style-type: none"> • Management of corporate identity and branding • Development of corporate marketing material • Development of promotional material • Ensure development of brand strategy of the Oudtshoorn Municipality
Policy and strategies	<ul style="list-style-type: none"> • Development of Communication Strategy • Development of Crisis Communication Policy • Development of Social Media Policy
Marketing and advertising	<ul style="list-style-type: none"> • Manage advertising process of the municipal print media, electronic media and social media
Communication research	<ul style="list-style-type: none"> • Writing speeches for Executive Mayor, Deputy Mayor, Speaker and members of Council on request. • Community Satisfaction Survey and media monitoring

Table 50: Communication Activities

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2.8.2 Newsletters

Type of Newsletter	Issues distributed	Circulation number	Frequency
External newsletter	12	7464 soft copies via emails Facebook - 18 010 members ± 250 SMS to all residents on our database 7 Stakeholders WhatsApp groups ±20 per group	Monthly

Table 51: 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 52: 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
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
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
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	

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Description of information and/or document	Yes/No
Draft Budget 2021/22	Yes
Adjusted Budget 2021/22	Yes
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 2021/22	Yes
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2021/22	Yes
IDP Process Plan for 2021/22	Yes
Supply Chain Management (Sections 14(2), 33, 37 & 75(1)(e) & (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
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
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the Municipal Finance Management Act)	
Annual Report of 2020/21	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the Municipal Systems Act)	
Local Economic Development Strategy	Yes
Economic Profile	Yes
Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)	
Performance agreements for employees appointed as per S57 of Municipal Systems Act	Yes

Table 53: Website Checklist

CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2021/22 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

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

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 2021/22 was approved by the Mayor on 2 July 2021.

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

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 applicable directors for the 2021/22 financial year was signed by 31 July 2021.

The formal appraisal of the actual performance takes place twice per annum as regulated. The final evaluation of the 2020/21 financial year (1 January 2021 to 30 June 2021) and the mid-year performance of 2021/22 (1 July 2021 to 31 December 2021) took place on 27 January 2022.

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3.1.5 The IDP and the Budget

Both the IDP and budget for 2021/22 were reviewed and approved on 7 June 2021. 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 24 May 2022.

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

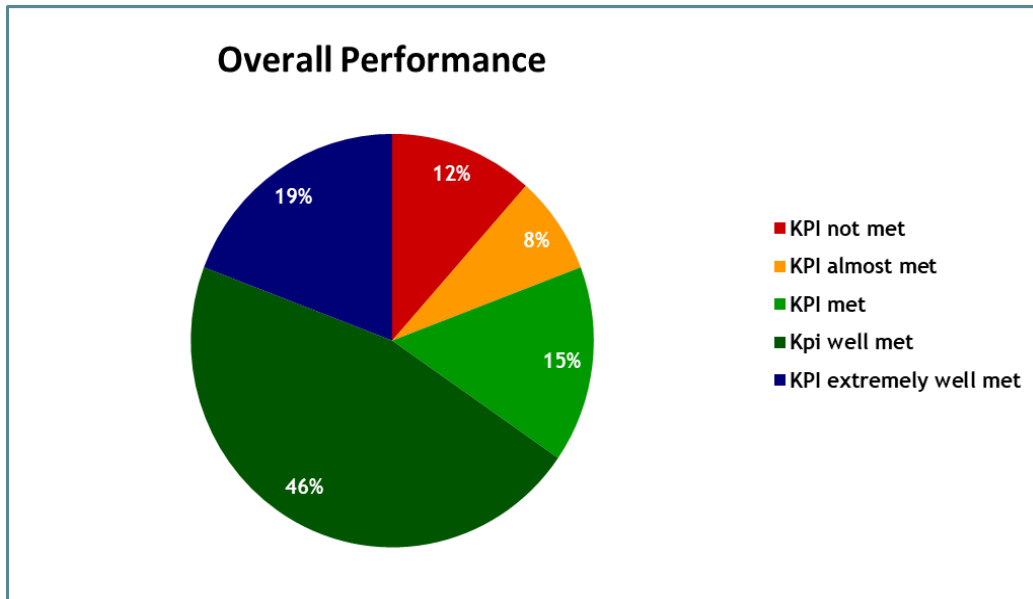
This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP,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

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2021/22 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:

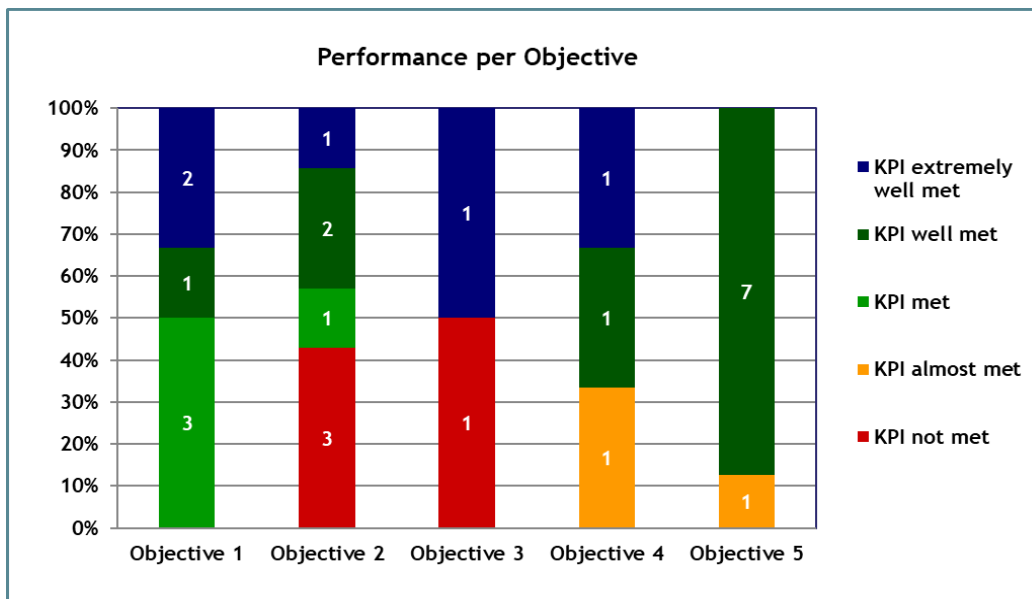
Category	Colour	Explanation
KPI Not Yet Measured	Grey	KPI's with no targets or actuals in the selected period
KPI Not Met	Red	0% > = Actual/Target < 75%
KPI Almost Met	Orange	75% > = Actual/Target < 100%
KPI Met	Green	Actual/Target = 100%
KPI Well Met	Dark Green	100% > Actual/Target < 150%
KPI Extremely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

Table 54: SDBIP Measurement Criteria

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Graph 4.: Overall Performance



Graph 5.: Performance per Strategic Objective

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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	0	2	1	0	0	3
KPI Almost Met	0	0	0	1	1	2
KPI Met	3	1	0	0	0	4
KPI Well Met	1	3	0	1	7	12
KPI Extremely Well Met	2	1	1	1	0	5
Total	6	7	2	3	8	26

Table 55: Top Layer SDBIP per Strategic Objective

The tables listed below indicates the actual strategic performance and corrective measures, which 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 2021/22						Actual	
					Target					Annual		
					Q1	Q2	Q3	Q4				
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	7.29%	0%	0%	0%	13%	13%	8.83%	B	
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	17.87%	20%	20%	20%	20%	20%	13.16%	B	
TL21	Submit the draft IDP to Council by 31 March 2022 to ensure compliance with legislation	IDP submitted to Council	All	1	0	0	0	1	1	1	G	
TL22	Submit the EE plan to Department of Labour by 15 January	EE plan submitted	All	1	0	0	1	0	1	1	G	
TL23	Annually submit Workplace Skills Plan by 30 April to LGSETA	Workplace Skills Plan submitted	All	1	0	0	1	0	1	1	G	

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2021/22						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL25	Implement 80% of the Audit findings issued.	% Audit findings addressed	All	New KPI for 2021/22	0%	0%	40%	80%	80%	98%	G2

Table 56: 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		
R	KPI Not Met	0
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	1
B	KPI Extremely Well Met	2
Total KPIs		6

Table 57: 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 2021/22						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL5	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2022 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	% of debt coverage	All	9.88%	0%	0%	0%	14%	14%	13.66%	B
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	17%	0%	0%	0%	9.50%	9.50%	16%	R
Corrective Measure		The Municipality is currently installing prepaid electricity meters to all consumers, which still utilising conventional electricity meters, as per council resolution 63.13/08/20, and the Municipality's revenue enhancement programmes. The same programme as first mentioned are being implemented for water meters, as per request by consumer and subject to availability of funding. The Municipality also appointed services providers/attorneys, whereby certain category of consumers, which does not have metered services to be disconnected, will be handed over for judicial collection of municipal outstanding debt. Lastly, the Municipality is also introducing its auxiliary collection method, especially on indigent consumers to avoid debt increasing.									

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2021/22						Actual	
					Target							
					Q1	Q2	Q3	Q4	Annual			
TL7	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure 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	All	2.3	0	0	0	1.9	1.9	2.1	G 2	
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}x100}	% debtor payment achieved	All	92%	93%	93%	93%	93%	93%	95.80%	G 2	
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	72%	10%	35%	60%	95%	95%	63.60%	R	
Corrective Measure		Main reason for underspending is the Blossoms Pipe Line - disaster funding only received in February 2022 as part of the Municipal Disaster Fund Schedule 7 DORA. Due to the complexity of the project, it could not be completed by 30 June 2022. Remedial action was implemented and approval was granted by NT to spend the remainder and complete the project in 2023 financial year. Budget 2022/23 Approved 6 June 2022 contains the full unspent amount for project finalization.										
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	0	0	0	0	1	1	1	G	
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	0.10%	0%	0%	0%	0.30%	0.30%	0.39%	G 2	

Table 58: To achieve financial sustainability and strengthen municipal transformation and development

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Summary of Results: To achieve financial sustainability and strengthen municipal transformation and development		
R	KPI Not Met	2
O	KPI Almost Met	0
G	KPI Met	1
G2	KPI Well Met	3
B	KPI Extremely Well Met	1
Total KPIs		7

Table 59: 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 2021/22						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL26	Service 400 sites in Dysselsdorp by 30 June	Number of sites services	9	New KPI For 2021/22	0	0	150	250	250	522	B
TL27	Construct 150 top structures in Dysselsdorp by 30 June	Number of top structures constructed	9	New KPI For 2021/22	0	0	0	150	150	70	R
Corrective Measure		Only 70 houses have been handed over to the rightful beneficiaries. Due to sub-contractors, who put construction on hold due to salary conflict, the target could not be reach. However, measures have been put in place to ensure that the outstanding total be achieved within the next financial year.									

Table 60: 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		
R	KPI Not Met	1
O	KPI Almost Met	0
G	KPI Met	0
G2	KPI Well Met	0
B	KPI Extremely Well Met	1
Total KPIs		2

Table 61: 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 2021/22						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL12	Limit unaccounted water to less than 25% by 30 June 2022{(Number of Kilotiters	% unaccounted water by 30 June 2022	All	17.80%	0%	0%	0%	25%	25%	12.10%	B

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2021/22						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified)x100}										
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	128	10	25	70	98	98	103	G2
TL20	The percentage of budget allocation actually spent on implementing social development programs, sport, youth & social	% budget spent	All	16%	20%	30%	60%	90%	90%	88%	O
Corrective Measure		Procurement process to start earlier in the new financial year									

Table 62: To promote social, rural and spatial economic development

Summary of Results: To promote social, rural and spatial economic development		
R	KPI Not Met	0
O	KPI Almost Met	1
G	KPI Met	0
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
Total KPIs		3

Table 63: 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 2021/22						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
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	7 573	7 300	7 300	7 300	7 300	7 300	7 615	G2
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	All	7 310	7 100	7 100	7 100	7 100	7 100	7 324	G2

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2021/22						Actual	
					Target							
					Q1	Q2	Q3	Q4	Annual			
		also used as unit of measurement										
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	7 391	7 100	7 100	7 100	7 100	7 100	7 100	7 399	G2
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	7 394	7 100	7 100	7 100	7 100	7 100	7 100	7 398	G2
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	14 582	14 200	14 200	14 200	14 200	14 200	14 200	14 687	G2
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	15 115	15 000	15 000	15 000	15 000	15 000	15 000	15 232	G2
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	17 071	17 000	17 000	17 000	17 000	17 000	17 000	17 174	G2
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	15 028	15 000	15 000	15 000	15 000	15 000	15 000	14 911	O
Corrective Measure		Due to the complexity of the KPI measurement, the target for 2022/23 will be revised for approval to eliminate a duplication in households with more than one water closets (toilets), as the unit of measurement is a connection to one property										

Table 64: To provide basic services to all residents in an environmentally sustainable manner

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Summary of Results: To provide basic services to all residents in an environmentally sustainable manner		
R	KPI Not Met	0
O	KPI Almost Met	1
G	KPI Met	0
G2	KPI Well Met	7
B	KPI Extremely Well Met	0
Total KPIs		8

Table 65: 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 Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes

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Municipal Function	Municipal Function Yes / No
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
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
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 66: 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 Dysselsdorp, as well as rural communities and farms in the Olifants River 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 Dysselsdorp, is used to extract water from the alluvial aquifer along the Olifants River.

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

- The Dysselsdorp Water Treatment Works (WTW) (East) is designed for 3.5 million m³/a (cubic metres per annum) and operates at 1.1 million m³/a.
- The Calitzdorp WTW (West) is designed for 0.9 million m³/a, but operates at only 0.1 million m³/a.

De Rust/Blomnek can extract 143 000 m³/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.

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b) Highlights: Water Services

The table below specifies the highlights for the year:

Highlights	Description
Blossoms Emergency Water Supply	<ul style="list-style-type: none"> The original supply of water from the Blossoms Wellfield was initiated in the early 2000's. The emergency drought project was initiated in 2018. The purpose of the emergency project is to utilize existing exploration boreholes to assist during the drought. The total project cost for the drought project is estimated at R100m. A total of R100m was received from Department Water and Sanitation (DWS). Approximately 10km of the pipeline connecting the Blossoms Wellfield to the Oudtshoorn reticulation network was completed by June 2022. The remainder to be installed before March 2023 which is the anticipated completion date for the project
Network upgrading	The programme to replace old asbestos cement (AC) pipes continued and approximately 12 000m of pipes between 75 and 350mm in diameter were replaced in the Bridgton area, Victoria Street and Schoemanshoek (Cango Caves Pipe) in Oudtshoorn
Installation of Telemetry	The installation of bulk water meters and a telemetry system continued to assist in monitoring water supply and reduce losses continued
Refurbishment of the KKRWSS Boreholes	The mechanical installations of the Vermaaks River boreholes were upgraded

Table 67: 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. This programme is now in its third year
Outdated Master Plan	Funding was secured from Development Bank of Southern Africa (DBSA) and Master Plans are being updated. Anticipated completion is December 2022

Table 68: Water Services Challenges

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d) Service Delivery Levels

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

Households		
Description	2020/21	2021/22
	Actual	Actual
	No.	No.
Water: (above min level)		
Piped water inside dwelling	15 115	15 232
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	110	143
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	15 225	15 375
Minimum Service Level and Above Percentage	98.64%	100%
Water: (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	210	0
No water supply	0	0
Below Minimum Service Level sub-total	210	0
Below Minimum Service Level Percentage	1.36%	0%
Total number of households	15 435	15 375
Include informal settlements		

Table 69: 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
2020/21	110	98.64%	7 573
2021/22	143	100%	7 615
6,000 litres of potable water supplied per formal connection per month			

Table 70: Access to Water

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e) Employees: Technical Services

The following tables indicates the staff composition for this division:

Employees: Office of the Director Technical Services				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	2	0	2	100
7 - 9	1	1	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	1	0	0
Total	5	2	3	60

Employees and post numbers are as at 30 June

Table 71: Employees: Office of the Director Technical Services

Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	51	31	20	39.21
4 - 6	21	10	11	52.38
7 - 9	17	16	1	5.88
10 - 12	4	4	0	0
13 - 15	6	4	2	33.33
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	99	65	34	34.34

Employees and post numbers are as at 30 June

Table 72: Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)

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Employees: Dysselsdorp/De Rust				
Job Level	2021/22			
	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
Total	1	0	1	100
Employees and post numbers are as at 30 June				

Table 73: Employees: Dysselsdorp/De Rust

Employees: Dysselsdorp				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	16	11	5	31.25
4 - 6	0	0	0	0
7 - 9	4	3	1	25
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	20	15	5	25
Employees and post numbers are as at 30 June				

Table 74: Employees: Dysselsdorp

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Employees: De Rust				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	16	3	13	81.25
4 - 6	2	0	2	100
7 - 9	4	4	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
Total	23	7	16	69.56
Employees and post numbers are as at 30 June				

Table 75: Employees: De Rust

Employees: Capital Projects				
Job Level	2021/22			
	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	0	0	0	0
13 - 15	4	2	2	50
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	6	4	2	33.33
Employees and post numbers are as at 30 June				

Table 76: Employees: Capital Projects

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f) Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2021/22: Water Services				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Blossoms Pipeline-Ground Water Project	612 300	612 300	612 313	0.002%
Pipe replacement	4 500 000	16 674 400	15 363 425	(7.86%)
Digger loader	1 300 00	1 300 000	1 116 135	(14.14%)
Rehabilitate asbestos/cement water pipes	5 525 000	10 518 100	9 374 214	(10.88%)
Refurbishment and replacement of control valves	0	919 500	737 614	(19.78%)
KKRWSS: Meter replacement	1 500 000	1 500 000	1 284 500	(14.37%)
Honey sucker	1 500 000	1 500 000	0	(100%)
KKRWSS: Refurbishments of network, reservoirs and pumpstations	0	1 087 800	1 087 800	0%
Blossoms pipeline	0	41 000 000	8 799 545	(78.54%)
Total	14 937 300	75 112 100	38 375 546	(48.91%)

Table 77: 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	The existing screw pumps at the Oudtshoorn WWTW were refurbished

Table 78: Waste Water (Sanitation) Provision Highlights

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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	Funding was secured from DBSA and Master Plans are being updated. Anticipated completion is December 2022

Table 79: Waste Water (Sanitation) Provision Challenge

d) Service Delivery Levels

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

Households		
Description	2020/21	2021/22
	Outcome	Actual
	No.	No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	15 028	14 911
Flush toilet (with septic tank)	0	0
Chemical toilet	736	887
Pit toilet (ventilated)	118	35
Other toilet provisions (above minimum service level)	0	0
Minimum Service Level and Above sub-total	15 882	15 833
Minimum Service Level and Above Percentage	100%	100%
Sanitation/sewerage: (below minimum level)		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0%	0%
Total households	15 882	15 833
Including informal settlements		

Table 80: Waste Water (Sanitation) Provision Service Delivery Levels

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e) Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Waste Water (Sanitation) Provision				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	23	20	3	13.04
4 - 6	5	3	2	40
7 - 9	0	0	0	0
10 - 12	2	2	0	0
13 - 15	3	3	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	33	28	5	15.15

Employees and post numbers are as at 30 June

Table 81: Employees Waste Water (Sanitation) Provision

f) Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Expenditure 2021/22: Waste Water (Sanitation)				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Refurbishment of sewage pump stations	100 000	415 674	435 753	4.83%
Security fencing of ODN WWTW	500 000	500 000	456 866	(8.63%)
Total	600 000	915 674	892 619	(2.52%)

Table 82: 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, Dysseisdorp 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 2021/22 financial year were 8.83%, compared to 7.29%, in 2020/21.

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

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b) Highlights: Electro Technical Services

The table below specifies the highlights for the year:

Highlights	Description
High mast lights installed	Ward 6 (open space) between Rosevalley & Toekomsrus Ward 8 (open space) in Zanoxolo Street Bongolethu
Upgrade of electrical infrastructure (Area)	Upgrading of SAP, Victoria & Merrimar Substations Service & repair of Ring Main Units (all 13 Wards) Upgrading of 11kV cables - Taute to High school, Bellingham to Adderley & Poplar to Els Substations
Upgrade of traffic lights	Queens Mall & Corner of Voortrekker & Baron van Rheede
Dysselsdorp Electrification Project Phase 2 & 3	Dysselsdorp Ward 10

Table 83: Electro Technical Services Highlights

c) Challenges: Electro Technical Services

The table below specifies the challenges for the year:

Description	Actions to address
Succession Planning	Staff development was not properly instituted in the Electrotechnical division and as a result, it has led to challenges within the department.
Staff Recruitment	Critical posts have been not always been filled over the years and has resulted in service delivery backlogs. Population growth in terms of housing projects have risen over the years, but the staff compliment have not been reviewed for consideration.

Table 84: Electro Technical Services Challenges

d) Service Delivery Levels

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

Description	Households	
	2020/21	2021/22
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least minimum service level)	2 289	2 134
Electricity - prepaid (minimum service level)	14 782	15 040
Minimum Service Level and Above sub-total	17 071	17 174
Minimum Service Level and Above Percentage	100%	91.4%
Energy: (below minimum level)		
Electricity (< minimum service level)	0	1 610

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Households		
Description	2020/21	2021/22
	Actual	Actual
	No.	No.
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	1 610
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0%	8.6%
Total number of households	17 071	18 784

Table 85: 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	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	21	8	13	61.90
4 - 6	28	10	18	64.28
7 - 9	6	6	0	0
10 - 12	11	4	7	63.63
13 - 15	10	10	0	0
16 - 18	2	0	2	0
19 - 20	0	0	0	0
Total	78	38	40	51.28

Employees and post numbers are as at 30 June

Table 86: Employees: Electro Technical Services

f) Capital: Electro Technical Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2021/22: Electricity				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Emergency transformer	450 000	0	0	0%
Electricity networks	500 000	1 011 200	934 284	(7.61%)

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Capital Expenditure 2021/22: Electricity				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Dysselsdorp bulk infrastructure	2 787 700	5 066 000	5 159 364	1.84%
Substation switch gear Ward 2	770 000	770 000	768 875	(0.15%)
ODN WWTW: High mast lights	350 000	350 000	140 160	(59.95%)
Upgrading 11 KV	3 500 000	3 500 000	1 998 868	(42.89%)
Electricity bulk meter replacement	1 000 000	938 800	0	(100%)
New high mast light	805 600	805 600	805 300	(0.04%)
Total	10 163 300	12 441 600	9 806 851	(21.18%)

Table 87: 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
Expansion of Fleet	The Municipality purchased a Tipper, Compactor and Digger Loader to expand the fleet. The Tipper and Compactor was purchased from Avis after the rental period came to an end. This is the first time that the Municipality own these vehicles

Table 88: Waste Management Highlights

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c) Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Illegal dumping on open spaces	Awareness campaigns must be launched to create awareness on the negative impact of illegal dumping. The department will be conducting awareness in all wards, every Friday. This will be done in conjunction with Parks, the Environmental Officer and Technical Services, as well as Garden Route District Municipality
Limited Staff	The Municipality is in the process of filling vacant posts and it is envisaged that by 1 August 2022 at least 8 new permanent employees will be appointed

Table 89: Waste Management Challenges

d) Service Delivery Levels

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

Description	2020/21	2021/22
	Actual	Actual
Household		
Refuse Removal: (Minimum level)		
Removed at least once a week	14 582	14 687
Minimum Service Level and Above Percentage	100%	100%
Refuse Removal: (Below minimum level)		
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
Below Minimum Service Level Sub-total	0	0
Below Minimum Service Level percentage	0%	0%
Total number of households	14 582	14 687

Table 90: Waste Management Service Delivery Levels

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e) Employees: Cleansing Services

The following table indicates the staff composition for this division:

Employees: Cleansing Services				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	81	58	23	28.39
4 - 6	1	1	0	0
7 - 9	13	12	1	7.69
10 - 12	1	1	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	97	73	24	24.74

Employees and post numbers are as at 30 June

Table 91: Employees: Cleansing Services

f) Capital: Waste Management

The following table indicates the capital expenditure for this division:

Capital Expenditure 2021/22: Waste Management				
Capital Projects	2021/22			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Digger Loader	1 300 000	1 300 000	1 424 390	9.57%
Total	1 300 000	1 300 000	1 424 390	9.57%

Table 92: Capital Expenditure: Waste Management

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.

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 and funding limitations.
- 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. The Council decided to engage in a public participation process. Public Participation took place on 13 June 2022. Thereafter the item was submitted to Council and approval was obtained to proceed with project.
- Dysselsdorp UISP (534) -Sites were serviced and thus far 82 houses have been handed over to beneficiaries.
- Rose Valley Phase (IV) UISP (132) - Funding was secured for the servicing of 128 sites and the possibility of few top structures.

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 25 informal settlement areas (legal and illegal) where 2 053 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 916 chemical 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).

A new tender has been started and a new service provider has been appointed for 3 years until June 2024.

During the heavy rains in November, December 2021 and January 2022, ±140 families has been assisted with emergency material in the form of gunplus, full structures and in some cases, bits and pieces. That was up to the value of ± R1,2million.

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 Dysselsdorp 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.

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. All sites have been serviced (534) by the end of the 2020/21 financial year.

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 longest on the waiting list (aged, disabled and military veterans) 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, 425 subsidies have been approved for the Dysselsdorp Housing Project (522).

For the financial year 2021/22, 82 houses have been handover to the rightful beneficiaries who had approved subsidies. Although the target was 150 houses for that financial year, the target could not be reach due to sub-

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contractors who put construction on hold due to salary conflict beneficiaries and in January 2022 there were national protest at the steel and metal industry. However, measures have been put in place to ensure that the outstanding total be achieved within the next financial year.

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. An item was submitted to Council for support from the GRDM Human Settlements department that was newly established. This will allow us to fast-track social housing projects in Oudtshoorn.

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. About 50 title deeds has been registered for 2021/22 financial year.

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 specify the highlight for the year:

Highlight	Description
Construction of houses in Dysselsdorp	82 Houses were handed to beneficiaries in Dysselsdorp. This was the first project in 27 years for Dysselsdorp

Table 93: 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:	Striking of balance to sustain economic growth as well as maintaining control in the spreading of the virus

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Description	Actions to address
<ul style="list-style-type: none"> Reduced funding by national and provincial government due to budgetary constraints Shacks spring up with no control Delays in implementation of projects 	
Dysselsdorp (534) - subsidy completion: <ul style="list-style-type: none"> Most of the beneficiaries works outside the residential area and are hard to find for handing over of invitations Due to protest actions at Dysselsdorp offices subsidies could not be completed Not all the beneficiaries that got invitations complete their subsidy applications Due to COVID-19 restrictions only a few beneficiaries could complete their subsidy applications daily	<ul style="list-style-type: none"> Beneficiaries to be educated on the importance of the completion of the subsidy process 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
Electrification of houses in Dysselsdorp Housing Project: The service provider of electrical meters who did not provide meters on time	Technical services to be hands on and manage contractors and ensure they keep to their timelines and deadlines
Sub-contractors: Dispute over salaries with sub-contractors bring a delay in building of houses	Contractors to familiarize themselves with the details of the contract prior to the signing of the contract. An information session was held for contractors and guidance provided by the Municipality

Table 94: Housing Challenges

d) Employees: Human Settlements

The following table indicates the staff composition for this division:

Employees: Policy, Education & Research				
Job Level	2021/22			
	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
Total	2	0	2	100
Employees and post numbers are as at 30 June				

Table 95: Employees: Policy, Education & Research

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Employees: Land and Forward Planning				
Job Level	2021/22			
	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
Total	2	0	2	100

Employees and post numbers are as at 30 June

Table 96: Employees: Land and Forward Planning

Employees: New Housing				
Job Level	2021/22			
	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
Total	9	1	8	88.88

Employees and post numbers are as at 30 June

Table 97: Employees: New Housing

Employees: Social Housing (Rental)				
Job Level	2021/22			
	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

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Employees: Social Housing (Rental)				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	1	1	50

Employees and post numbers are as at 30 June

Table 98: Employees: Social Housing (Rental)

Employees: Strategic Support				
Job Level	2021/22			
	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
Total	2	0	2	100

Employees and post numbers are as at 30 June

Table 99: Employees: Strategic Support

Employees: Informal Settlements				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	2	1	1	50
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

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Employees: Informal Settlements				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
19 - 20	0	0	0	0
Total	10	2	8	80

Employees and post numbers are as at 30 June

Table 100: Employees: Informal Settlements

Employees: Administration				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	9	5	4	44.44
7 - 9	2	2	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
Total	12	7	5	41.66

Employees and post numbers are as at 30 June

Table 101: Employees: Administration

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 900** per month receive the allocated free basic services as prescribed by national policy.

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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	%
2020/21	15 115	7 310	48.36	7 573	50.10	7 391	48.90	7 394	48.92
2021/22	15 232	7 324	48.08	7 615	49.99	7 399	48.58	7 398	48.57

Table 102: Free Basic Services to Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2020/21	7 310	50	8 423	9 761	0	0	253	50	222
2021/22	7 324	50	9 465	9 850	0	0	221	50	218

Table 103: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2020/21	7 573	6kl	15 182	7 542	0	0
2021/22	7 615	6kl	15 956	7 617	0	0

Table 104: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			(R'000)			(R'000)
2020/21	7 391	1 729	11 018	7 637	0	0
2021/22	7 399	1 859	11 886	7 755	0	0

Table 105: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			(R'000)			(R'000)
2020/21	7 394	1 866	11 864	7 188	0	0
2021/22	7 398	2 025	12 931	7 289	0	0

Table 106: 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 18.5 km 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

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- 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

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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 R7.5 million was appropriated out of MIG for the upgrade of stormwater systems in Oudtshoorn, De Rust and Dysselsdorp.

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b) Highlights: Roads and Stormwater

The table below specify the highlight for the year:

Highlight	Description
Capital upgrades of stormwater infrastructure	New stormwater infrastructure in Bongolethu, De Rust and Dysselsdorp

Table 107: 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. At least R15 000 000 per financial year must be budgeted to effectively maintain and upgrade roads and stormwater infrastructure

Table 108: 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
2020/21	192	0	0.5	5.5	15
2021/22	192	0	8	0	17

Table 109: 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
2020/21	29.3	0	0	12
2021/22	29.3	0	0	6

Table 110: Gravel Roads

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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		
2020/21	55 000	5 500	2 000
2021/22	60 000	4 500	2 000

Table 111: 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	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	66	39	27	40.90
4 - 6	17	7	10	58.82
7 - 9	15	11	4	26.66
10 - 12	2	1	1	50
13 - 15	5	3	2	40
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	106	61	45	42.45

Employees and post numbers are as at 30 June

Table 112: Employees: Roads and Stormwater

f) Capital: Roads and Stormwater

The following table indicates the capital expenditure for this division:

Capital Expenditure 2021/22: Roads and Stormwater				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Upgrading of Stormwater Systems	2 764 400	3 041 900	4 842 778	59.20%
Paving of Streets	3 527 100	3 271 600	3 273 979	0.07%
Rehab Streets Stormwater - Oudtshoorn	5 000 000	5 000 000	4 983 450	(0.33%)
Speedhumps	200 000	200 000	0	(100%)

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Capital Expenditure 2021/22: Roads and Stormwater				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Sit - on roller	220 000	220 000	235 107	6.87%
Total	11 711 500	11 733 500	13 335 314	13.65%

Table 113: Capital Expenditure: Roads and Stormwater

3.5 Component C: Planning and Local Economic Development

3.5.1 Planning and Development

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.

Planning and Development 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.

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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 building older than 60years and to make recommendations to Western Cape Heritage.

The mission of Planning and Development 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
Town Planning Applications	<p>Final decisions, with respect to all Town Planning Applications, were taken within the timeframe, as prescribed by legislation.</p> <p>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.</p> <p>Major developments which were approved during the 2021/22 to include inter alia the following:</p> <p>Residential Development in Welgeluk:</p> <p>Approval was granted on 14 June 2022 for a development that will consist of:</p> <p>149 Single dwelling plots; 74 Medium to high density residential plots; 1 Institutional erf; 3 Business Erven; 2 erven for the purposes of sewage pumping stations; Public and private open spaces; and Streets.</p> <p>Pepperwood Estate:</p> <p>The application was submitted on 11 April 2022, which for the purposes of:</p> <p>148 Medium to high density residential plots; 1 Erf for community facilities; 2 Business Erven; 1 Private open space; and Streets.</p> <p>The application had already been advertised and no objections had been received. The application was also distributed to relevant Provincial Departments, whose comments have also already been communicated to the applicant. Feedback is now awaited on the latter comments from the applicant, though before or on 14 August</p>

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Highlights	Description
	2022, as well as an "Access Management Plan", which must be drawn up by and at the expense of the developer and submitted to the District Roads Engineer. Once the comments have been received from the applicant and approval has been received from the District Roads Engineer, the application will be distributed interdepartmentally, after which an interdepartmental Town Planning Services Committee meeting will be held. Any further comments (if any) will then be communicated to the applicant, after which the application will be assessed and a final decision will be made
Building Plan Applications	Final decisions in respect of 98% of all building plan applications were taken within the prescribed timeframes
Environmental Health and Heritage	
Responses to Pre-Directives and Directives in terms of the National Environmental Management Act (NEMA)	The Environmental Health and Heritage Officer, in collaboration with the Manager: Planning and Development, has continuously responded sufficient 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 (DEADP)	<p>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.</p> <p>The Municipality has also built a strong relationship with the Department of Floristries whereby trees and spekboom are provided as part of the greening campaigns in Oudtshoorn</p>
Air Quality Management	<ul style="list-style-type: none"> • The Oudtshoorn Municipality adopted its 2nd generation Air Quality Management Plan which is currently being implemented. • The Municipality designated an Air Quality Officer who is responsible for Air Quality Management in the Greater Oudtshoorn Area. • The Municipality recently procured a mobile Air Quality Monitoring Station, which will allow for air pollution monitoring in the municipal area. • One of the facilities in the Oudtshoorn area which, was identified as an air pollution hot spot, investigated, and installed new technology which, as from the latest results indicated a decrease in the emissions. This will however be monitored further to see the progress. • The Municipality in collaboration with the Garden Route District Municipality initiated an air pollution survey in one of the informal settlements whereby fires are made on a daily basis for food and heating purposes. Air Pollution Awareness was also done during this time. • Vehicle emission testing have been conducted in Oudtshoorn, in collaboration with the Garden Route District Municipality, whereby mostly heavy vehicles outlets were tested before entering the town. Air pollution awareness was also conducted during these sessions. • Air Pollution inspections and investigations are conducted on an ad hoc basis
Cleaning and Greening	<ul style="list-style-type: none"> • The Municipality has initiated several cleaning and greening campaigns within the Greater Oudtshoorn.

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Highlights	Description
	<ul style="list-style-type: none"> • Cleaning and Greening campaigns have been implemented at several schools and more schools will be visited in the coming months. • 200 spekboom plants have been planted at the Oudtshoorn Cemetery as part of the greening project and to replace the stolen palisade fencing. The idea is to create a green fencing. • Oudtshoorn Municipality will green our social housing developments, starting with Rose Valley in July -August 2022
Schools Environmental Awareness and Education	Forming part of the greening campaigns, several learners have been Gamkaberg Nature Reserve, whereby kids have been educated about Biodiversity. This is a joint initiative between Oudtshoorn Municipality and Cape Nature
Grobbelaars River Maintenance Plan	The Municipality is currently in the final stages of establishing a River Maintenance Plan for the Grobbelaars River, which will include cleaning and clearing of alien vegetation, and which will also contribute to water security

Table 114: 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	<p>An Environmental Practitioner's Firm has already been appointed to conduct Basic Assessments and other specialized studies.</p> <p>The studies have been completed and in process of being submitted to the DEADP.</p> <p>Environmental approval should be obtained in the new financial year</p>
Revision of the Oudtshoorn Integrated Zoning Scheme By-Law, 2021	<p>Section 24(1) of the Spatial Planning Land Use Management Act (SPLUMA), 2013, (Act. 16 of 2013) determines that a municipality must adopt and approve a single land use scheme for its entire area within five years from the commencement of SPLUMA.</p> <p>The Oudtshoorn Integrated Zoning Scheme By-Law was adopted by Council In and promulgated on 16 February 2021.</p> <p>Upon the adoption of the final Oudtshoorn Integrated Zoning Scheme Bylaw (2020), it replaced all existing and outdated zoning scheme regulations currently in operation in the Oudtshoorn area, which include the;</p> <ul style="list-style-type: none"> • Section 8 Scheme Regulations, 1988 (made in terms of Section 8 of the Land Use Planning Ordinance, 1985); • Oudtshoorn Town Planning Scheme, 1968; and • Bongoletu Town Planning Scheme, 1988 (made in terms of the Black Communities Development Act, 1984). <p>It is intended to review the By-law, not only to address gaps that have been experienced/identified, but also to make amendments, which address the unique circumstances of the Greater Oudtshoorn. With the modification process, Overlay Zones will also be developed (compare the following topic below). Provision has also already been made in the 2022/23 budget for this process</p>

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Description	Actions to address
Development of a Mixed-Use Overlay Zone	<p>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.</p> <p>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.</p> <p>In developing a Mixed Use Overlay Zone, communities should select the advantages that best apply and structure the provisions to accomplish these goals.</p>
Appointment of a Chief Town and Regional Planner.	With the newly approved organogram, the proposal will be to appoint a Chief Town and Regional Planner to ensure achievement of key performance targets and broader Town Planning objectives
Environmental Health and Heritage Officer	<p>With the newly approved organogram, the Environmental Health and Heritage Officer reports directly to the Manager: Land Use Management and Spatial Planning and not the Town and Regional Planner.</p> <ul style="list-style-type: none"> Additional qualified staff members are required to establish an environmental unit, which will cover all aspect related to the environmental sector (Specific Environmental Acts) for the Municipality in general. Funding is required for awareness and education

Table 115: Planning and Development Challenges

d) Service Delivery Levels

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

Type of service	2020/21	2021/22
Building plan applications processed	379	450
Total surface (m ²)(Value)	1 344 945	1 296 482
Approximate value of building work in (Rand)	398 610 00 (53 148 m ²)	348 630 000 (46 484 m ²)
Approximate value (Rand)	283	176
Land use applications processed	1 027 216	748 410
Complaint handling and responses to directives (Environment/Heritage)	245	0

Table 116: Additional Performance Planning and Development

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e) Employees: Planning and Development

The following table indicates the staff composition for this division:

Employees: Planning and Development				
Job Level	2021/22			
	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	0	0	0	0
10 - 12	7	3	4	57.14
13 - 15	6	5	1	16.66
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	17	11	6	35.29

Employees and post numbers are as at 30 June

Table 117: Employees: Planning and Development

f) Capital: Planning and Development

The following table indicates the capital expenditure for this division:

Capital Expenditure 2021/22: Planning and Development				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Office furniture equipment	60 000	167 700	151 772	(9.50%)
Measuring wheel	7 700	0	0	0%
Air-quality & sound level equipment	0	250 000	168 340	(32.66%)
Total	67 700	417 700	320 112	(23.36%)

Table 118: 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

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a) Highlights: LED

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

Highlights	Description
Construction of Bridgton Business Complex	The Municipality coordinated the development of a business complex containing various retail shops to the estimate value of R30 million.
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 to develop trading spaces for entrepreneurs in the township in partnership with SEDA
Adoption of Informal Traders Policy	Review and adoption of new Informal Traders Policy to regulate informal trading in the Greater Oudtshoorn
Adoption of Business Incentive Policy	Adoption of business incentive policy to enhance economic growth. Adoption took place in October 2021

Table 119: 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 showcase their products on regular basis	Approval of Council informal trading policy that would guide the creation of more open spaces for trading

Table 120: 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 121: LED Strategic Areas

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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	2021/22			
	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	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	3	3	0	0

Employees and post numbers are as at 30 June

Table 122: Employees: LED

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f) Capital: LED

Capital Expenditure 2021/22: LED				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Upgrading of informal trading areas	100 000	100 000	86 350	(13.65%)
Upgrade of SMME infrastructure	0	1 739 100	112 700	(93.52%)
Total	100 000	1 839 100	199 050	(89.18%)

Table 123: Capital Expenditure: 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 six libraries and a mini library in the Greater Oudtshoorn Municipality:

- CJ Langenhoven Library
- Bongolethu Library
- Bridgton Library
- De Rust Library
- Dysselsdorp Library
- Rosevalley 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.

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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
Rosevalley Public Library	Construction of the library started in July 2021. It was smooth sailing from the start until January 2022, where we experienced a few industrial actions from the sub- contractors in the community regarding wages. After discussions and problems were resolved, the Municipality took ownership of the building in April 2022
YearBeyond ICT Cadets	As part of a youth programme, Community Chest appointed 200 YearBeyond ICT cadets (18 - 25 years old) in the Western Cape. These young people are trained to help the public on the computers and even to compile CV's if needed. They are given a chance to gain experience in the workplace, by learning certain skills in the libraries which they can use on their own CV's. The Municipality has six YearBeyonders
Volmoed Mini Library	Provincial Library Services appointed an EPWP worker on contract for three months. The contract was extended for another nine months to keep the library open to the public

Table 124: 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, limited outreach programmes and library services were limited	Increased levels of marketing the library services available to the public
Budget constraints: Some posts are vacant since 2015, although on the Municipal structure	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. Funding is urgently needed for filling crucial posts in order for proper service delivery
Official opening of Rosevalley Public Library	Due to the non-deliverance of library furniture, the official opening of the library could not take place. Another process had to be followed and orders were made out in June 2022. The library will open in July 2022

Table 125: Libraries Challenges

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d) Service Delivery Levels

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

Type of service	2020/21	2021/22
Library members	133 534	228 476
Books circulated	116 520	112 142
Exhibitions held	61	100
Internet users	6 048	7 510
Children programmes	4	41
Visits by school groups	8	20

Table 126: 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	2021/22			
	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
Total	3	2	1	33.33

Employees and post numbers are as at 30 June

Table 127: Employees: Office of the Director Community Services

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f) Employees: Libraries

The following table indicates the staff composition for this division:

Employees: Libraries				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	8	8	0	0
4 - 6	14	11	3	21.42
7 - 9	3	2	1	33.33
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
Total	29	23	6	20.68

Employees and post numbers are as at 30 June

Table 128: Employees: Libraries

g) Capital: Libraries

The following table indicate the capital expenditure for this division:

Capital Expenditure 2021/22: Libraries				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
New Rosevalley Library	6 537 200	6 537 200	6 256 800	(4.23%)
Total	6 537 200	6 537 200	6 256 800	(4.23%)

Table 129: Capital Expenditure: Libraries

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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
Appointment of EPWP workers who assisted in cleaning of our cemeteries	The main function in the Cemeteries is to provide graves and the limited staff we have in our ever-growing cemeteries hardly get to the cleaning of cemeteries

Table 130: 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, appointments of temporal staff to clean cemetery (EPWP) and digger loader operator
Theft of boundary fencing and vandalism	Incidents are reported to the South African Police Services (SAPS) Alternative security fencing needs to be budgeted for
Budget constraints	No funding allocated for fencing of cemeteries and toilet facilities. Budgetary provision must be considered

Table 131: Cemeteries Challenges

d) Services Delivery Levels

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

Type of service	2020/21	2021/22
Burials	926	836

Table 132: 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

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b) Highlights: Social Development

The table below specify the highlight for the year:

Highlight	Description
Signing of Memorandum of Understanding (MOU)	The Municipality signed an MOU with Eden Meals on Wheels and started discussions with Johnson's Bricks and Fidelity Security Company with regards to their Corporate Social Responsibility
Project: Ithemba House for the Homeless	Renovations and construction of Men's Quarters
Establishment of new Local Drug Action Committee (LDAC)	A LDAC was established in Dysselsdorp
Establishment of Satellite Thusong Centre	New Dysselsdorp Thusong Satellite Centre was established

Table 133: 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 134: Social Development Challenges

d) Employees: Social Development

Employees: Social Development				
Job Level	2021/22			
	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	0	0	0	0
13 - 15	4	4	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	6	6	0	0

Employees and post numbers are as at 30 June

Table 135: 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 specify the highlights for the year:

Highlight	Description
Easing of COVID-19 restrictions	The easing of COVID-19 restrictions brought about an increase of service delivery to the public

Table 136: 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 and the filling of existing vacancies.
Inadequate office space	Extend the current infrastructure to create a conducive workplace for all employees and to improve service delivery.
Combatting of fraud and corruption	Fraud and corruption hotline must be established

Table 137: Traffic Services Challenges

c) Services Delivery Levels

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

Details	2020/21	2021/22
Motor vehicle licenses processed	27 890	27 704
Learner driver licenses processed	2 305	2 506
Driver licenses processed	2 773	2 747
Driver licenses issued	1 143	1 171
Fines issued for traffic offenses	7 905 (including camera fines)	9 383 (including camera fines)
R-value of fines collected	423 600	101 062
Roadblocks held	68	75
Complaints attended to by Traffic Officers	156	89
Number of officers in the field on an average day	5	5

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Details	2020/21	2021/22
Number of officers on duty on an average day	5	5

Table 138: 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	2021/22			
	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	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	3	3	0	0

Employees and post numbers are as at 30 June

Table 139: Employees: Traffic Services

Employees: Traffic Administration				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	12	8	4	33.33
7 - 9	4	4	0	0
10 - 12	3	2	1	33.33
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	22	17	5	22.72

Employees and post numbers are as at 30 June

Table 140: Employees: Traffic Administration

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Employees: Law Enforcement				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	6	6	0	0
7 - 9	8	8	0	0
10 - 12	6	1	5	83.33
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	29	24	5	17.24

Employees and post numbers are as at 30 June

Table 141: Employees: Law Enforcement

e) Capital: Traffic Services

The following table indicate the capital expenditure for this division:

Capital Expenditure 2021/22: Traffic Services				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Security cameras (cashier area, building)	0	104 300	0	(100%)
Total	0	104 300	0	(100%)

Table 142: 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.

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b) Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
New administrative and control room buildings	The Fire, Rescue and Disaster Management Services have successfully relocated to a new premises in Rollnick Street, Oudtshoorn. The new Fire Department Section will be added in the coming financial year

Table 143: 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	Budget provision must be made for the expansion of the new buildings
Dysselsdorp Fire and Rescue Services - Sub-station	The fire department (Dysselsdorp) is operating from a single room in the municipal building. This is not an ideal situation as it does not cater for the rendering of the 24-hour service. Budget provision must be made address this matter
Personal shortage	The organogram needs to be reviewed to allow for additional positions/personnel. Along with this, budget provision must be made to fill the relevant positions
Appropriate vehicles	Budget provision must be made for the purchasing of specific vehicles in order to comply with legislation
Equipment	Budget provision must be made for the purchasing of more equipment and replacing redundant equipment
Sub-stations in De Rust and Volmoed	Additional personnel needs to be appointed, provision of vehicles and suitable buildings needs to be provided for sub-stations in De Rust and Volmoed

Table 144: Fire Services and Disaster Management Challenges

d) Services Delivery Levels

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

Details	2020/21	2021/22
Total fires handled in the year	361	463
Total Rescue incidents in the year	113	7
Total Animal Rescues in the year	9	10
Total Fire Prevention Inspections	95	48
Reservists and volunteers trained	0	0
Awareness Initiatives on Fire Safety	0	0

Table 145: Services Delivery Levels for Fire Services and Disaster Management

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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	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	13	11	2	15.38
7 - 9	14	14	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
Total	33	28	5	15.15

Employees and Posts numbers are as at 30 June

Table 146: 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 2021/22: Fire Services and Disaster Management				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Rescue equipment	300 000	480 000	227 492	(52.61%)
Snake handling equipment	30 000	30 000	27 409	(8.64%)
Total	330 000	510 000	254 901	(50.02%)

Table 147: 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) 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. Vandal proof Security fencing recommended
Aging Infrastructure	Swimming pools, sport fields as well as resorts need to be considered for major upgrades as the repairs no longer contribute to the value
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 148: Parks and Recreation Challenges

b) Parks and Recreation Service Statistics

Type of service	2020/21	2021/22
Community parks		
Number of parks with play park equipment	10	12
Number of wards with community parks	7	7
Swimming pools		
Number of swimming pools	5	5
Number of visitors at swimming pools	1 350 (9 events)	5 000
R-value collected from entrance fees	2 145	80 856
Sport fields		
Number of wards with sport fields	7	7
Number of sport grounds or fields	12	12
Number of events hosted	53	98
R-value collected from utilisation of sport fields	7 760	65 370

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Type of service	2020/21	2021/22
Community parks		
Sport halls		
Number of wards with sport halls	1	1
Number of sport associations utilising sport halls	7	11
R-value collected from rental of sport halls	21 970	117 149
Stadiums		
Number of stadiums	4	4
Number of events hosted in stadiums	53	98

Table 149: Service Statistics Parks and Recreation

c) **Employees: Parks and Recreation**

The following table indicates the staff composition for this division:

Employees: Parks and Recreation				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	69	53	16	23.18
4 - 6	30	14	16	53.33
7 - 9	28	24	4	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
Total	131	94	37	28.24

Employees and post numbers are as at 30 June

Table 150: Employees: Parks and Recreation

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d) Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Expenditure 2021/22: Sport and Recreation				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Digger loader	0	1 818 800	1 601 393	(11.95%)
Upgrading Bridgton Resort swimming pool	1 000 000	1 000 000	130 826	(86.92%)
Cherry picker		2 116 300	1 972 650	(6.79%)
Rehab of sports field lighting	6 192 000	2 176 900	372 364	(82.89%)
Rehab athletic tracks	3 000 000	2 884 000	227 862	(92.10%)
3 Ton truck - replacement of tractors	400 000	516 000	467 574	(9.38%)
Total	10 592 000	10 512 000	4 772 669	(59.78%)

Table 151: Capital Expenditure: Sport and Recreation

3.8.2 Community Halls and Buildings

This specific unit includes all the municipal buildings and facilities including community halls. There are 6 community halls that are rented out to the community of Oudtshoorn on a regular basis. This 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
Usage of facilities by the KKNIK again in 2022	The biggest arts festival in the country utilises municipal halls to host big productions
General usages of facilities	Municipal facilities are utilised to host many youth programs, learnerships, workshops, meetings, funerals, weddings and church services.
Hosting big functions with guests varying between 10 and 700	All our halls are accessible for the disabled. We have halls which accommodate up to 700 people and we host a variety of different events

Table 152: Community Halls and Buildings Highlights

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b) Challenges: Community Halls and Buildings

The table below specifies the challenges for the year:

Description	Actions to address
Renovate Blomnek Community Hall and move the pre-school to a different location	The unit is working with Council to develop a plan to relocate the pre-school in order to utilise the hall for community functions. The appointment of a caretaker and cleaners on a permanent basis at the hall must be investigated
Shortage of skilled artisans to maintain buildings	Budget provision must be made for the filling of vacancies
Vandalize of the community hall and buildings	Budget provision must be made to construct fencing. Alarms were installed but no security to physically attend to the facilities

Table 153: Community Halls and Buildings Challenges

c) Community Halls and Buildings Service Statistics

Type of service	2020/21	2021/22
Number of community halls	6	6
Number events hosted	230	350

Table 154: 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	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	37	24	13	35.13
4 - 6	4	2	2	50
7 - 9	11	6	5	45.45
10 - 12	4	0	4	100
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	58	34	24	41.37

Employees and post numbers are as at 30 June

Table 155: Employees: Community Halls and Buildings

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e) Capital: Community Halls and Buildings

The following table indicate the capital expenditure for this division:

Capital Expenditure 2021/22: Community Halls and Buildings				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Air conditioners	200 000	200 000	194 241	(2.88%)
Total	200 000	200 000	194 241	(2.88%)

Table 156: 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 2021/22 the cave experienced various challenges in this regard due to the COVID-19 pandemic and lock down restrictions.

b) Highlights: Cango Caves

The table below specifies the highlights for the year:

Highlights	Description
Operational: Site Visits	<p><u>Emergency Medical Rescue Services</u> 30 Staff (rescuers & operations) from the Emergency Medical Rescue Services (Garden Route & Klein Karoo) participated in an Incident Readiness Exercise to reacquaint themselves with interior terrain. The Cango Caves is very reliant on their technical expertise and assistance should any incident occur inside the cave.</p> <p><u>Department of Human Settlements</u> Cango Caves staff attended an information session presented by the Department of Human Settlement (Western Cape & Oudtshoorn) regarding Affordable Housing.</p>

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Highlights	Description
	<p><u>National Nuclear Regulator</u> The National Nuclear Regulator paid an annual visit.</p> <p><u>Human Resources (HR) Oudtshoorn Municipality</u> Representatives from the HR were invited to brief the staff on various topics, i.e. Code of Conduct, Sexual Harassment etc.</p> <p><u>Disaster Management (Oudtshoorn Municipality)</u> Fire and Rescue appointed a Fire Engineer to ascertain the requirements and specific equipment needed to be installed in the Cave Complex. This project is done in conjunction with the Department Technical Services.</p> <p><u>Western Cape Department of Cultural Affairs and Sport (DCAS)</u> Representatives from various DCAS establishments (culture centres and accommodation facilities) paid a visit</p>
Projects	<p><u>Upgrade of Caves Complex</u> The maintenance team is waterproofing the roof of the complex to temporarily prevent further water damage. Management has approached DCAS for financial assistance to address the structural decay of the complex</p>
Procurement / Tenders	<p><u>Curio Shop</u> The current economic climate and decreased visitor statistics were not conducive to advertise this retail space. The tender will be advertised soonest</p> <p><u>Radon Protection Officer (RPO)</u> All staff that work inside the caves, are deemed radon workers by the National Nuclear Regulator (NNR). A RPO will be appointed to ascertain the radon levels inside the cave and prepare annual reports for the NNR</p> <p><u>Upgrading of ticketing system</u> We are searching for a user-friendly, efficient and cost-effective ticketing system. Advertising will commence soonest</p> <p><u>Vacant Retail Space</u> The space is being prepared to put on tender as prospective retail space. This will generate extra income.</p>
Marketing: Site Inspections	<p>Tour operators and travel agents that promote and "sell" Garden Route & Klein Karoo itineraries, organise site inspections/educational visits to re-acquaint themselves with the Caves - we are featured in many these travel plans:</p> <ol style="list-style-type: none"> 1. Pearl Travel (India) 2. Jeel Holidays (India) 3. ERM (South Africa) 4. SA Travel Inbound (South Africa) 5. Supertramp (Poland) 6. Garden Route National Park (South Africa) 7. Atlantic Travel Connect (Brazil) <p>Go Tourism (South Africa)</p>
Marketing: Promotional Visits	<p><u>SA Rugby Sevens Academy</u> The manager of the SA Rugby Sevens Academy visited the town on a scouting excursion</p> <p><u>Meetings Africa</u> is an international M.I.C.E. (Meetings, Incentives, Conferences and Exhibitions) Conference organised by South African Tourism. Delegates were invited to partake in pre- and</p>

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Highlights	Description
	<p>post-tour excursions. Cango Caves hosted travel agents from Botswana, Nigeria, Russia and the United States.</p> <p><u>Social Media Influencer</u> Nadia Jaftha (November 2021) Lisa van Rooyen (April 2022)</p> <p>These influencers were hosted by Oudtshoorn Tourism and visited various attractions in and around the town</p>
Marketing: Networking	<ol style="list-style-type: none"> 1. Oudtshoorn Tourism, Oudtshoorn Business Chamber and Agri Klein Karoo hosted a joint Network Evening 2. Oudtshoorn Tourism' Network Evening - De Rust 3. SATSA Garden Route Chapter meeting - Far Hills Country Hotel 4. Bon Hotels is the new managing partner at the Queens Hotel. Cango Caves met with the new team <p>Cango Caves is a long-standing board member of the Oudtshoorn Tourism Executive Committee. Meetings are held monthly</p>
Marketing: Media Visit	<p><u>Elaine King (Weekend Post)</u> - article on Oudtshoorn and surrounds</p> <p><u>Rove SA & Wesgro</u> - Wesgro partnered with Rove SA magazine (South African travel and lifestyle magazine targeting both local and international readers) to feature the Western Cape in their upcoming June edition</p>
Marketing: Sponsorships	<p><u>Fundraiser Events</u> Gill Junior Hostel - Eastern Cape Rooiberg Primary School SA Rugby Legends - Oudtshoorn High School SANDF Health Centre Bayethe Cycling Academy Knysna Rotary Annual Golf Day</p> <p><u>Community Outreach</u> Meals on Wheels Active Aging Program</p> <p><u>Prize-giving Events</u> Klein Karoo Sake Aflos SA Youth & USSA Cycling Road Championships Aerial College Poetry Slam WTM Africa Tourism Trio Trivia</p>
Marketing: Tourism Expo	<p><u>Caravan & Camp Show: February 2022 (Johannesburg)</u></p> <p>This exhibition is held annually in Johannesburg and creates the platform for the consumer to communicate directly with the product, i.e. tourist attractions, destinations or consumables.</p> <p>Oudtshoorn was represented by Cango Caves and Oudtshoorn Tourism.</p> <p>Oudtshoorn were the only area in Garden Route & Klein Karoo region that was represented</p>
Marketing: Tourism Workshops	<p><u>SATSA</u></p> <ul style="list-style-type: none"> • Fancourt (September 2021)

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Highlights	Description
	<p>30 Tour operators and agents participated in a familiarisation visit to the Garden Route & Klein Karoo. This was a joint venture between Wesgro and Satsa.</p> <ul style="list-style-type: none"> Cellars Hohenhort Hotel, Cape Town (November 2021) <p>46 Tour operators and agents participated. Cango Caves is a long standing SATSA member. <u>Travel Marketing Experts</u> Fancourt (May 2022)</p> <p>60 Buyers participated and reacquainted themselves with various Garden Route and Klein Karoo product</p>
Marketing: Film Crews	<ul style="list-style-type: none"> Blixem Productions - Adventure TV Program on KykNet LifeBrand - Filmed Karoo Crossing Cycling in conjunction with Wesgro South African Tourism UK - producing 5-part Digital TV series to promote the Garden Route and Klein Karoo InsiderSA - Lifestyle Show on SABC3 Africade Productions - Adventure TV Program in India. Heartbeat FM - GBV Project <p>KKNK - Local artists (poets, writers etc) were invited to showcase their talent</p>
Marketing: Advertisements	<p>Cango advertises in the annual Activity Booklet, initiated by Oudtshoorn Tourism Bureau. Visitors are offered discounted entrance fees to the many tourist activities in the Oudtshoorn area.</p> <p>This booklet has been very popular the last two Decembers and is distributed from November onwards</p>
Marketing: Social Media	<p>https://www.instagram.com/cango_caves/</p> <p>https://www.facebook.com/cangocaves</p> <p>https://twitter.com/Cango_Caves</p> <p>https://www.cango-caves.co.za/</p>

Table 157: 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 capacity on visitor numbers were imposed:

- Only Heritage Tours were available. Adventure Tours were suspended till June 2022. COVID-19 restrictions prohibited us from offering the extra tour option.
- Only 50 visitors were allowed per Heritage Tour - this number includes visiting tour guides and tour leaders
- Physical distancing measures was strictly enforced.

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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 were able to operate on a smaller scale and have shifted their bookings to the 2022/23 season. Rates have to be competitive and affordable to ensure repeat business.

For the next 2-3 year the caves are unlikely to experience a strong flow of visitors as we saw prior to the onset of the pandemic. The last two years were solely dependent on domestic tourism which has experienced a steep decline the last few years. International business is slowly picking up.

Three vendors have ceased trading:

1. Imali Foreign Exchange - permanently
2. Kraal Kraft Curios - the contract ended 30 June 2020 and will be advertised during August 2022. It was not financially viable to advertise the tender during the pandemic taking into account the current economic climate.
3. Spekboom Restaurant - temporarily closed during November 2021 and is set to re-open in August 2022.

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	The small maintenance team can only do so much with a limited budget. A Request for Formal Quotation (RFQ) will be advertised to rehabilitate the front section/entrance of the complex. A panel of engineers were appointed by the Municipality and working in conjunction with the Department: Technical Services to assist in preparing a report regarding the state of the complex
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 The current organogram does not speak to the needs of a major tourist attraction such as Cango Caves. 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	Council approved a new organogram and the Cango Caves will resort under a new department - Planning and Development. The position of Senior Manager Cango Caves was filled. The vacancies of Senior Head Guide and Operations Manager were advertised and is in process to be appointed. Critical vacant positions (Conservation Officer and Co-ordinator) remain vacant

Table 158: Challenges: Cango Caves

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d) Employees: Cango Caves

The following table indicates the staff composition for this division:

Employees: Cango Caves				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	8	9	0	0
4 - 6	3	4	0	0
7 - 9	4	4	0	0
10 - 12	14	12	5	35.71
13 - 15	4	5	1	25
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	33	34	6	18.18

Employees and post numbers are as at 30 June

Table 159: Employees: Cango Caves

e) Capital: Cango Caves

The following table indicate the capital expenditure for this division:

Capital Expenditure 2021/22: Cango Caves				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Electrical equipment	0	60 000	37 790	(37.02%)
Total	0	60 000	37 790	(37.02%)

Table 160: 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 specifies the highlights for the year:

Highlights	Description
Approval of Budget 2022/23	Council approved the Medium-Term Revenue and Expenditure 2022/23, Special Council Meeting, 6 June 2022
Approval of Organizational Structure	Council approved the Organizational Structure, Special Council meeting, 6 June 2022
Filling of vacant Municipal Managers post	Council approved the process plan (Ordinary Council Meeting, 24 March 2022) to fill the vacant Municipal Managers post

Table 161: 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 162: 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	2021/22			
	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
Total	2	0	2	100

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Employees: Office of the MM				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Employees and post numbers are as at 30 June				

Table 163: Employees: Office of the MM

Employees: Internal Audit				
Job Level	2021/22			
	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	1	1	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	3	2	1	33.33
Employees and post numbers are as at 30 June				

Table 164: Employees: Internal Audit

Employees: Risk Management				
Job Level	2021/22			
	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
Total	1	1	0	0
Employees and post numbers are as at 30 June				

Table 165: Employees: Risk Management

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Employees: Dysselsdorp				
Job Level	2021/22			
	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
Total	1	0	1	100
Employees and post numbers are as at 30 June				

Table 166: Employees: Dysselsdorp

Employees: De Rust				
Job Level	2021/22			
	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
Total	1	0	1	100
Employees and post numbers are as at 30 June				

Table 167: Employees: De Rust

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Employees: Performance, Monitoring & Evaluation				
Job Level	2021/22			
	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
Total	6	1	5	83.33

Employees and post numbers are as at 30 June

Table 168: Employees: Performance, Monitoring & Evaluation

Employees: Political Office (Office of the Executive Mayor)				
Job Level	2021/22			
	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	33.33
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
Total	6	1	5	83.33

Employees and post numbers are as at 30 June

Table 169: Employees: Political Office: Office of the Executive Mayor

Employees: Political Office (Office of the Deputy Mayor)				
Job Level	2021/22			
	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

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Employees: Political Office (Office of the Deputy Mayor)				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	0	0	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
Total	2	1	1	50
Employees and post numbers are as at 30 June				

Table 170: Employees: Political Office: Office of the Deputy Mayor

Employees: Political Office (Office of the Speaker)				
Job Level	2021/22			
	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
NS	1	1	0	0
Total	2	1	1	50
Employees and post numbers are as at 30 June				

Table 171: Employees: Political Office: Office of the Speaker

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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
Booster Fund application	The department secured funding from the Department of Economic Development to construct container hives to provide trading spaces for SMME's. The first phase of the project entailed the planning and the tender for containers
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
Online Building Plan application process	The department developed and implemented online system for public and investors to submit planning applications.
Promote Retail and Business Development	The department successfully facilitate the development and start of the construction phase of the Bridgton Mall
Environmental Support	The department successfully procured air quality measurement equipment to ensure effective monitoring of air quality concerns

Table 172: 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 173: Challenges: Strategic Services

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d) Employees: Strategic Services

The following table indicates the staff composition for this division:

Employees: Director Strategic Services				
Job Level	2021/22			
	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	0	0	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
NS	0	0	0	0
Total	3	3	0	0

Employees and post numbers are as at 30 June

Table 174: Employees: Director Strategic Services

Employees: Public Relations & Communication				
Job Level	2021/22			
	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	0	0	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
Total	5	5	0	0

Employees and post numbers are as at 30 June

Table 175: Employees: Public Relations & Communication

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Employees: Integrated Development Planning				
Job Level	2021/22			
	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
Total	2	2	0	0

Employees and post numbers are as at 30 June

Table 176: 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:

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

b) **Highlights: Financial Services**

- The table below specifies the highlights for the year:

Highlights	Description
Municipal Credit Control Debt Collection	The municipality achieved a 95.8% collection rate ending 30 June 2022
Installation of prepaid water meters as part of Municipal Revenue Enhancement Strategy, and safeguarding of the water resources	697 prepaid residential water meters were installed during the financial year

Table 177: 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
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

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Description	Actions to address
	friendly to ensure development and economic empowerment of its citizens if financial sustainability is to be achieved

Table 178: Financial Services Challenges

d) Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Office of the CFO				
Job Level	2021/22			
	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
Total	2	2	0	0
Employees and post numbers are as at 30 June				

Table 179: Employees: Office of the CFO

Employees: Revenue				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	26	24	2	7.69
7 - 9	7	7	0	0
10 - 12	4	3	1	25
13 - 15	3	1	2	66.66
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	40	35	5	12.5
Employees and post numbers are as at 30 June				

Table 180: Employees: Revenue

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Employees: Expenditure				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	4	4	0	0
7 - 9	5	4	1	20
10 - 12	2	1	1	50
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	13	11	2	15.38

Employees and post numbers are as at 30 June

Table 181: Employees: Expenditure

Employees: Financial Accounting				
Job Level	2021/22			
	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
Total	8	7	1	12.5

Employees and post numbers are as at 30 June

Table 182: Employees: Financial Accounting

Employees: Supply Chain Management				
Job Level	2021/22			
	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	3	2	1	33.33

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Employees: Supply Chain Management				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	5	3	2	40
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	14	10	4	28.57

Employees and post numbers are as at 30 June

Table 183: 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
New organisational structure /organogram	Council approved new organizational structure in line with new staff regulations
Implementation of HR staff regulations	HR policies have been amended and new ones developed in line with HR staff regulations

Table 184: Human Resource Services Highlights

c) Challenges: Human Resource Services

The table below specifies the challenges for the year:

Description	Actions to address
Cooperation of line management with compilation of Workplace Skills Plan (WSP)	Constant internal communication via all possible platforms
Lack of proper buy-in to the Employee Assistance Program (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

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Description	Actions to address
Lack of adequate budget for training	Budgetary provision and sourcing of external funding via Sector Education and Training Authority (SETA)

Table 185: 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	2021/22			
	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
Total	2	2	0	0
Employees and post numbers are as at 30 June				

Table 186: Employees: Office of the Director Corporate Services

Employees: Administration & Archives				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	3	3	1	33.33
7 - 9	4	1	3	75
10 - 12	1	1	0	0
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	10	7	4	40
Employees and post numbers are as at 30 June				

Table 187: Employees: Administration & Archives

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Employees: Human Resources				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	6	6	0	0
7 - 9	1	0	1	100
10 - 12	2	2	0	0
13 - 15	6	5	1	16.66
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	16	13	3	18.75

Employees and post numbers are as at 30 June

Table 188: Employees: Human Resources

Employees: Council Support				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	2	1	1	50
7 - 9	2	2	0	0
10 - 12	0	0	0	0
13 - 15	2	1	1	50
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	6	4	2	33.33

Employees and post numbers are as at 30 June

Table 189: 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

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(VOIP) communications. There are 337 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) Challenges: ICT Services

The challenge that was experienced is as follow:

Description	Actions to address
Procurement	Start processes earlier for longer periods

Table 190: Challenges: ICT Services

c) Service Delivery Levels

Details	2020/21	2021/22
Provide ICT support to all municipal departments by attending to requests within 4 working days	100%	100%
Total number of support requests and enquiries	2 795	3 410
Total number of support requests and enquiries solved within 4 days	2 772	3 410

Table 191: Service Data for ICT Services

d) Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services				
Job Level	2021/22			
	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
Total	7	5	2	28.57

Employees and post numbers are as at 30 June

Table 192: Employees: ICT Services

e) Capital: ICT Services

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The following table indicate the capital expenditure for this division:

Capital Expenditure 2021/22: ICT Services				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Computer And Software	1 350 000	1 480 000	1 477 474	(0.17%)
Total	1 350 000	1 480 000	1 477 474	(0.17%)

Table 193: Capital Expenditure: ICT Services

3.9.6 Legal Services

a) Introduction to Legal Services

The Department Contracts and Legal Services currently comprises of only the Legal Manager and a temporary administrative assistant for the months July - August 2022. During the preceding year, the department was assisted by a legal intern. The position of Legal Advisor has been advertised and interviews with shortlisted candidates is scheduled for 22 July 2022.

The department offers *inter alia* the following legal services:

- Provides effective legal support to various departments, Council and Committees
- Responsible for consulting and briefing outside attorneys and advocates
- The office also liaises with Council's insurers in respect of insurance related claims
- Conducts research and provides *ad hoc* legal advice and render legal opinion
- 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)
- Draft and vetting of contracts
- Administration of contracts
- Draft and prepare reports on tender appeals in terms of Section 62 (Systems Act) for consideration of the appropriate appeals authority

b) Highlights: Legal Services

The highlights for the year under review were as follows:

Highlights	Description
Appointment and taking to office of the new Manager: Legal Services	It has commenced the process of getting the department in line with its legislative mandate and duty

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Highlights	Description
Successfully preventing unlawful occupation, and other criminal behaviour in respect of Municipal properties and infrastructure.	In Oudtshoorn Municipality v Cobus & Others (Case numbers 185/2022 and 188/2022) legal services, in conjunction with the Directorates Community Services and Human Settlements managed to obtain urgent prohibitory interdicts against various unlawful occupiers and criminal elements

Table 194: 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 2021/22 financial year
Resignation of Acting Legal Manager	The resignation of the Acting Legal Manager in October 2021 and suspension of the HOD for three months from February 2022 - May 2022, had an adverse effect on the functioning of the Department, but a concerted effort by all role players has been ongoing in addressing the backlog occasioned by the preceding and unfortunate events
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 195: Challenges: Legal Services

d) Service Delivery Levels

Details	2020/21	2021/22
Attending to requests for information applications made by members of the public is a form of service delivery	Yes	Yes

Table 196: Service Delivery Levels

f) Employees: Contracts & Legal Services

The following table indicates the staff composition for this division:

Employees: Council Support				
Job Level	2021/22			
	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

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Employees: Council Support				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	2	1	1	50
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	3	2	1	33.33

Employees and post numbers are as at 30 June

Table 197: Employees: Contracts and Legal Services

3.9.7 Procurement Services

a) Introduction to Procurement Services

In this 2021/22 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 2021/22 financial year end

b) Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
Procurement plan	The Procurement Plan for the 2021/22 financial year has been implemented 98% relating to all capital procurement
Collaborator Contract Management Module	The Collaborator Contract Management Module is finalized and will be implemented in 2022/23 financial year

Table 198: Procurement Services Highlights

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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
Limited staff	Review of organisational structure to create more positions in the SCM unit
Constitutional court judgement of Preferential Procurement Policy Framework Act (PPPFA) 2017	Waiting for new PPPFA regulations to be promulgated in meantime old PPPFA is still applicable until January 2023

Table 199: 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	4 837	403.08	19.19
Orders processed	4 837	403.08	19.19
Requests cancelled or referred back	37	3.08	0.15
Extensions	2	0.17	0.01
Bids received (number of documents)	171	14.25	0.68
Bids awarded	23	1.92	0.09
Bids awarded ≤ R200 000	39	3.25	0.15
Appeals registered	16	1.33	0.06
Successful appeals	1	0.08	0.00

Table 200: 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 (%)
	2020/21		2021/22	
Clause 36(1)(a)(i)- Emergency	87 914	2.81	899 684	13
Clause 36(1)(a)(ii)- Sole Supplier	7 912	0.25	338 347	6
Clause 36(1)(a)(v)- Impractical /impossible	3 027 554	96.93	4 948 188	81

Table 201: Statistics of Deviations from the SCM Policy

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3.10 Component I: Service Delivery Priorities for 2022/23

The main development and service delivery priorities for 2022/23 forms part of the Municipality's Top Layer SDBIP for 2022/23 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 2023 {(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 2023	All	13.00%
TL19	Limit vacancy rate to less than 20% of budgeted post by 30 June 2023 [(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 2023 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 202: 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 2023 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	% of debt coverage	All	14.00%
TL6	Financial viability measured in terms of the outstanding service debtors as at 30 June 2023 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	All	11.80%

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL7	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2023 ((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	All	1.9
TL8	Achieve a debtor payment percentage of 93% as at 30 June 2023 {(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 2023 {(Actual amount spent on capital projects / Total amount budgeted for capital projects)X100}	% the capital budget spent on capital projects as at 30 June 2023	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 2022/23 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 2023 [(Actual total training expenditure divided by total personnel budget) x100]	% of the budget spent	All	0.30%

Table 203: 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 2023{(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 2023	All	25.00%
TL13	Create temporary jobs - FTE's in terms of EPWP by 30 June 2023 (Person days / FTE (230 days))	Number of FTE's created by 30 June 2023	All	150
TL20	The percentage of budget allocation actually spent on implementing social development programs, sport, youth & social	% budget spent	All	90.00%

Table 204: To promote social, rural and spatial economic development

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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 2023	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 2023	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 2023	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 2023	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 2023	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 2023	Number of residential properties that receive piped water as per the Promun Financial System as at 30 June 2023	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 2023	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 2023. 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 2023	Number of residential properties which are billed for sewerage in accordance with the Promun Financial System as at 30 June 2023	All	15 000

Table 205: 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	2020/21	2021/22
The 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	0	1
The percentage of a Municipality's budget actually spent on implementing its workplace skills plan	0.1%	0.39%

Table 206: National KPIs- Municipal Transformation and Organisational Development

4.2 Component A: Introduction to the Municipal Workforce

The Municipality currently employs **711** (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".

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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
320.57	163	No	384.18	478	Yes	5.86	0	No	127.22	70	No

Table 207: 2021/22 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
451.98	454	Yes	385.86	254	No	2.51	3	Yes

Table 208: 2021/22 EE Targets/Actual by Gender Classification

Description	African	Coloured	Indian	White	Total
Number for positions filled for the 2021/22 financial year	9	18	0	4	31
% for Positions filled	29.03%	58.06%	0%	12.90%	99.99%

Table 209: EE Population 2021/22

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	2	0	1	0	0	0	1	4
Professionally qualified and experienced specialists and mid- management	3	13	0	5	3	3	0	2	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	46	0	15	8	26	0	4	111
Semi-skilled and discretionary decision making	39	125	0	20	22	80	0	9	295
Unskilled and defined decision making	49	111	0	14	26	64	0	5	269
Total permanent	103	300	0	55	59	173	0	21	711

Table 210: Occupational Levels

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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	17	0	2	4	15	0	0	41
Corporate Services	3	11	0	0	3	14	0	0	31
Financial Services	6	15	0	12	3	29	0	8	74
Strategic & Social Development	5	11	0	1	4	6	0	3	30
Engineering Services	43	112	0	27	14	25	0	1	222
Community Services	39	136	0	7	29	78	0	9	298
Human Settlements	4	4	0	0	1	6	0	0	15
Total permanent	103	299	0	49	58	171	0	21	711

Table 211: 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
	2020/21		2021/22	
Samwu	351	40.34	314	40.41
IMATU	376	43.22	366	47.11
MATUSA	7	0.81	6	0.77
Non-members	129	14.83	91	11.71
Double membership	7	0.80	0	0
Total	870	100	777	100

Table 212: Trade Union Membership

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4.2.2 Vacancy Rate

The approved organogram for the Municipality had 1 240 posts for the 2021/22 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 536 (Including temps) posts were vacant at the end of 2021/22, resulting in a vacancy rate of 43.22%.

However, the number of **funded** vacant posts were 102 as at 30 June 2022. Resulting in a total **funded** vacancy rate of 13.16% for the 2021/22 financial year.

Total number of funded posts vacant: 102

Total number of funded posts: 775

Percentage of funded post vacant $(102/775) \times 100 = \mathbf{13.16\%}$

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

Per Post Level		
Level	Filled	Vacant
MM & MSA Section 57 & 56	3	3
Middle management	4	4
Professionals	28	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	110	55
Unskilled and defined decision making	273	135
Semi-skilled and defined decision making	286	121
Non- permanent employees	0	0
Total	704	336

Table 213: 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 80% in 2020/21 to 151.61% in 2021/22.

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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
2020/21	35	35	28	80%
2021/22	31	31	47	151.61%

Table 214: 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 increase from 80 employees injured in the 2020/21 financial year against 120 employees in the 2021/22 financial year.

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

Directorates	2020/21	2021/22
Office of the Municipal Manager	1	10
Corporate Services	3	5
Financial Services	8	3
Strategic & Social Development	0	2
Community Services	45	62
Engineering Services	23	36
Human Settlements	0	2
Total	80	120

Table 215: Injuries

The table below indicates the incidence frequency rate for 2021/22:

Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Accumulative injury rate	21	13	7	3	5	12	6	10	6	9	10	12
Vehicle related incidents	1	0	0	0	2	0	1	0	0	1	0	1

Table 216: Incidence Frequency Rate

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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 2021/22 financial year shows an increase when compared with the 2020/21 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	2020/21	2021/22		
		Sick Leave	Unpaid Leave	Total
Office of the Municipal Manager	47.5	400	0	400
Corporate Services	192	241	8	249
Financial Services	327	406	5	411
Community Services	1 900	2 237.5	83	2 320.5
Technical Services	1 080.25	2 219.5	141	2 360.5
Strategic and Social Services	102	207	0	207
Total	3 648.75	5 711	237	5 948

Table 217: Sick Leave

4.3.3 Disciplinary Measures

a) Disciplinary Cases per Directorate

Directorate	Number of cases	
	2020/21	2021/22
Office of the Municipal Manager	1	1
Corporate Services	0	1
Financial Services	0	1
Community Services	6	27
Technical Services	6	12
Total	13	42

Table 218: Disciplinary Cases Per Directorate

b) Outcome of Disciplinary Steps

Type of outcome	Number	
	2020/21	2021/22
Counselling	2	5
Final warning	0	2
Written warning	1 (Verbal warning)	23
Not guilty	0	0

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Type of outcome	Number	
	2020/21	2021/22
Dismissal	1	0
Withdrawn (During hearing)	1 resignation 2 withdrawn	1
10 Days with suspension	0	4
5 Days with suspension	0	0
Pending	6	0
Suspensions	0	8

Table 219: Outcome of Disciplinary Steps

c) Category of Disciplinary Offences per Charge

Category	Number	
	2020/21	2021/22
Absenteeism	1	9
Alcohol/drugs	3	26
Intimidation	1	0
Poor work performance	1	0
Dishonesty	0	3
Negligence	1	0
Poor conduct	6	5
Insubordination	0	0
Total	13	43
Number of category of offences vary from number of disciplinary cases as in some instances some individuals received more than one charge		

Table 220: 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).

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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	25	22
	Male	5	3
Associate professionals and technicians	Female	0	0
	Male	1	1
Professionals	Female	3	3
	Male	15	11
Clerks	Female	21	10
	Male	20	15
Service and sales workers	Female	15	10
	Male	10	10
Craft and related trade workers	Female	30	20
	Male	50	45
Plant and machine operators and assemblers	Female	10	5
	Male	30	25
Elementary occupations	Female	40	25
	Male	50	45
Sub total	Female	144	95
	Male	181	155
Total		325	250

Table 221: 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	
JCB Digger Loader	0	0	0	0	5	13	0	0	18
MFMA	2	1	1	0	0	2	0	0	6
Minimum Competency level Training	1	1	0	0	0	3	0	0	5
Lifeguard Training	0	0	0	0	16	23	0	1	40

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Training intervention	Female				Male				Total
	A	C	I	W	A	C	I	W	
Chainsaw refresher	0	0	0	0	5	9	0	1	15
High Voltage Training	0	0	0	0	5	8	0	1	14
Chainsaw training	1	4	0	0	0	13	0	1	19
Cherry Picker Refresher	0	0	0	0	2	12	0	1	15
First Aid Level 3	1	5	0	2	3	5	0	1	17
Process Control NQF2- NQF 4	0	3	0	0	3	5	0	0	11
Office Cleaning	3	8	0	1	3	5	0	0	20
Snake Handling and First aid for snake bites	2	5	0	0	3	8	0	1	19
Project Management	2	3	0	0	2	3	0	0	10
Total	12	30	1	3	47	109	0	7	209

Table 222: 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	22	25	22	25
	Male	0	0	3	5	3	5
Professionals	Female	0	0	0	0	0	0
	Male	0	0	1	1	1	1
Technicians and associate professionals	Female	0	0	3	3	3	3
	Male	0	0	11	15	11	15
Clerks	Female	0	0	10	21	10	21
	Male	0	0	15	20	15	20
Service and sales workers	Female	0	0	10	15	10	15
	Male	0	0	10	10	10	10
Craft and related trade workers	Female	0	0	20	30	20	30
	Male	0	0	45	50	45	50
	Female	0	0	5	10	5	10

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Occupational categories	Gender	Training provided within the reporting period					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
Plant and machine operators and assemblers	Male	0	0	25	30	25	30
Elementary occupations	Female	0	0	40	25	40	25
	Male	0	0	50	5	50	5
Sub total	Female	0	0	110	129	110	129
	Male	0	0	160	136	160	136
Total		0	0	270	265	270	265

Table 223: Skills Development

4.4.4 Skills Development - Budget Allocation

The table below indicates that a total amount of R1 481 378 were allocated to the workplace skills plan and that 71.31 % of the total allocated amount was spent in the 2021/22 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
2020/21	254 445 894	1 225 032	671 145.34	54.78%
2021/22	276 689 100	1 481 378	1 056 507.09	71.31%

Table 224: 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:

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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))
Financial Officials				
Accounting officer	1	1	0	1
Chief financial officer	1	1	1	1
Senior managers	4	2	2	2
Any other financial officials	74	0	0	16
Supply Chain Management Officials				
Heads of supply chain management units	1	1	0	1
Supply chain management senior managers	0	0	0	0
Total	81	5	3	21

Table 225: 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%:

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Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2020/21	265 486	616 422	43.07%
2021/22	280 506	672 375	41.00%

Table 226: Personnel Expenditure

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

Financial year	2020/21		2021/22	
	Actual	Original Budget	Adjusted Budget	Actual
Description	R'000			
Councillors (Political Office Bearers plus Other)				
Salary	7 006	7 129	7 514	8 154
Pension Contributions	469	475	494	554
Medical Aid Contributions	217	231	186	151
Motor vehicle allowance	2 245	2 340	1 391	1 043
Cell phone allowance	1 046	1 094	1 059	958
Sub Total	10 983	11 269	10 644	10 860
Senior Managers of the Municipality				
Salary	3 785	5 091	4 021	3 646
Pension and UIF Contributions	510	564	424	462
Medical Aid Contributions	72	60	33	31
Overtime	0	34	44	0
Motor vehicle allowance	280	204	154	194
Cell phone allowance	276	48	208	271
Housing allowance	150	0	0	118
Performance Bonus	150	1 063	463	57
Other benefits or allowances	468	91	43	312
Leave Payments	460	0	0	61
Acting allowance	270	0	0	63
Sub Total	6 421	7 155	5 389	5 215
Other Municipal Staff				
Basic Salaries and Wages	151 530	163 757	162 909	156 431
Pension Contributions	27 649	29 994	29 225	28 453
Medical Aid Contributions	11 685	12 696	12 378	12 065
Motor vehicle allowance	4 133	3 937	4 163	3 991

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Financial year	2020/21	2021/22		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Cell phone allowance	1 008	1 517	1 674	1 022
Housing allowance	1 830	1 586	1 586	1 221
Overtime	12 733	7 412	11 746	15 638
Leave Payments	429	92	0	2 060
Performance bonuses	12 283	12 968	12 827	12 785
Other benefits or allowances	159	114	999	153
Long service awards	1 803	1 803	1 803	2 192
Post-retirement benefit obligations	12 390	12 390	12 390	14 132
Contributions to Group Insurance	3 402	3 807	3 887	4 599
Contributions to Workman's Compensation	3 942	2 740	5 052	5 500
Standby Allowance	1 480	0	0	1 591
Shift Allowance	593	0	0	645
Acting allowance	1 191	825	1 661	1 544
Sub Total	248 081	255 636	262 300	264 430
Total Municipality	254 503	274 061	278 333	269 646

Table 227: Personnel Expenditure

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CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2021/22 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 2021/22 financial year:

Financial Summary						
R'000						
Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	97 889	103 886	105 871	104 563	0.65	-1.25
Service charges	352 602	407 059	399 384	403 757	-0.82	1.08
Investment revenue	8 047	5 849	5 649	11 180	47.68	49.47
Transfers recognised - operational	103 919	94 410	95 643	96 933	2.60	1.33
Other own revenue	30 331	24 060	38 966	39 614	39.26	1.64
Total Revenue (excluding capital transfers and contributions)	592 788	635 263	645 512	656 046	3.17	1.61
Employee costs	254 503	262 791	267 689	269 646	2.54	0.73
Remuneration of councillors	10 983	11 269	10 644	10 860	-3.77	1.98
Depreciation & asset impairment	42 463	41 647	42 003	45 974	9.41	8.64
Finance charges	5 592	9 198	9 078	6 959	-32.18	-30.45
Materials and bulk purchases	176 490	231 022	231 572	209 247	-10.41	-10.67
Transfers & grants	1 901	3 321	2 321	3 402	2.37	31.77
Other expenditure	120 954	97 076	107 484	130 115	25.39	17.39
Total Expenditure	612 886	656 324	670 790	676 202	2.94	0.80
Surplus/(Deficit)	(20 098)	(21 061)	(25 278)	(20 156)	-4.49	-25.41
Transfers recognised - capital	59 409	25 546	85 325	45 911	44.36	-85.85
Contributed/Donated PPE	39 067	0	0	266	100.00	100.00
Surplus/(Deficit) after capital transfers & contributions	78 378	4 486	60 047	26 021	82.76	-130.76
Capital expenditure & funds sources						
Capital expenditure						

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Financial Summary						
R'000						
Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Transfers recognised - capital	52 000	22 214	75 048	40 783	45.53	-84.02
Borrowing	15 643	20 500	32 674	25 582	19.86	-27.73
Internally generated funds	9 266	8 673	14 260	11 091	21.80	-28.58
Total sources of capital funds	76 909	51 387	121 982	77 455	33.66	-57.49
Financial position						
Total current assets	193 048	185 386	167 822	232 658	20.32	27.87
Total non(current assets	1 034 984	961 352	1 089 747	1 084 280	11.34	-0.50
Total current liabilities	123 244	154 037	108 546	154 915	0.57	29.93
Total non(current liabilities	185 159	184 904	193 066	216 372	14.54	10.77
Community wealth/equity	919 630	807 798	955 957	945 651	14.58	-1.09
Cash flows						
Net cash from (used) operating	5 026	35 190	71 882	93 060	62.19	22.76
Net cash from (used) investing	(69 349)	(50 841)	(121 272)	(70 239)	27.62	-72.66
Net cash from (used) financing	2 502	2 000	2 000	5 144	61.12	61.12
Cash/cash equivalents at the year end	115 967	102 036	68 577	143 933	29.11	52.35
Cash backing/surplus reconciliation						
Cash and investments available	115 967	102 036	68 577	143 933	29.11	52.36
Application of cash & investments	(31 015)	47 508	(12 377)	(52 193)	191.02	76.29
Balance (surplus (shortfall)	84 952	54 528	80 954	91 740	40.56	11.76
Asset management						
Asset register summary (WDV)	1 003 138	961 353	1 089 747	1 052 996	8.70	-3.49
Depreciation and asset impairment	42 463	41 647	42 003	45 974	9.41	8.64
Renewal of existing assets	0	33 209	47 337	373	-8811.78	-12603.28
Repairs and maintenance	15 030	16 749	17 518	16 670	-0.47	-5.08
Free services						
Cost of free basic services provided	52 458	47 757	49 429	56 671	15.73	12.78
Revenue cost of free services provided	7 995	8 393	8 478	8 478	1.00	0.00
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A1</i>						

Table 228: Financial Performance 2021/22

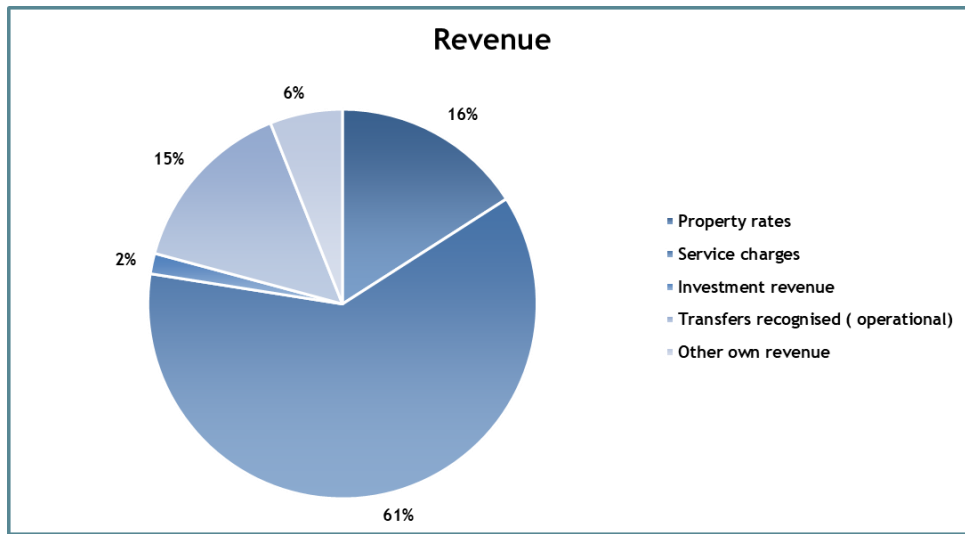
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The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Difference	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2020/21	664 846	691 165	26 318	4	639 600	612 786	26 814	4
2021/22	730 837	704 589	(26 247)	-4	670 790	676 202	(5 412)	-1

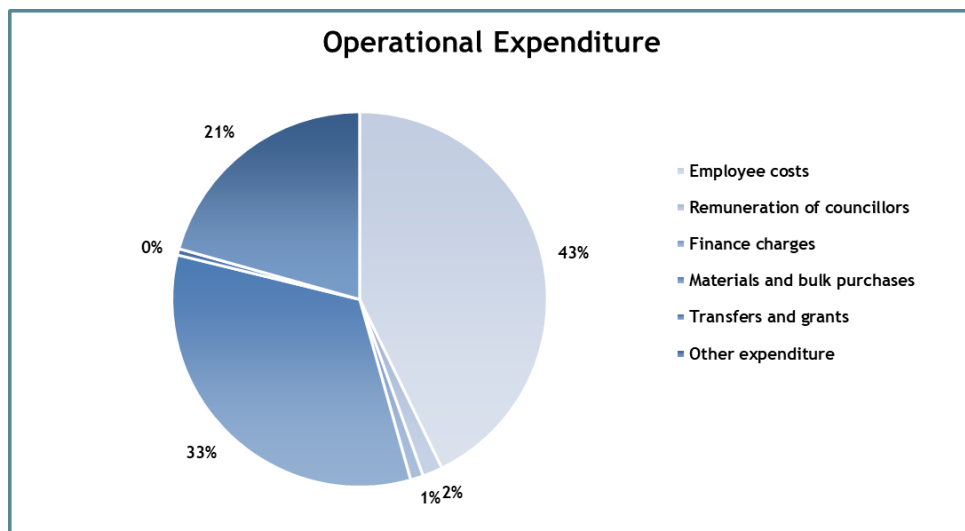
Table 229: Performance Against Budgets

The following graph indicates the various types of revenue items in the municipal budget for 2021/22



Graph 6.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2021/22



Graph 7.: Operating Expenditure

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5.1.1 Revenue Collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2020/21	2021/22			2021/22 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive & Council	65 398	52 478	53 878	71 792	26.90	24.95
Vote 2 - Municipal Manager	4 758	6 001	6 837	7 134	15.87	4.16
Vote 3 - Corporate Services	890	851	851	744	-14.43	-14.43
Vote 4 - Financial Services	100 322	113 579	123 649	107 137	-6.01	-15.41
Vote 5 - Community and Public Safety	91 500	46 006	55 590	57 989	20.67	4.14
Vote 6 - Technical Services	426 941	441 895	488 032	458 375	3.60	-6.47
Vote 7 - Human Settlement	481	0	0	1 288	100.00	100.00
Vote 8 - Strategic Services	875	0	2 000	130	100.00	-1443.15
Total Revenue by Vote	691 165	660 810	730 837	704 589	6.21	-3.73
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR Table A3</i>						

Table 230: Revenue Collection by Vote

5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2021/22 financial year:

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	97 889	103 886	105 871	104 563	0.65	-1.25
Service Charges - electricity revenue	238 939	284 466	277 614	280 729	-1.33	1.11
Service Charges - water revenue	59 083	62 109	62 109	64 355	3.49	3.49
Service Charges - sanitation revenue	35 285	38 438	38 755	37 693	-1.97	-2.81
Service Charges - refuse revenue	19 294	22 046	20 906	20 979	-5.08	0.35
Rentals of facilities and equipment	1 622	1 728	1 976	2 120	18.49	6.80
Interest earned - external investments	5 749	5 849	5 649	6 818	14.21	17.14
Interest earned - outstanding debtors	3 258	2 627	5 868	6 478	59.45	9.42
Fines	8 341	2 322	4 141	6 565	64.64	36.94
Licences and permits	254	374	374	265	-41.06	-41.06
Agency services	5 832	5 319	5 319	5 628	5.49	5.49
Transfers recognised - operational	103 919	94 410	95 643	96 933	2.60	1.33

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Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Other revenue	13 323	11 691	13 289	17 147	31.82	22.50
Gains on disposal of PPE	0	0	8 000	5 772	100.00	-38.59
Total Revenue (excluding capital transfers and contributions)	592 788	635 263	645 512	656 047	3.17	1.61

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 231: Revenue by Source

5.1.3 Operational Services Performance

Description	2020/21	2021/22			2021/22 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	49 010	32 345	80 140	35 595	9.13	-125.14
Waste Water (Sanitation)	19 419	22 522	21 838	19 853	-13.45	-10.00
Electricity	38 886	53 460	49 536	54 929	2.67	9.82
Waste Management	593	6 862	1 810	(201)	3519.65	1002.02
Housing	(6 515)	(13 557)	(13 727)	(12 013)	-12.85	-14.27
Component A: sub-total	101 393	101 631	139 598	98 163	-3.53	-42.21
Roads and Stormwater	(7 750)	(12 982)	(11 859)	(9 269)	-40.06	-27.95
Component B: sub-total	(7 750)	(12 982)	(11 859)	(9 269)	-40.06	-27.95
Planning & Development	(18 172)	(23 119)	(19 835)	(21 132)	-9.40	6.14
Component C: sub-total	(18 172)	(23 119)	(19 835)	(21 132)	-9.40	6.14
Community and Social Services	(13 630)	(14 584)	(8 091)	(7 876)	-85.18	-2.73
Component F: sub-total	(13 630)	(11 298)	(4 510)	(7 876)	-43.45	42.73
Sport and Recreation	(31 830)	(40 279)	(35 890)	(35 321)	-14.04	-1.61
Component G: sub-total	(31 830)	(40 279)	(35 890)	(35 321)	-14.04	-1.61
Financial Services & Admin	31 585	29 617	19 254	34 561	14.30	44.29
Executive & Council	5 233	(4 740)	6 571	2 484	290.85	-164.57
Other	11 548	(34 345)	(33 282)	(35 589)	3.49	6.48
Component H: sub-total	48 367	(9 468)	(7 457)	1 456	750.38	612.22
Total Expenditure	78 378	4 486	60 047	26 022	82.76	-130.76

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Description	2020/21	2021/22			2021/22 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
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 232: Operational Services Performance

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	103 579	74 045	122 656	89 010	16.81
Expenditure:					
Employees	21 913	18 440	20 032	21 060	12.44
Repairs & Maintenance	3 139	2 872	3 614	3 513	18.25
Other	29 518	20 389	18 870	28 842	29.31
Total Operational Expenditure	54 570	41 700	42 516	53 415	21.93
Net Operational (Service) Expenditure	49 010	32 345	80 140	35 595	9.13
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 233: Financial Performance: Water Services

5.2.2 Waste Water (Sanitation)

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	45 798	47 256	47 772	47 501	0.52
Expenditure:					
Employees	17 042	15 960	17 156	18 025	11.46
Repairs & Maintenance	1 206	564	1 792	1 620	65.20
Other	8 130	8 210	6 986	8 003	(2.58)
Total Operational Expenditure	26 379	24 733	25 934	27 648	10.54

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Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Net Operational (Service) Expenditure	19 419	22 522	21 838	19 853	(13.45)

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

Table 234: Financial Performance: Waste Water (Sanitation) Services

5.2.3 Electricity

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	249 897	295 911	292 919	297 348	0.48
Expenditure:					
Employees	13 840	14 129	13 923	15 432	8.44
Repairs & Maintenance	2 682	2 873	3 876	3 762	23.65
Other	194 489	225 450	225 584	223 225	(1.00)
Total Operational Expenditure	211 011	242 451	243 383	242 419	(0.01)
Net Operational (Service) Expenditure	38 886	53 460	49 536	54 929	2.67

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

Table 235: Financial Performance: Electricity

5.2.4 Waste Management

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	28 988	30 882	29 872	29 964	(3.06)
Expenditure:					
Employees	15 179	16 033	16 534	16 505	2.85
Repairs & Maintenance	762	0	450	623	100.00
Other	12 455	7 987	11 078	13 037	38.74
Total Operational Expenditure	28 395	24 020	28 062	30 165	20.37
Net Operational (Service) Expenditure	593	6 862	1 810	(201)	3519.65

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

Table 236: Financial Performance: Waste Management

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5.2.5 Housing

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	481	0	0	1 288	100.00
Expenditure:					
Employees	4 304	4 740	5 007	5 243	9.60
Repairs & Maintenance	0	0	0	0	0
Other	6 996	8 817	8 720	8 058	(9.42)
Total Operational Expenditure	11 300	13 557	13 727	13 301	(1.92)
Net Operational (Service) Expenditure	(10 819)	(13 557)	(13 727)	(12 013)	(12.85)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 237: Financial Performance: Housing

5.2.6 Roads and Stormwater

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	27 667	24 684	24 684	24 517	(0.68)
Expenditure:					
Employees	21 113	22 430	21 376	20 059	(11.82)
Repairs & Maintenance	4 285	4 000	3 725	2 402	(66.56)
Other	10 019	11 236	11 442	11 325	0.79
Total Operational Expenditure	35 417	37 666	36 543	33 785	(11.49)
Net Operational (Service) Expenditure	(7 750)	(12 982)	(11 859)	(9 269)	(40.06)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 238: Financial Performance: Roads and Stormwater

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5.2.7 Planning

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	875	0	2 000	130	100.00
Expenditure:					
Employees	16 369	18 068	17 085	17 230	(4.86)
Repairs & Maintenance	0	0	50	1	100.00
Other	2 678	5 051	4 701	4 031	(25.30)
Total Operational Expenditure	19 047	23 119	21 835	21 262	(8.73)
Net Operational (Service) Expenditure	(18 172)	(23 119)	(19 835)	(21 132)	(9.40)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 239: Financial Performance: Planning

5.2.8 Community and Social Services

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	9 198	7 437	14 232	14 019	46.95
Expenditure:					
Employees	18 874	17 692	18 528	18 386	3.77
Repairs & Maintenance	680	1 320	1 320	1 340	1.47
Other	3 275	3 009	2 475	2 169	(38.70)
Total Operational Expenditure	22 829	22 021	22 323	21 895	(0.58)
Net Operational (Service) Expenditure	(13 630)	(14 584)	(8 091)	(7 876)	(85.18)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 240: Financial Performance: Community and Social Services

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5.2.9 Sport and Recreation

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	110	212	1 964	1 848	88.54
Expenditure:					
Employees	20 847	23 661	23 021	22 228	(6.44)
Repairs & Maintenance	657	1 208	1 208	1 064	(13.58)
Other	10 436	15 622	13 625	13 877	(12.58)
Total Operational Expenditure	31 940	40 491	37 854	37 169	(8.94)
Net Operational (Service) Expenditure	(31 830)	(40 279)	(35 890)	(35 321)	(14.04)

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

Table 241: Financial Performance: Sport and Recreation

5.2.10 Financial Services

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	101 212	108 141	110 026	107 881	(0.24)
Expenditure:					
Employees	49 517	50 366	51 413	51 955	3.06
Repairs & Maintenance	1 248	1 881	1 881	1 554	(21.04)
Other	18 862	26 277	37 478	19 812	(32.63)
Total Operational Expenditure	69 626	78 524	90 772	73 320	(7.10)
Net Operational (Service) Expenditure	31 585	29 617	19 254	34 561	14.30

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

Table 242: Financial Performance: Financial Services

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5.2.12 Executive and Council

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	70 255	64 768	75 189	70 788	8.50
Expenditure:					
Employees	28 281	30 243	30 694	33 254	9.05
Repairs & Maintenance	94	241	241	105	(129.65)
Other	36 647	39 024	37 684	34 945	(11.67)
Total Operational Expenditure	65 022	69 508	68 618	68 304	(1.76)
Net Operational (Service) Expenditure	5 233	(4 740)	6 571	2 484	290.85
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 243: Financial Performance: Executive and Council

5.3 Grants

5.3.1 Grant Performance

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

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Operating Transfers and Grants						
National Government:	151 910	112 087	161 857	124 659	10.09	-29.84
Local Government Equitable Share	89 790	80 955	80 955	80 955	0.00	0.00
Finance Management	2 517	2 663	2 663	2 663	0.00	0.00
EPWP Incentive	2 243	1 784	1 784	1 784	0.00	0.00
Municipal Infrastructure Grant	25 299	22 775	22 775	22 608	(0.74)	(0.74)
Integrated National Electrification Program	380	3 206	5 826	5 826	44.97	0.00
Water Services Infrastructure Grant	31 525	0	0	0	0.00	0.00
Municipal Drought Relief Grant	0	0	47 150	10 119	100.00	(365.93)
Municipal Disaster Relief Grant	156	0	0	0	0.00	0.00
Water Macro Planning Grant	0	704	704	704	0.00	0.00
Provincial Government:	11 419	7 869	18 655	18 073	56.46	-3.22
Integrated Human Settlement Grant	481	0	0	0	0.00	0.00

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Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Emergency Housing Programme	0	0	0	1 288	0.00	0.00
Library Services Conditional Grant	7 128	7 287	7 520	7 520	3.10	0.00
Rosevalley Library Grant	1 942	0	6 202	6 202	100.00	0.00
Maintenance & Construction of Road Infrastructure	125	125	125	125	0.00	0.00
Thusong support grant	120	150	150	150	0.00	0.00
Community Development Workers	56	57	57	57	0.00	0.00
Local Government Public Employment Grant	0	0	1 100	1 100	100.00	0.00
Western Cape Financial management capacity building grant	434	250	250	250	0.00	0.00
Local Government Internship Grant	80	0	0	0	0.00	0.00
Municipal Drought Relief Grant	0	0	1 251	1 251	100.00	0.00
Fire Services Capacity Building Grant	178	0	0	0	0.00	0.00
Airport Infrastructure Grant	875	0	0	0	0.00	0.00
Upgrading of SMME Infrastructure	0	0	2 000	130	100.00	(1443.15)
Other grant providers:	0	0	455	111	100.00	(310.49)
Garden Rout District Municipality	0	0	120	0	0.00	0.00
Asla Rosevalley Library Grant	0	0	335	111	100.00	(202.23)
Total Operating Transfers and Grants	163 329	119 956	180 967	142 843	16.02	(26.69)

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 244: Grant Performance for 2021/22

5.3.2 Conditional Grants

Details	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustment Budget
	R'000				%	
Local Government Equitable Share	89 790	80 955	80 955	80 955	0.00	0.00
Finance Management	2 517	2 663	2 663	2 663	0.00	0.00
EPWP Incentive	2 243	1 784	1 784	1 784	0.00	0.00
Municipal Infrastructure Grant	25 299	22 775	22 775	22 608	(0.74)	(0.74)

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Details	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustment Budget
	R'000				%	
Integrated National Electrification Program	380	3 206	5 826	5 826	44.97	0.00
Water Services Infrastructure Grant	31 525	0	0	0	0.00	0.00
Municipal Drought Relief Grant	0	0	47 150	10 119	100.00	(365.93)
Municipal Disaster Relief Grant	156	0	0	0	0.00	0.00
Water Macro Planning Grant	0	704	704	704	0.00	0.00
Integrated Human Settlement Grant	481	0	0	0	0.00	0.00
Emergency Housing Programme	0	0	0	1 288	100.00	100.00
Library Services Conditional Grant	7 128	7 287	7 520	7 520	3.10	0.00
Rosevalley Library Grant	1 942	0	6 202	6 202	100.00	0.00
Maintenance & Construction of Road Infrastructure	125	125	125	125	0.00	0.00
Thusong support grant	120	150	150	150	0.00	0.00
Community Development Workers	56	57	57	57	0.00	0.00
Local Government Public Employment Grant	0	0	1 100	1 100	100.00	0.00
Western Cape Financial management capacity building grant	434	250	250	250	0.00	0.00
Local Government Internship Grant	80	0	0	0	0.00	0.00
Municipal Drought Relief Grant	0	0	1 251	1 251	100.00	0.00
Fire Services Capacity Building Grant	178	0	0	0	0.00	0.00
Airport Infrastructure Grant	875	0	0	0	0.00	0.00
Upgrading of SMME Infrastructure	0	0	2 000	130	100.00	(1443.15)
Garden Rout District Municipality	0	0	120	0	0.00	0.00
Asla Rosevalley Library Grant	0	0	335	111	0.00	0.00
Total	163 329	119 956	180 967	142 843	16.02	(26.69)
<p>* 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.</p>						

Table 245: Conditional Grants

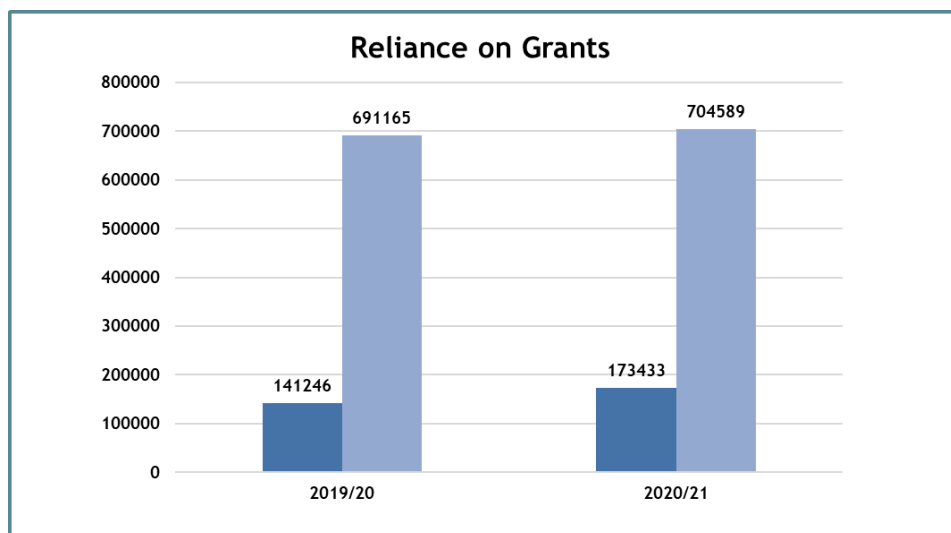
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5.3.3 Level of Reliance on Grants and Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	%
2020/21	141 246	691 165	20.44
2021/22	173 433	704 589	24.61

Table 246: 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	Raubenheimer Dam	
Description	Main Water source for the Greater Oudtshoorn	
Asset Type	Water Infrastructure	
Key Staff Involved	Technical Services Director and Senior Manager Water & Sewerage	
Staff Responsibilities	Management of a water resource for Greater Oudtshoorn	
Asset Value as at 30 June	2020/21 R million	2021/22 R million
	25 021	24 416
Capital Implications	Refurbishment and upgrading of existing dam infrastructure	
Future Purpose of Asset	Main water resource of Greater Oudtshoorn	

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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 2		
Name	Oudtshoorn Waste Water Treatment Works	
Description	Oudtshoorn Waste Water Treatment Works	
Asset Type	Sanitation Infrastructure	
Key Staff Involved	Technical Services Director and Senior Manager Water & Sewerage	
Staff Responsibilities	Management and maintenance of the sewerage purification works of the Greater Oudtshoorn	
Asset Value as at 30 June	2020/21 R million	2021/22 R million
	22,187	21,234
Capital Implications	Waste water purification of the Greater Oudtshoorn	
Future Purpose of Asset	Availability of funding to do the proper maintenance that is required	
Describe Key Issues	Maintenance plans and future capital projects in planning phase.	
Policies in Place to Manage Asset	Waste water purification of the Greater Oudtshoorn	
Asset 3		
Name	Dysselsdorp Waste Water Treatment Works	
Description	Waste water purification works of Dysselsdorp	
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 Dysselsdorp	
Asset Value as at 30 June	2020/21 R million	2021/22 R million
	11 895	24 403
Capital Implications	Refurbishment and upgrading of existing infrastructure plant and network	
Future Purpose of Asset	Waste water purification of Dysselsdorp	
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.	

Table 247: Treatment of the Three Largest Assets

5.4.2 Repairs and Maintenance

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	15 030	16 749	17 518	16 670	(5.08)
Variances are calculated by dividing the difference between actual and adjustments budget by the actual.					

Table 248: Repairs & Maintenance

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5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2020/21	2021/22
		Audited outcome	Audited outcome
Current Ratio	Current assets/current liabilities	1.57	1.50
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.49	1.38
Liquidity Ratio	Monetary Assets/Current Liabilities	0.94	0.93

Table 249: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2020/21	2021/22
		Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.35	2.05
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17%	21%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9.89	13.66

Table 250: Financial Viability National KPAs

5.5.3 Borrowing Management

Description	Basis of calculation	2020/21	2021/22
		Audited outcome	Audited outcome
Capital charges to operating expenditure	Interest & Principal Paid /Operating Expenditure	3%	3%

Table 251: Borrowing Management

5.5.4 Employee Costs

Description	Basis of calculation	2020/21	2021/22
		Audited outcome	Audited outcome
		%	
Employee costs	Employee costs/(Total Revenue - capital revenue)	43%	41%

Table 252: Employee Costs

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5.5.5 Repairs and Maintenance

Description	Basis of calculation	2020/21	2021/22
		Audited outcome	Audited outcome
		%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3%	3%

Table 253: Repairs & Maintenance as % of Total Operational Revenue

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2021/22 financial year:

Details	2020/21	2021/22				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Variance to Original budget	Variance to Adjustment Budget
Source of finance						
Description	R'000				%	
External loans	15 643	20 500	32 674	25 582	19.86	-27.73
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	52 000	22 214	75 048	40 783	45.53	-84.02
Own funding	9 266	8 673	14 260	11 091	21.80	-28.58
Total	76 909	51 387	121 982	77 455	33.66	-57.49
Percentage of finance						
	%					
External loans	20	40	27	33	-20.79	18.90
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	68	43	62	53	17.90	-16.85
Own funding	12	17	12	14	-17.87	18.36
Capital expenditure						
Description	R'000				%	
Water and sanitation	48 833	15 887	76 125	39 395	59.67	-93.23
Electricity	3 095	9 813	12 092	9 667	-1.52	-25.09
Housing	0	0	0	0	0	0
Roads and storm water	16 991	11 712	10 734	13 335	12.18	19.51
Other	7 990	13 975	23 032	15 058	7.19	-52.96
Total	76 909	51 387	121 982	77 455	33.66	-57.49
Percentage of expenditure						

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Details	2020/21	2021/22				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Variance to Original budget	Variance to Adjustment Budget
%						
Water and sanitation	63	31	62	51	39.21	-22.70
Electricity	4	19	10	12	-53.02	20.57
Housing	0	0	0	0	0	0
Roads and storm water	22	23	9	17	-32.38	48.89
Other	10	27	19	19	-39.89	2.88

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

Table 254: Capital Expenditure by Funding Source

5.7 Capital Spending on 5 Largest Projects

Name of Project	2021/22				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
New Library (Rose Valley)	6 202	6 202	6 161	-1%	-1%
Pipe Replacement	15 916	15 916	14 620	-9%	-9%
Rehabilitate Asbestos/ Cement Water Pipes	9 525	10 518	9 374	-2%	-12%
Dysselsdorp Bulk Infrastructure	5 066	5 066	5 159	2%	2%
Blossoms Pipeline	0	41 000	8 800	100%	-366%

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

Name of Project - A	New Library Rose Valley
Objective of Project	Building of a new library in the RDP Housing area Rose Valley
Delays	Funding approval from Provincial Government
Future Challenges	Operational budgetary requirements not funded
Anticipated citizen benefits	New public library for all residents in Rose Valley
Name of Project - B	Pipe Replacement
Objective of Project	To replace old and repair broken water and sewerage pipes
Delays	Shortfall in available funding
Future Challenges	Funding to complete all pipe replacements
Anticipated citizen benefits	Sustainable water supply to all residents
Name of Project - C	Rehabilitation of asbestos pipes/ cement water pipes
Objective of Project	MIG registered project to start with the replacement of old pipes
Delays	None
Future Challenges	Additional funding is needed to do a complete replacement
Anticipated citizen benefits	Sustainable water supply to all residents
Name of Project - D	Dysselsdorp Bulk Infrastructure

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Name of Project	2021/22				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Objective of Project	Electrification of Dysselsdorp housing project				
Delays	None				
Future Challenges	Funding				
Anticipated citizen benefits	Electronification				
Name of Project - E	Blossoms Pipeline-ground water project				
Objective of Project	New water resource for Oudtshoorn				
Delays	Drought funding approval pending from Provincial Government				
Future Challenges	Funding shortfall to complete				
Anticipated citizen benefits	New sustainable water resource for all				

Table 255: Capital Spending on 5 Largest Projects

5.8 Capital Spending per Asset Class

Description	2020/21	2021/22			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2021/22	2022/23
R'000							
Capital expenditure by Asset Class							
Infrastructure - Total	19 674	10 976	54 254	19 219	37 320	11 875	9 127
Infrastructure: Road transport - Total	0	200	200	0	0	0	0
Roads, Pavements & Bridges	0	0	0	0	0	0	0
Infrastructure: Electricity - Total	2 914	10 163	12 442	9 807	5 450	11 875	9 127
Transmission & Reticulation	2 914	10 163	12 442	9 807	5 450	11 875	9 127
Infrastructure: Water - Total	16 760	612	41 612	9 412	31 870	0	0
Dams & Reservoirs	16 760	612	41 612	9 412	31 870	0	0
Infrastructure: Sanitation - Total	0	0	0	0	0	0	0
Reticulation	0	0	0	0	0	0	0
Community - Total	1 942	500	8 776	6 370	2 766	0	0
Community halls	0	0	0	0	1 850	0	0
Libraries	1 942	0	6 537	6 370	916	0	0
Other	0	500	2 239	0	0	0	0
Capital expenditure by Asset Class	2 667	6 703	11 615	9 675	5 041	3 500	1 586
Investment properties - Total	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Other assets	2 385	6 528	11 610	9 675	4 941	3 400	1 486

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Description	2020/21	2021/22			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2021/22	2022/23
R'000							
Capital expenditure by Asset Class							
General vehicles	154	4 500	8 551	6 582	2 300	857	0
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	692	558	894	528	1 308	240	0
Computers - hardware/ equipment	1 046	1 175	1 562	1 563	450	300	300
Furniture and other office equipment	420	295	603	545	883	353	336
Civic Land and Buildings	0	0	0	457		1 650	850
Other Buildings	73	0	0	0	0	0	0
Intangibles	282	175	5	0	100	100	100
Computers - software & programming	282	175	5	0	100	100	100
Total Capital Expenditure on new assets	24 282	18 178	74 645	35 263	45 127	15 375	10 713

Table 256: Capital Spending per Asset Class

5.9 Municipal Infrastructure Grant (MIG)

Details	2021/22				
	Original Budget	Adjustments Budget	Actual	Variance	
				Original Budget	Adjustments Budget
R			%		
Infrastructure - Water	12 095 815	12 095 815	10 780 346	-12%	-12%
Reticulation	12 095 815	12 095 815	10 780 346	-12%	-12%
Infrastructure - Sanitation	0	0	0	0	0
Infrastructure - Refuse removal	0	0	0	0	0
Infrastructure - Electricity	0	0	0	0	0
Reticulation	926 440	926 440	926 095	0%	0%
Other Specify: Recreational facilities & Roads	8 613 960	8 613 960	9 762 489	12%	12%
Outdoor Sport facilities	2 503 435	2 503 435	428 219	-485%	-485%
Roads	6 110 525	6 110 525	9 334 271	35%	35%
PMU	1 138 800	1 138 800	1 138 800	0%	0%
Total	22 775 015	22 775 015	22 607 730	-1%	-1%

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 257: Municipal Infrastructure Grant (MIG)

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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	2020/21	2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	432 868	504 020	503 703	506 106
Government - operating	102 807	94 516	95 643	89 525
Government - capital	38 439	25 440	76 502	83 908
Interest	8 792	5 849	5 649	12 875
Dividends	0	0	0	0
Payments				
Suppliers and employees	(571 819)	(582 171)	(598 270)	(591 072)
Finance charges	(4 161)	(9 144)	(9 024)	(4 881)
Transfers and Grants	(1 901)	(3 321)	(2 321)	(3 402)
Net cash from/(used) operating activities	5 025	35 190	71 882	93 060
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	0	0	0	2 366
Payments				
Capital assets	(69 349)	(50 841)	(121 272)	(72 605)
Net cash from/(used) investing activities	(69 349)	(50 841)	(121 272)	(70 239)
Cash flows from financing activities				
Receipts				
Borrowing long term/refinancing	16 500	20 500	20 500	20 500
Payments				
Repayment of borrowing	(13 998)	(18 500)	(18 500)	(15 356)
Net cash from/(used) financing activities	2 502	2 000	2 000	5 144
Net increase/ (decrease) in cash held	(61 821)	(13 652)	(47 390)	27 966
Cash/cash equivalents at the year begin:	177 787	115 688	115 967	115 967
Cash/cash equivalents at the year-end:	115 967	102 036	68 577	143 933

Table 258: Cash Flow

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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
2020/21	30 696	58 286	24 441	1	4 933	118 356
2021/22	33 127	62 363	25 229	1	5 066	125 785
Difference	2 430	4 078	788	0	133	7 429
% growth year on year	8	7	3	0	3	6

Table 259: 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				
2020/21	29 206	8 395	6 488	74 268	118 356
2021/22	29 996	7 420	4 857	83 511	125 785
Difference	790	(975)	(1 630)	9 244	7 429
% growth year on year	3	(12)	(25)	12	6

Table 260: 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	2020/21	2021/22
Long-Term Loans (annuity/reducing balance)	42 681	63 560
Total	42 681	63 560

Table 261: Actual Borrowings

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5.13.2 Investments

Investment type	2020/21	2021/22
	Actual	Actual
	R'000	
Deposits - Bank	99 841	130 935
Total	99 841	130 935

Table 262: Investments

5.13.3 Grants Made by the Municipality: 2021/22

All organisation or person in receipt of grants provided by the Municipality	Nature of project	Conditions attached to funding	Value 2021/22	Total amount committed over previous and future years
			R'000	
Bursaries Non-Employee	Study Assistance	Yes	439	1 128
Non-profit Institutions	Local Tourism Bureau	Yes	600	1 258
Non-profit Institutions	Marketing - KKNK	Yes	400	791
Non-profit Institutions	Sports Development	Yes	508	117
Non-profit Institutions	Events Management Support	Yes	100	0
Non-profit Institutions	Nutritional Centre	Yes	67	83

Table 263: Grants Made by the Municipality: 2021/22

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CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION

6.1 Auditor-General Report 2020/21

2020/21

Unqualified audit Opinion was received, with matters 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 264: AG Report 2020/21

6.2 Auditor-General Report 2021/22

2021/22

Unqualified audit Opinion was received, with matters 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Table 265: AG Report 2021/22

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LIST OF ABBREVIATIONS

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

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

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Annexure A

Financial Statements

OUTTSHOORN

MUNICIPALITY



FINANCIAL STATEMENTS

30 JUNE 2022



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OUDTSHOORN LOCAL MUNICIPALITY

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OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

1E+09

The Oudtshoorn Municipality includes the following areas:

Oudtshoorn, Dysselsdorp, De Rust, Volmoed, De Hoop

Demarcation code : WC045

EXECUTIVE MAYOR

CD MacPherson

DEPUTY EXECUTIVE MAYOR

MA Nyuka

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	CD Macpherson	(June 2022 - Current)
Deputy Executive Mayor	MA Nyuka	(June 2022 - Current)
Speaker	JJ Allers	(June 2022 - Current)
Executive Mayoral Committee	J Du Preez	(June 2022 - Current)
Executive Mayoral Committee	RR Wildschut	(June 2022 - Current)
Executive Mayoral Committee	DJ Fourie	(June 2022 - Current)
Executive Mayoral Committee	VM Donson	(June 2022 - Current)
Executive Mayoral Committee	BV Owen	(June 2022 - Current)
Executive Mayoral Committee	C Muller	(June 2022 - Current)

ACTING MUNICIPAL MANAGER

W Hendricks

CHIEF FINANCIAL OFFICER

GP De Jager

REGISTERED OFFICE

69 Voortrekker Road
OUDTSHOORN
6625

AUDITORS

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



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OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

Oosthuizen 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.

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)



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OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

GENERAL INFORMATION

MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

WARD

WARD	COUNCILLORS
Councillor	DJ Fourie (November 2021 - Current)
Councillor	J Duvenage (November 2021 - Current)
Councillor	J Du Preez (November 2021 - Current)
Councillor	N Jaxa (November 2021 - Current)
Councillor	A Tiemie (November 2021 - Current)
Councillor	D Moos (November 2021 - Current)
Councillor	A Berry (November 2021 - Current)
Councillor	M Tyatya (November 2021 - Current)
Councillor	C Louw (November 2021 - Current)
Councillor	L Van Rooyen (November 2021 - Current)
Councillor	J Van der Ross (November 2021 - Current)
Councillor	RR Wildschut (November 2021 - Current)
Councillor	J Canary (November 2021 - Current)

PROPORTIONAL

COUNCILLORS

Councillor	JJ Allers (November 2021 - Current)
Councillor	CD Macpherson (November 2021 - Current)
Councillor	MA Nyuka (November 2021 - Current)
Councillor	RJ April (November 2021 - Current)
Councillor	SN Bentley (November 2021 - Current)
Councillor	L Campher (November 2021 - Current)
Councillor	VM Donson (November 2021 - Current)
Councillor	JC Lambaatjeen (November 2021 - Current)
Councillor	C Muller (November 2021 - Current)
Councillor	BV Owen (November 2021 - Current)
Councillor	SA Jansen (November 2021 - Current)
Councillor	CF Sylvester (November 2021 - Current)



OUDTSHOORN LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2022, which are set out on pages 5 to 138 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 2023 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

1E+09

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 and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

W Hendricks
Acting Municipal Manager

Date



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OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

	Notes	2022 Actual R	2021 Restated R
ASSETS			
Non-Current Assets		1 084 280 036	1 034 983 943
Property, Plant and Equipment	2	1 052 996 144	1 003 138 403
Investment Property	3	16 769 038	16 927 999
Intangible Assets	4	740 509	1 143 195
Heritage Assets	5	13 774 345	13 774 345
Current Assets		232 658 228	193 047 797
Inventory	7	5 015 078	3 121 406
Receivables from Exchange Transactions	8	68 639 359	59 355 879
Receivables from Non-exchange Transactions	9	15 047 500	14 584 483
Operating Lease Asset	6	23 415	19 142
Taxes		-	-
Cash and Cash Equivalents	10	143 932 877	115 966 886
Total Assets		1 316 938 264	1 228 031 740
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		216 371 695	185 158 602
Long-term Borrowings	11	63 559 737	42 680 824
Non-current Provisions	12	34 429 958	27 301 778
Non-current Employee Benefits	13	118 382 001	115 176 001
Current Liabilities		154 915 381	123 243 543
Consumer Deposits	14	11 466 449	11 139 126
Current Employee Benefits	15	31 634 759	29 639 545
Trade and Other Payables from Exchange Transactions	16	47 414 638	51 962 342
Unspent Transfers and Subsidies	17	41 026 340	11 043 304
Taxes	18.3	5 073 659	7 903 021
Current Portion of Long-term Borrowings	11	18 299 534	11 556 205
Total Liabilities		371 287 076	308 402 145
Net Assets		945 651 188	919 629 595
Accumulated Surplus		945 651 188	919 629 595
Total Net Assets and Liabilities		1 316 938 264	1 228 031 740



OUTDSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 Actual R	2021 Restated R
REVENUE			
Revenue from Non-exchange Transactions		259 855 652	312 761 391
Taxation Revenue		104 562 942	97 888 750
Property Rates	19	104 562 942	97 888 750
Transfer Revenue		143 109 507	202 395 305
Government Grants and Subsidies - Capital	20	45 910 548	59 409 413
Government Grants and Subsidies - Operating	20	96 932 656	103 919 207
Contributed Property, Plant and Equipment	21	266 303	39 066 686
Other Revenue		12 183 203	12 477 335
Availability Charges	22	3 064 894	2 857 099
Fines, Penalties and Forfeits		6 565 450	8 340 810
Interest Earned - Non-exchange Transactions		2 115 988	959 958
Government Incentives Received		436 871	319 468
Revenue from Exchange Transactions		436 595 558	378 502 510
Service Charges	24	403 756 506	352 601 762
Entrance fees		7 169 751	4 592 883
Sales of Goods and Rendering of Services	25	6 145 848	5 268 535
Rental from Fixed Assets	26	2 120 252	1 621 721
Interest Earned - External Investments	27	6 818 257	5 748 841
Interest Earned - Exchange Transactions	28	4 361 960	2 298 441
Licences and Permits	23	265 339	253 745
Agency Services		5 627 794	5 831 885
Operational Revenue	29	329 851	284 696
Total Revenue		696 451 210	691 263 900
EXPENDITURE			
Employee related cost	30	(269 646 441)	(254 502 567)
Remuneration of Councillors	31	(10 859 644)	(10 983 096)
Bad Debts Written Off		(25 397 966)	(34 365 998)
Contracted Services	32	(26 667 785)	(21 746 901)
Depreciation and Amortisation	33	(45 974 036)	(42 463 389)
Actuarial Losses		-	-
Finance Charges	34	(6 958 904)	(5 591 695)
Bulk Purchases	35	(209 246 642)	(176 489 766)
Inventory Consumed	7	(21 947 669)	(19 273 754)
Operating Leases		(4 837 137)	(8 070 301)
Transfers and Subsidies	36	(3 401 653)	(1 901 107)
Operational Cost	37	(47 437 102)	(41 033 153)
Total Expenditure		(672 374 979)	(616 421 728)
Operating Surplus/(Deficit) for the Year		24 076 231	74 842 172
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	1 063 626	12 411 708
Gains/(Loss) on Sale of Fixed Assets	39	(4 890 713)	(1 086 130)
Gains/(Loss) on Fair Value Adjustments		5 772 450	(7 790 138)
NET SURPLUS/(DEFICIT) FOR THE YEAR		26 021 593	78 377 613



OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2020	820 030 672	820 030 672
Correction of Error - note 41	21 221 309	21 221 309
Restated balance	841 251 982	841 251 982
Net Surplus/(Deficit) for the year	80 879 822	80 879 822
Balance at 30 June 2021	922 131 804	922 131 804
Correction of Error - note 41	(2 502 209)	(2 502 209)
Restated balance	919 629 595	919 629 595
Net Surplus/(Deficit) for the year	26 021 593	26 021 593
Balance at 30 June 2022	945 651 188	945 651 188



OUDTSHOORN LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
		Actual	Restated
		R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Ratepayers and other		506 106 450	432 868 147
Government Grants and Subsidies		173 433 248	141 246 469
Interest		12 874 741	8 792 720
Cash payments			
Suppliers and Employees		(591 071 776)	(571 819 498)
Finance Charges		(4 880 545)	(4 160 940)
Transfers and Grants		(3 401 653)	(1 901 107)
Net Cash from Operating Activities	42	93 060 463	5 025 791
CASH FLOW FOR INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(72 604 661)	(67 911 660)
Proceeds on Disposal of Fixed Assets		2 365 818	-
Purchase of Investment Properties		-	(1 155 371)
Purchase of Intangible Assets		-	(281 538)
Net Cash from Investing Activities		(70 238 843)	(69 348 569)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowing - Long term/Refinancing		20 500 000	16 500 000
Repayment of Borrowing		(15 355 630)	(13 997 520)
Net Cash from Financing Activities		5 144 370	2 502 480
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		27 965 990	(61 820 298)
Cash and Cash Equivalents at the beginning of the year		115 966 886	177 787 185
Cash and Cash Equivalents at the end of the year	43	143 932 877	115 966 886
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		27 965 990	(61 820 298)



ODTSHOORN MUNICIPALITY
SEGMENTAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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	
Vote 1 - Executive & Council	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
Vote 2 - Municipal Manager	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
Vote 3 - Corporate Services	Administration	Aggregated	Governance and Administration
	Human Resources	Aggregated	Governance and Administration
	Legal Services	Aggregated	Governance and Administration
	Manager Corporate	Aggregated	Governance and Administration
Vote 4 - Financial Services	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
Vote 5 - Community And Public Safety	Arbeidsgenot	Aggregated	Community and Public Safety
	Bongoletu 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	Economic and environmental services
	Swimming Pools	Aggregated	Community and Public Safety
	Traffic Licenses	Aggregated	Community and Public Safety
	Vote 6 - Technical Services	Admin - Electricity	Aggregated
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
Roads Storm Water Management		Aggregated	Economic and environmental 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
Vote 7 - Human Settlement	Housing	Aggregated	Community and Public Safety
Vote 8 - Strategic Services	Airport	Aggregated	Unallocated
	Corporate Wide Strategic Planning	Aggregated	Economic and environmental services
	IDP Management	Aggregated	Economic and environmental services
	Town Planning	Aggregated	Economic and environmental services



OUTDSHOORN LOCAL MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Total
	R	R	R	R	R
SEGMENT REVENUE					
External revenue from exchange transactions	21 875 231	6 767 124	-	407 953 203	436 595 558
Service Charges - Electricity Revenue	-	-	-	280 728 876	280 728 876
Service Charges - Water Revenue	-	-	-	64 354 889	64 354 889
Service Charges - Sanitation Revenue	-	-	-	37 693 488	37 693 488
Service Charges - Refuse Revenue	-	-	-	20 979 252	20 979 252
Rental Of Facilities And Equipment	1 669 128	451 125	-	-	2 120 252
Interest Earned - External Investments	6 818 257	-	-	-	6 818 257
Interest Earned - Outstanding Debtors	427 446	-	-	3 934 514	4 361 960
Licences and Permits	-	265 339	-	-	265 339
Agency Services	-	5 627 794	-	-	5 627 794
Other Revenue	12 960 400	422 866	-	262 184	13 645 450
Gains	-	-	-	-	-
External revenue from non-exchange transactions	162 410 668	15 966 853	3 104 700	37 969 030	219 451 250
Property Rates	104 562 942	-	-	-	104 562 942
Fines, Penalties And Forfeits	462 084	5 908 730	-	194 636	6 565 450
Interest Earned - Outstanding Debtors	2 115 988	-	-	-	2 115 988
Availability charges	-	-	-	3 064 894	3 064 894
Government Incentives Received	436 871	-	-	-	436 871
Transfers And Subsidies - Operating	49 060 333	10 058 123	3 104 700	34 709 500	96 932 656
Gains	5 772 450	-	-	-	5 772 450
Total Segment Revenue (excluding capital transfers and contributions)	184 285 899	22 733 977	3 104 700	445 922 233	656 046 809
SEGMENT EXPENDITURE					
Employee Related Costs	87 049 605	74 287 355	37 288 492	71 020 989	269 646 441
Remuneration Of Councillors	10 859 644	-	-	-	10 859 644
Debt Impairment	4 039 715	5 631 919	-	14 662 706	24 334 340
Depreciation & Asset Impairment	4 202 886	1 390 837	9 578 800	30 801 513	45 974 036
Finance Charges	3 983 859	230 290	121 791	2 622 964	6 958 904
Bulk Purchases	-	-	-	209 246 642	209 246 642
Inventory consumed	2 248 715	4 877 711	2 820 269	12 000 975	21 947 669
Contracted Services	10 869 331	11 620 282	170 858	4 007 315	26 667 785
Transfers and Subsidies	438 736	1 288 088	1 674 830	-	3 401 653
Other Expenditure	22 467 530	13 041 698	3 420 599	13 344 412	52 274 239
Losses	4 890 713	-	-	-	4 890 713
Total Segment Expenditure	151 050 732	112 368 180	55 075 638	357 707 516	676 202 066
Surplus/(Deficit)	33 235 166	(89 634 203)	(51 970 939)	88 214 718	(20 155 258)
Transfers and Subsidies-Capital	98 168	6 313 042	21 598 620	17 900 719	45 910 548
Contributions Recognised - Capital	-	-	-	-	-
Contributed Assets	-	266 303	-	-	266 303
Surplus/(Deficit) for the year	33 333 334	(83 054 859)	(30 372 319)	106 115 436	26 021 593
CAPITAL EXPENDITURE FOR THE YEAR	1 631 426	11 482 847	13 854 476	50 486 163	77 454 912



OUDTSHOORN LOCAL MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Total
	R	R	R	R	R
SEGMENT REVENUE					
External revenue from exchange transactions	17 404 534	6 268 090	-	354 829 885	378 502 510
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	1 549 159	72 563	-	-	1 621 721
Interest Earned - External Investments	5 748 841	-	-	-	5 748 841
Interest Earned - Outstanding Debtors	240 428	-	-	2 058 013	2 298 441
Licences and Permits	-	253 745	-	-	253 745
Agency Services	-	5 831 885	-	-	5 831 885
Other Revenue	9 866 107	109 898	-	170 110	10 146 114
External revenue from non-exchange transactions	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
Government Incentives Received	319 468	-	-	-	319 468
Transfers And Subsidies - Operating	54 322 864	7 803 027	3 294 996	38 498 320	103 919 207
Total Segment Revenue (excluding capital transfers and contributions)	171 410 673	21 724 117	3 294 996	396 358 016	592 787 802
SEGMENT EXPENDITURE					
Employee Related Costs	79 512 591	69 533 984	37 482 040	67 973 952	254 502 567
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	27 185 531	42 463 389
Finance Charges	4 040 094	73 578	-	1 478 023	5 591 695
Bulk Purchases	-	-	-	176 489 766	176 489 766
Inventory consumed	2 025 460	2 919 259	4 684 056	9 644 979	19 273 754
Contracted Services	9 422 316	8 330 171	171 235	3 823 178	21 746 901
Transfers and Subsidies	858 832	-	1 042 275	-	1 901 107
Other Expenditure	20 428 654	12 750 898	2 521 048	13 402 854	49 103 454
Losses	5 520 148	963 890	129 225	2 263 004	8 876 268
Total Segment Expenditure	142 196 172	104 191 650	54 739 384	311 759 082	612 886 287
Surplus/(Deficit)	29 214 502	(82 467 533)	(51 444 388)	84 598 934	(20 098 486)
Transfers and Subsidies-Capital	-	2 201 176	25 303 355	31 904 882	59 409 413
Contributed Assets	-	39 066 686	-	-	39 066 686
Surplus/(Deficit) for the year	29 214 502	(41 199 671)	(26 141 033)	116 503 815	78 377 613
CAPITAL EXPENDITURE FOR THE YEAR	1 591 119	5 203 927	18 185 610	51 928 586	76 909 241

Please note:

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

The difference between the Segmental report the Statement of Financial Performance is due to the following reasons, and is only for the non-financial items reported below the line on the Statement of Financial Performance:

- Debt Impairment on the segmental report is in terms of the NT mSCOA format an expenditure item, and as per validations bad debts written-off and reversal/contribution to impairment of receivables are aggregated. On the Statement of Financial Performance these are two separate lines.
- Gains/Losses on Fair Value adjustments and Fixed Asset Disposals as per NT mSCOA Formats is budgeted and reported either as part of Revenue (Gains) or Expenditure (Losses), but are disclosed below the line on the Statement of Financial Performance.



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OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	
						Variance %	
	R	R	R	R	2022 R		
ASSETS							
Current Assets							
Cash	2 035 800	1 959 000	3 994 800	3 994 800	12 998 141	225.38%	
Call Investment Deposits	99 999 900	(35 417 900)	64 582 000	64 582 000	130 934 736	102.74%	
Consumer Debtors	80 052 200	12 902 500	92 954 700	92 954 700	82 908 763	-10.81%	
Other Debtors	722 000	2 287 200	3 009 200	3 009 200	778 096	-74.14%	
Operating Lease Asset	5 200	13 900	19 100	19 100	23 415	22.59%	
Inventory	2 571 200	690 700	3 261 900	3 261 900	5 015 078	53.75%	
Total Current Assets	46.1.1	185 386 300	(17 564 600)	167 821 700	167 821 700	232 658 228	38.63%
Non-Current Assets							
Investment Property	17 122 100	(184 300)	16 937 800	16 937 800	16 769 038	-1.00%	
Property, Plant and Equipment	928 446 600	129 439 600	1 057 886 200	1 057 886 200	1 052 996 144	-0.46%	
Intangible Assets	2 009 400	(861 200)	1 148 200	1 148 200	740 509	-35.51%	
Other Non-Current Assets	13 774 300	-	13 774 300	13 774 300	13 774 345	0.00%	
Total Non-Current Assets	46.1.3	961 352 400	128 394 100	1 089 746 500	1 089 746 500	1 084 280 036	-0.50%
TOTAL ASSETS		1 146 738 700	110 829 500	1 257 568 200	1 257 568 200	1 316 938 264	4.72%
LIABILITIES							
Current Liabilities							
Borrowing	13 997 600	(2 441 400)	11 556 200	11 556 200	18 299 534	58.35%	
Consumer Deposits	11 319 500	(300)	11 319 200	11 319 200	11 466 449	1.30%	
Trade and Other Payables	94 845 200	(39 964 300)	54 880 900	54 880 900	93 514 638	70.40%	
Provisions	33 874 200	(3 084 900)	30 789 300	30 789 300	31 634 759	2.75%	
Total Current Liabilities	46.1.2	154 036 500	(45 490 900)	108 545 600	108 545 600	154 915 381	42.72%
Non-Current Liabilities							
Borrowing	50 574 400	(5 893 600)	44 680 800	44 680 800	63 559 737	42.25%	
Provisions	134 329 300	14 055 500	148 384 800	148 384 800	152 811 958	2.98%	
Total Non-Current Liabilities	46.1.4	184 903 700	8 161 900	193 065 600	193 065 600	216 371 695	12.07%
TOTAL LIABILITIES		338 940 200	(37 329 000)	301 611 200	301 611 200	371 287 076	23.10%
NET ASSETS							
Accumulated Surplus/(Deficit)		807 798 400	148 158 235	955 956 635	955 956 635	945 651 188	-1.08%
TOTAL NET ASSETS		807 798 400	148 158 235	955 956 635	955 956 635	945 651 188	-1.08%



OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

Notes	Original Budget	Budget Adjustments (into. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	
	R	R	R	R	2022 R	Variance %	
REVENUE							
Property Rates	103 885 500	1 985 000	105 870 500	105 870 500	104 562 942	-1.24%	
Service Charges - Electricity Revenue	284 466 400	(6 852 000)	277 614 400	277 614 400	280 728 876	1.12%	
Service Charges - Water Revenue	62 108 900	-	62 108 900	62 108 900	64 354 889	3.62%	
Service Charges - Sanitation Revenue	38 437 600	316 900	38 754 500	38 754 500	37 693 488	-2.74%	
Service Charges - Refuse Revenue	22 045 700	(1 140 000)	20 905 700	20 905 700	20 979 252	0.35%	
Rental of Facilities and Equipment	1 728 300	247 700	1 976 000	1 976 000	2 120 252	7.30%	
Interest Earned - External Investments	5 849 300	(200 000)	5 649 300	5 649 300	6 818 257	20.69%	
Interest Earned - Outstanding Debtors	2 626 600	3 240 900	5 867 500	5 867 500	6 477 948	10.40%	
Fines	2 321 500	1 819 000	4 140 500	4 140 500	6 565 450	58.57%	
Licences and Permits	374 300	-	374 300	374 300	265 339	-29.11%	
Agency Services	5 318 800	-	5 318 800	5 318 800	5 627 794	5.81%	
Transfers Recognised - Operational	94 409 800	1 233 000	95 642 800	95 642 800	96 932 656	1.35%	
Other Revenue	11 690 600	1 598 200	13 288 800	13 288 800	17 147 215	29.04%	
Gains		8 000 000	8 000 000	8 000 000	5 772 450	-27.84%	
Total Revenue (excluding capital transfers and contributions)	46.2.1	635 263 300	10 248 700	645 512 000	645 512 000	656 046 809	1.63%
EXPENDITURE							
Employee Related Costs	262 791 400	4 897 700	267 689 100	267 689 100	269 646 441	0.73%	
Remuneration of Councillors	11 269 300	(625 100)	10 644 200	10 644 200	10 859 644	2.02%	
Debt Impairment	13 746 800	(3 711 800)	10 035 000	10 035 000	24 334 340	142.49%	
Depreciation and Asset Impairment	41 646 500	356 000	42 002 500	42 002 500	45 974 036	9.46%	
Finance Charges	9 198 100	(120 100)	9 078 000	9 078 000	6 958 904	-23.34%	
Bulk Purchases	209 161 600	-	209 161 600	209 161 600	209 246 642	0.04%	
Other Materials	21 860 500	549 500	22 410 000	22 410 000	21 947 669	-2.06%	
Contracted Services	28 596 300	3 733 900	32 330 200	32 330 200	26 667 785	-17.51%	
Transfers and Grants	3 320 900	(1 000 000)	2 320 900	2 320 900	3 401 653	46.57%	
Other Expenditure	54 732 600	2 385 800	57 118 400	57 118 400	52 274 239	-8.48%	
Losses		8 000 000	8 000 000	8 000 000	4 890 713	-38.87%	
Total Expenditure	46.2.2	656 324 000	14 465 900	670 789 900	670 789 900	676 202 066	0.81%
Surplus/(Deficit)		(21 060 700)	(4 217 200)	(25 277 900)	(25 277 900)	(20 155 258)	-20.27%
Transfers Recognised - Capital	46.2.1	25 546 300	59 778 335	85 324 635	85 324 635	45 910 548	-46.19%
Contributed Assets			-	-	266 303	100.00%	
Surplus/(Deficit) after Capital Transfers & Contributions		4 485 600	55 561 135	60 046 735	60 046 735	26 021 593	-56.66%
Surplus/(Deficit) for the year		4 485 600	55 561 135	60 046 735	60 046 735	26 021 593	-56.66%



**OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Original Budget	Budget Adjustments (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	2022 R	Variance %	
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	96 613 500	1 846 100	98 459 600	98 459 600	98 929 504	0.48%	
Service Charges	387 282 200	(4 272 500)	383 009 700	383 009 700	384 837 636	0.48%	
Other Revenue	20 124 100	2 109 100	22 233 200	22 233 200	22 339 309	0.48%	
Government - Operating	94 515 800	1 127 000	95 642 800	95 642 800	89 525 456	-6.40%	
Government - Capital	25 440 300	51 062 100	76 502 400	76 502 400	83 907 791	9.68%	
Interest	5 849 300	(200 000)	5 649 300	5 649 300	12 874 741	127.90%	
Payments							
Suppliers and Employees	(582 170 700)	(16 099 500)	(598 270 200)	(598 270 200)	(591 071 776)	-1.20%	
Finance Costs	(9 144 100)	120 100	(9 024 000)	(9 024 000)	(4 880 545)	-45.92%	
Transfers and Grants	(3 320 900)	1 000 000	(2 320 900)	(2 320 900)	(3 401 653)	46.57%	
Net Cash from/(used) Operating Activities	46.3.1	35 189 500	36 692 400	71 881 900	71 881 900	93 060 463	29.46%
CASH FLOW FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	-	-	-	2 365 818	100.00%	
Payments							
Capital Assets	(50 841 100)	(70 430 700)	(121 271 800)	(121 271 800)	(72 604 661)	-40.13%	
Net Cash from/(used) Investing Activities	46.3.2	(50 841 100)	(70 430 700)	(121 271 800)	(121 271 800)	(70 238 843)	-42.08%
CASH FLOW FROM FINANCING ACTIVITIES							
Receipts							
Borrowing long term/refinancing	20 500 000	-	20 500 000	20 500 000	20 500 000	0.00%	
Payments							
Repayment of Borrowing	(18 500 000)	-	(18 500 000)	(18 500 000)	(15 355 630)	-17.00%	
Net Cash from/(used) Financing Activities	46.3.3	2 000 000	-	2 000 000	2 000 000	5 144 370	(0)
NET INCREASE/(DECREASE) IN CASH HELD							
Cash and Cash Equivalents at the year begin:	115 687 500	279 400	115 966 900	115 966 900	115 966 886	0.00%	
Cash and Cash Equivalents at the year end:	102 035 900	(33 458 900)	68 577 000	68 577 000	143 932 877	109.89%	



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2022

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2022

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Transfers	Additions	Under Construction	Contributed Assets	Disposals	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals	Closing Balance	
Land and Buildings													
Land	93 897 781	-	-	-	-	(335 000)	93 562 781	18 289 750	-	-	(40 000)	18 249 750	75 313 031
Buildings	48 101 734	-	-	-	-	-	48 101 734	10 851 613	838 217	-	-	11 689 829	36 411 904
	141 999 515	-	-	-	-	(335 000)	141 664 515	29 141 363	838 217	-	(40 000)	29 939 579	111 724 936
Infrastructure													
Roads & Stormwater	280 667 644	-	8 370 689	5 238 652	-	-	294 276 985	89 557 747	9 322 146	-	-	98 879 893	195 397 092
Electricity	199 878 216	-	2 790 048	6 367 509	-	-	209 035 773	79 735 991	8 385 366	-	-	88 121 358	120 914 415
Water Supply	469 202 290	-	18 779 298	17 380 913	-	(5 094 234)	500 268 267	125 085 906	11 066 930	-	(2 453 233)	133 699 603	366 568 665
Sanitation	147 676 718	-	984 382	1 112 132	-	(7 460 532)	142 312 700	35 365 331	3 891 736	-	(3 941 052)	35 316 014	106 996 686
Solid Waste Infrastructure	8 510 028	-	-	-	-	-	8 510 028	699 720	233 368	-	-	933 088	7 576 940
Communiton Infrastructure	1 088 126	-	40 489	-	-	-	1 128 615	201 537	106 060	-	-	307 596	821 019
	1 107 023 023	-	30 964 905	30 099 206	-	(12 554 766)	1 155 532 368	330 646 231	33 005 606	-	(6 394 285)	357 257 551	798 274 817
Capitalised Restoration Cost	16 606 845		5 049 822				21 656 667	13 112 822	1 310 224			14 423 046	7 233 621
Community Assets													
Libraries	9 314 921			4 645 579			13 960 500	1 377 325	99 020			1 476 345	12 484 155
Civic Buildings	24 564 762						24 564 762	7 673 880	369 712			8 043 592	16 521 170
Recreational Facilities	81 301 321			726 448			82 027 769	32 541 562	736 186			33 277 748	48 750 021
Cemeteries	1 730 291						1 730 291	211 892	12 644			224 536	1 505 755
Other	14 551 840			199 050			14 750 890	3 456 143	177 097			3 633 240	11 117 650
	131 463 134	-	-	5 571 077	-	-	137 034 211	45 260 802	1 394 658	-	-	46 655 460	90 378 751
Other Assets													
Furniture and Office Equipment	13 115 040	-	1 928 123	-	11 949	(594 152)	14 460 960	7 155 358	1 154 924	-	(464 446)	7 845 837	6 615 123
Motor vehicles	18 133 680	-	6 562 765	-	199 990	(203 617)	24 692 818	10 083 455	806 891	-	(136 807)	10 753 539	13 939 278
Computer Equipment	6 763 578	-	1 553 345	-	54 364	(422 643)	7 948 644	2 722 585	819 489	-	(183 085)	3 358 989	4 589 655
Plant & Equipment	8 371 760	-	775 491	-	-	(814 018)	8 333 233	3 836 890	772 847	-	(449 642)	4 160 096	4 173 138
	46 384 059	-	10 819 724	-	266 303	(2 034 431)	55 435 655	23 798 289	3 554 152	-	(1 233 980)	26 118 461	29 317 194
Leases													
Vehicles and Office Equipment	4 924 351	-	19 755 621	-	-	(5 677 933)	19 002 039	3 303 052	5 310 106	-	(5 677 933)	2 935 225	16 066 814
	4 924 351	-	19 755 621	-	-	(5 677 933)	19 002 039	3 303 052	5 310 106	-	(5 677 933)	2 935 225	16 066 814
Total	1 448 400 928	-	66 590 071	35 670 283	266 303	(20 602 129)	1 530 325 455	445 262 559	45 412 962	-	(13 346 198)	477 329 322	1 052 996 133



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2022

2.2 30 JUNE 2021 RESTATED

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Re-classification	Additions	Under Construction	Contributed Assets	Disposals	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals	Closing Balance	
Land and Buildings													
Land	93 897 781	-	-	-	-	-	93 897 781	18 289 750	-	-	-	18 289 750	75 608 031
Balance previously reported	93 884 781	-	-	-	-	-	93 884 781	18 289 750	-	-	-	18 289 750	75 595 031
Correction of error as per note 41.1(j)	13 000	-	-	-	-	-	13 000	-	-	-	-	-	13 000
Buildings	47 099 463	-	977 775	24 495	-	-	48 101 734	10 025 925	825 688	-	-	10 851 613	37 250 121
	140 997 245	-	977 775	24 495	-	-	141 999 515	28 315 675	825 688	-	-	29 141 363	112 858 152
Infrastructure													
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	2 895 097	-	(1 410 365)	199 878 216	71 872 232	8 610 193	-	(746 433)	79 735 991	120 142 224
Balance previously reported	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
Correction of error as per note 41.1(c)		-		148 717			148 717		-			-	148 717
Correction of error as per note 41.1(l)		-					-		70 138			70 138	(70 138)
Water Supply	439 881 011	-	7 535 482	18 445 868	3 620 998	(281 069)	469 202 290	114 619 904	10 604 979	-	(138 978)	125 085 906	344 116 384
Balance previously reported	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
Correction of error as per note 41.1(m)	13 929 174	-					13 929 174		529 045			529 045	13 400 129
Sanitation	117 432 904	-	9 657 715	13 628 061	7 080 390	(122 351)	147 676 718	30 174 414	5 297 969	-	(107 052)	35 365 331	112 311 388
Balance previously reported	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
Transfer From Plant and Equipment	1 067 880	-					1 067 880	734 304	95 307			829 611	238 268
Correction of error as per note 41.1(m)	12 933 931	-					12 933 931		1 490 905			1 490 905	11 443 025
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
	1 001 856 812	-	27 418 538	40 613 014	39 066 686	(1 932 026)	1 107 023 023	298 184 835	33 558 092	-	(1 096 696)	330 646 231	776 376 792
Capitalised Restoration Cost	12 275 153		4 331 692				16 606 845	12 260 537	852 285			13 112 822	3 494 023
Community Assets													
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



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2022

Other Assets													
Furniture and Office Equipment	12 724 426	-	802 920	-	-	(412 306)	13 115 040	6 272 085	1 212 238	-	(328 966)	7 155 358	5 959 682
Balance previously reported	12 524 853	-	802 920	-	-	(412 306)	12 915 468	6 272 085	1 181 542	-	(328 966)	7 124 662	5 790 806
Correction of error note 41.1(i)	199 573						199 573		30 696			30 696	168 877
Motor vehicles	18 136 957	-	-	-	-	(3 277)	18 133 680	9 465 184	621 360	-	(3 089)	10 083 455	8 050 224
Balance previously reported	18 131 340	-	-	-	-	(3 277)	18 128 063	9 465 184	620 986	-	(3 089)	10 083 081	8 044 982
Correction of error note 41.1(i)	5 617						5 617		374			374	5 242
Computer Equipment	6 680 537	-	606 969	-	-	(523 928)	6 763 578	2 292 317	841 804	-	(411 536)	2 722 585	4 040 993
Balance previously reported	6 638 663	-	606 969	-	-	(523 928)	6 721 704	2 292 317	836 175	-	(411 536)	2 716 956	4 004 748
Correction of error note 41.1(i)	41 874						41 874		5 629			5 629	36 245
Plant & Equipment	7 731 572	-	836 048	-	-	(195 859)	8 371 760	3 212 948	764 921	-	(140 979)	3 836 890	4 534 870
Balance previously reported	8 703 638	-	836 048	-	-	(195 859)	9 343 827	3 947 252	846 012	-	(140 979)	4 652 285	4 691 542
Transfer to Sanitation Infrastructure	(1 067 880)						(1 067 880)	(734 304)	(95 307)			(829 611)	(238 268)
Correction of error note 41.1(i)	95 814						95 814		14 217			14 217	81 597
	45 273 491	-	2 245 937	-	-	(1 135 369)	46 384 059	21 242 535	3 440 324	-	(884 570)	23 798 289	22 585 770
Leases													
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
Total	1 332 597 612	-	37 224 835	42 579 189	39 066 686	(3 067 395)	1 448 400 928	405 584 415	41 659 409	-	(1 981 265)	445 262 559	1 003 138 369



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
2. PROPERTY, PLANT AND EQUIPMENT		
<u>See previous sheet</u> page 67		
page 68		
page 69		
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	142 016 457	128 017 484
Roads and Stormwater	5 915 356	5 643 987
Electricity	9 167 463	3 983 238
Water Supply	118 271 205	104 762 198
Sanitation	8 662 433	13 628 061
Community Assets	7 868 842	2 297 765
Other Assets	24 495	24 495
Total Property, Plant and Equipment under construction	149 909 794	130 339 745
2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:		
Infrastructure Assets	108 146 433	98 734 578
Water Supply	108 146 433	98 734 578
Total	108 146 433	98 734 578
2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Other materials	16 321 934	14 690 845
Contracted Services	50 603	181 208
Other Expenditure	244 607	158 102
Total Repairs and Maintenance	16 617 144	15 030 155
2.6 Effect of changes in accounting estimates		
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.		
	2022	2023
	R	R
Effect on Property, plant and equipment	1 537 715	3 069 619
		3 405 514



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	62 651 559	62 362 519
Infrastructure	58 416 553	48 005 939
Community	792 634	7 299 625
Other	3 442 371	7 056 955
Total	62 651 559	62 362 519
This expenditure will be financed from:		
External Loans	3 038 909	17 433 466
Government Grants	58 029 596	34 475 722
Own Resources	1 583 053	10 453 331
Total	62 651 559	62 362 519
2.8 Land is controlled, but Oudtshoorn Municipality is not the legal owner/custodian		
Carrying amount at year end	9 875 000	9 875 000
Total	9 875 000	9 875 000
<u>Key judgements and assumptions applied</u>		
- 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	16 927 999	15 900 831
Cost	21 671 913	20 516 542
Accumulated Depreciation	(1 670 834)	(1 542 632)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
Additions	-	1 155 371
Depreciation for the year	(158 961)	(118 374)
Correction of error note 41.1(k)	-	(9 828)
Net Carrying amount at 30 June	16 769 038	16 927 999
Cost	21 671 913	21 671 913
Accumulated Depreciation	(1 829 795)	(1 670 834)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	372 606	387 178
3.3 Investment Property which is in the process of being constructed or developed:		
Revenue Generating	-	-
Improved Property	-	2 303 913
Correction of Error note 41.1(k)	-	(2 303 913)



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	1 143 195	1 537 435
Cost	3 438 394	3 156 856
Accumulated Amortisation	(2 295 199)	(1 619 421)
Additions		281 538
Amortisation	(402 687)	(675 778)
Net Carrying amount at 30 June	740 509	1 143 195
Cost	3 438 394	3 438 394
Accumulated Amortisation	(2 697 886)	(2 295 199)

4.2 Material Intangible Assets included in the carrying value:

<u>Description</u>	<u>Remaining Amortisation Period</u>		
Software	1-5 years	740 509	1 143 195

No intangible assets 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

5.1 Net Carrying amount at 1 July	13 774 345	13 774 345
Cost	13 774 345	13 774 345
Net Carrying amount at 30 June	13 774 345	13 774 345
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.



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2021 R	2020 R
<u>Rust end Vrede Waterfall</u>		
<p>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.</p> <p>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.</p> <p>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.</p>		
<u>Herrie's Stone, Meiringspoort, Oudtshoorn District</u>		
<p>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.</p> <p>This has been declared as a Heritage Site.</p> <p>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.</p>		
The following Heritage Assets were identified and measured in terms of GRAP:		
<u>Cango Caves</u>		
<p>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.</p> <p>The entrance is in the face of a hill beside the Grobbelaar's River. The maze 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.</p>	11 796 645	11 796 645
<u>CP Nel Museum Building</u>		
<p>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.</p>	1 940 000	1 940 000
<u>Mayoral Chains</u>		
<p>The municipality has two mayoral chains which are kept in a safe at the main building.</p>	37 700	37 700
6 OPERATING LEASE ARRANGEMENTS		
6.1 The Municipality as Lessor		
Operating Lease Asset	23 415	19 142
<u>Disclosed as follows:</u>		
Current Operating Lease Asset	23 415	19 142
	23 415	19 142



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
<u>Reconciliation</u>		
Balance at the beginning of the year	19 142	5 230
Movement during the year	4 273	13 912
Balance at the end of the year	<u>23 415</u>	<u>19 142</u>

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year	159 536	240 850
1 to 5 Years	654 258	647 780
More than 5 Years	337 025	503 039
Total Operating Lease Arrangements	<u>1 150 819</u>	<u>1 391 669</u>

This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.

7. INVENTORY

Maintenance Materials - At Cost	4 591 056	2 624 088
Water – At Cost	424 021	497 318
Total Inventory	<u>5 015 078</u>	<u>3 121 406</u>

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

7.1 Inventories recognise as an expense during the year:

Consumables	9 136 229	8 955 082
Finished Goods	304 523	329 992
Materials and supplies	12 506 917	9 960 407
Correction of error note 41.1(d)	-	28 273
Total	<u>21 947 669</u>	<u>19 273 754</u>



ODTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
8. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	29 402 102	29 054 679
Water	23 076 287	21 786 374
Property Rentals	506	506
Waste Management	11 373 197	10 566 315
Waste Water Management	12 707 296	12 834 551
Units not billed	19 180 881	9 558 829
Legal Fees Recovery	29 216	29 216
Klein Karoo Water Scheme	6 233 695	4 656 076
Sundry municipal charges	5 036 270	4 909 721
Prepaid expenditure	8 817	3 475
Other	29 550	23 400
Suspense Debtors	3 070 633	2 965 592
Correction of error note 41.1(g)	-	99 339
Correction of error note 41.1(g)	-	359 266
Total: Receivables from exchange transactions (before provision)	110 148 452	96 847 339
Less: Provision for Debt Impairment	(41 509 093)	(37 491 461)
Total: Receivables from exchange transactions (after provision)	68 639 359	59 355 879

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.

Ageing of billed Debtors

(Electricity): Ageing

Current (0 - 30 days)	13 547 655	12 773 799
31 - 60 Days	1 938 080	2 642 695
61 - 90 Days	1 116 004	2 067 176
+ 90 Days	12 800 362	11 571 009
Total	29 402 102	29 054 679

(Water): Ageing

Current (0 - 30 days)	4 763 608	4 911 426
31 - 60 Days	1 713 457	2 183 566
61 - 90 Days	1 299 622	1 469 184
+ 90 Days	15 299 599	13 222 197
Total	23 076 287	21 786 374

(Property Rentals): Ageing

Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	506	506
Total	506	506



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	1 654 646	1 555 163
31 - 60 Days	624 108	522 346
61 - 90 Days	368 141	390 357
+ 90 Days	8 726 302	8 098 450
Total	11 373 197	10 566 315

<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	2 527 513	2 503 155
31 - 60 Days	726 223	776 336
61 - 90 Days	426 228	590 821
+ 90 Days	9 027 332	8 964 240
Total	12 707 296	12 834 551

<u>(Units not billed): Ageing</u>		
Current (0 - 30 days)	19 180 881	9 558 829
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
Total	19 180 881	9 558 829

<u>(Legal Fees Recovery): Ageing</u>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	29 216	29 216
Total	29 216	29 216

<u>(Klein Karoo Water Scheme): Ageing</u>		
Current (0 - 30 days)	615 554	505 910
31 - 60 Days	321 202	301 828
61 - 90 Days	287 081	210 479
+ 90 Days	5 009 859	3 637 859
Total	6 233 695	4 656 076

<u>(Sundry municipal charges): Ageing</u>		
Current (0 - 30 days)	399 609	478 356
31 - 60 Days	156 814	134 298
61 - 90 Days	119 718	326 934
+ 90 Days	7 430 763	7 394 329
Total	8 106 903	8 333 918



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
<u>(Prepaid expenditure): Ageing</u>		
Current (0 - 30 days)	8 817	3 475
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
Total	8 817	3 475

<u>(Other): Ageing</u>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	29 550	23 400
Total	29 550	23 400

<u>(Total): Ageing</u>		
Current (0 - 30 days)	42 698 285	32 290 113
31 - 60 Days	5 479 884	6 561 069
61 - 90 Days	3 616 794	5 054 951
+ 90 Days	58 353 489	52 941 207
Total	110 148 452	96 847 339

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2022				
Current (0 - 30 days)	753 274	30 823 189	8 083 988	3 029 016
31 - 60 Days	313 632	3 852 742	1 183 384	130 126
61 - 90 Days	243 441	2 599 088	698 797	75 467
+ 90 Days	6 014 308	40 867 395	10 697 881	782 722
Total debtors by customer classification	7 324 655	78 142 414	20 664 051	4 017 332

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2021				
Current (0 - 30 days)	618 678	20 754 440	7 959 261	2 954 259
31 - 60 Days	284 457	3 967 277	1 173 833	1 135 502
61 - 90 Days	199 533	2 613 628	1 041 274	1 200 517
+ 90 Days	5 380 812	35 503 555	9 464 928	2 595 386
Total debtors by customer classification	6 483 481	62 838 900	19 639 296	7 885 663



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	37 491 461	51 059 260
Contribution to provision	4 017 632	-
Reversal of provision	-	(13 567 800)
Balance at end of year	<u>41 509 093</u>	<u>37 491 461</u>

The total amount of this provision is R41 509 093 and consist of:

Services	41 509 093	37 491 461
Total Provision for Debt Impairment on Receivables from exchange transactions	<u>41 509 093</u>	<u>37 491 461</u>

Ageing of amounts past due but not impaired:

Services	25 941 074	27 065 766
	<u>67 450 167</u>	<u>64 557 226</u>

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.

9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	33 126 591	30 696 122
Availability Charges	4 799 693	3 828 749
Fines	3 103 850	11 123 505
	<u>41 030 135</u>	<u>45 648 377</u>
Less: Provision for Debt Impairment	<u>(25 982 635)</u>	<u>(31 063 893)</u>
Total Receivables from non-exchange transactions	<u>15 047 500</u>	<u>14 584 483</u>

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)	6 202 827	6 222 571
31 - 60 Days	1 730 101	1 665 857
61 - 90 Days	1 052 163	1 275 876
+ 90 Days	24 141 500	21 531 818
Total	<u>33 126 591</u>	<u>30 696 122</u>



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
<u>(Availability Charges): Ageing</u>		
Current (0 - 30 days)	284 691	255 585
31 - 60 Days	210 418	168 152
61 - 90 Days	188 227	156 818
+ 90 Days	4 116 357	3 248 194
Total	4 799 693	3 828 749

<u>(Fines): Ageing</u>		
Current (0 - 30 days)	1 188 775	369 800
31 - 60 Days	396 825	816 500
61 - 90 Days	334 900	653 600
+ 90 Days	1 183 350	9 283 605
Total	3 103 850	11 123 505

Summary of Debtors (Rates+Availability) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2022				
Current (0 - 30 days)	43 525	4 728 238	1 506 747	209 008
31 - 60 Days	9 122	1 451 577	312 534	167 286
61 - 90 Days	2 340	1 033 565	176 366	28 119
+ 90 Days	359 243	23 248 578	4 339 909	310 128
Total debtors by customer classification	414 229	30 461 958	6 335 557	714 541

Summary of Debtors (Rates+Availability) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2021				
Current (0 - 30 days)	35 849	4 636 279	1 626 788	179 238
31 - 60 Days	8 538	1 293 222	357 120	175 129
61 - 90 Days	4 419	970 032	276 316	181 928
+ 90 Days	376 988	19 512 852	4 122 832	767 341
Total debtors by customer classification	425 794	26 412 386	6 383 056	1 303 636

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	31 063 893	29 907 801
Contribution to provision	-	1 156 092
Reversal of provision	(5 081 258)	-
Balance at end of year	25 982 635	31 063 893



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
The total amount of this provision is R25 982 635 and consist of:		
Taxes	21 012 418	18 850 011
Availability Charges	2 644 463	2 709 891
Fines	2 325 754	9 503 991
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	25 982 635	31 063 893

Ageing of amounts past due but not impaired:

Rates	5 911 346	5 623 540
Availability charges	1 870 539	863 274
Fines	-	1 249 714
	7 781 885	7 736 528

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.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

10. CASH AND CASH EQUIVALENTS

10.1 Cash and Cash Equivalents

Cash At Bank	12 960 591	16 088 101
Call Deposits and Investments	130 934 736	99 841 236
Cash On-hand	37 550	37 550
Total Cash and Cash Equivalents - Assets	143 932 877	115 966 886

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 R130 394 736 are held to fund the Unspent Conditional Grants of R41 026 340

The municipality has the following bank accounts:

Current Accounts

Standard Bank 082808678	2 857 709	6 429 770
Standard Bank 082808724	9 977 782	9 625 841
Standard Bank 08288988	39 780	-
Standard Bank 082809097	85 320	32 490
	12 960 591	16 088 101



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
<u>Call Deposits and Investments</u>		
ABSA Account no 20-8038-7442	15 993 395	-
Nedbank Account no 03/7881019344/29	117 816	113 449
Nedbank Account no 03/7881001143/130	558 069	537 381
Nedbank Account no 03/7881001143/131	3 057 579	2 944 233
Nedbank Account no 03/7881001143/137	2 957 018	12 713 168
Nedbank Account no 03/7881001143/175	5 132 382	4 942 120
Nedbank Account no 03/7881001143/254		15 283 235
Nedbank Account no 03/7881001143/250	7 746 551	7 459 379
Nedbank Account no 03/7881001143/251	3 055 830	2 942 548
Nedbank Account no 03/7881001143/252	830 706	799 912
Nedbank Account no 03/7881001143/258	15 180 509	-
Standard Account no 288835379015	-	967 047
Standard Account no 288835379005	-	5 310 309
Standard Account no 288835379008	-	2 847 564
Standard Account no 288835379010	-	10 603 714
Standard Account no 288835379019	-	2 278 756
Standard Account no 288835379040	-	7 479 113
Standard Account no 288835379047	25 356 926	-
Standard Account no 288835379048	37 689 892	-
Investec Account no 1400-171058-500	4 906 490	14 573 327
Investec Account no 1400-171058 501	8 351 571	8 045 980
	130 934 736	99 841 236



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

Details of current accounts are as follow:

	2022	2021
	R	R
Standard bank 082808678 (Primary Bank Account)		
Cash book balance at beginning of year	6 429 770	(716 880)
Cash book balance at end of year	2 857 709	6 429 770
Bank statement balance at beginning of year	6 429 770	73 575
Bank statement balance at end of year	2 857 709	6 429 770
Standard bank 082808724 (Primary Bank Account)		
Cash book balance at beginning of year	9 625 841	27 124 531
Cash book balance at end of year	9 977 782	9 625 841
Bank statement balance at beginning of year	8 894 960	26 537 560
Bank statement balance at end of year	8 923 089	8 894 960
Standard Bank 082809097(Traffic Account)		
Cash book balance at beginning of year	32 490	82 606
Cash book balance at end of year	85 320	32 490
Bank statement balance at beginning of year	32 490	-
Bank statement balance at end of year	85 320	32 490
Standard Bank 08288988 (Primary Bank Account - CAVES)		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	39 780	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	39 780	-
	2022	2021
	R	R

11. LONG-TERM BORROWINGS

Annuity Loans - At amortised cost	63 168 400	52 391 823
Capitalised Lease Liability - At amortised cost	18 690 871	1 845 206
	81 859 271	54 237 029
Less: Current Portion transferred to Current Liabilities	(18 299 534)	(11 556 205)
Annuity Loans - At amortised cost	(11 043 795)	(9 723 423)
Capitalised Lease Liability - At amortised cost	(7 255 739)	(1 832 782)
	63 559 737	42 680 824
Total Long-term Borrowings	63 559 737	42 680 824

11.1 The obligations under annuity loans are scheduled below:

		Minimum payments
Amounts payable under annuity loans:		
Payable within one year	15 776 362	13 600 163
Payable within two to five years	35 986 166	32 513 263
Payable after five years	34 770 130	21 657 316
	86 532 658	67 770 742
Less: Future finance obligations	(23 364 258)	(15 378 919)
Present value of annuity loans obligations	63 168 400	52 391 823



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
11.2 The obligations under finance leases are scheduled below:		
		Minimum payments
Amounts payable under finance leases:		
Payable within one year	8 367 394	1 933 305
Payable within two to five years	12 078 846	12 530
	20 446 240	1 945 835
Less: Future finance obligations	(1 755 368)	(100 629)
Present value of finance lease obligations	18 690 871	1 845 206

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	34 429 958	27 301 778
Total Non-current Provisions	34 429 958	27 301 778

12.1 Landfill Sites

Balance 1 July	27 301 778	21 539 331
Change in Provision for Rehabilitation Cost	7 128 180	5 762 447
Total provision 30 June	34 429 958	27 301 778
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	34 429 958	27 301 778

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 Closed	De Rust Operational	Dysselsdorp Closed	Dysselsdorp Operational	Oudtshoorn Grootkop
Area (m ²)	5 223	7 109	2 253	9 841	117 659
Cost for Rehabilitation and Closure:					
Preliminary and General	538 457	751 628	293 399	909 701	7 939 773
Site Clearance and Preparation	6 999	9 526	3 019	13 187	157 663
Storm water Control Measures	555 644	670 771	392 267	893 676	4 149 360
Capping	1 911 828	3 011 320	838 939	3 690 393	43 900 850
Gas Management	-	-	-	-	-
Leachate Management	230 733	268 953	158 679	289 629	1 936 352
Fencing	696 293	787 556	460 531	859 806	12 267
Other:					
Environmental Authorisation (Closure License)	-	410 800		410 800	410 800
Technical ROD	208 260	208 260	208 260	208 260	208 260
Install Groundwater Monitoring Boreholes with lockable caps(includes drilling contractor site establishment)	158 228	207 987	202 287	202 287	-
Landscape Architects	142 672	142 672	142 139	142 139	161 889
Water use license	35 000	35 000	35 000	35 000	35 000
Topographical Survey	7 240	7 240	7 240	7 240	12 584
Contingencies (10% of total construction costs)	393 995	549 975	214 683	665 639	5 809 627
Engineering (ECSA Fees scale)	529 594	735 488	292 902	888 164	5 278 772
Site Supervision (Engineers Representation)	190 020	230 105	169 875	239 774	1 378 480
Site Supervision (Environmental Control Officer & C	146 928	146 928	123 336	150 744	539 120
Total (Excl. VAT)	5 751 891	8 174 209	3 542 554	9 606 439	71 930 797
Cost per rehab(m2)	1 101	1 150	1 572	976	611
Estimated construction period (weeks)	10	10	9	11	40



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

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:

Location	Estimated decommission date	2022	2021
		R	R
De Rust (Closed)	2014	6 049 839	5 410 633
De Rust(Operational)	2036	16 577 158	15 771 328
Dysselsdorp(Closed)	2013	3 726 059	3 360 341
Dysselsdorp(Operational)	2033	16 742 768	16 315 067
Oudtshoorn	2048	267 409 727	313 613 092
		310 505 550	354 470 462

13. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	107 037 001	103 700 001
Provision for Long Service Awards	11 345 000	11 476 000
Total Non-current Employee Benefits	118 382 001	115 176 001

Post Retirement Health Care Benefits

Balance 1 July	108 974 001	94 203 001
Contribution for the year	3 535 000	3 041 000
Interest Cost	10 597 000	9 349 000
Expenditure for the year	(5 454 019)	(5 258 723)
Actuarial Loss/(Gain)	(5 135 981)	7 639 723
Total provision 30 June	112 516 001	108 974 001
Less: Transfer of Current Portion to Current Provisions - Note 15	(5 479 000)	(5 274 000)
Balance 30 June	107 037 001	103 700 001

Long Service Awards

Balance 1 July	12 369 000	11 612 000
Contribution for the year	1 065 000	980 000
Interest Cost	1 127 000	823 000
Expenditure for the year	(870 532)	(1 196 415)
Actuarial Loss/(Gain)	(636 468)	150 415
Total provision 30 June	13 054 000	12 369 000
Less: Transfer of Current Portion to Current Provisions - Note 15	(1 709 000)	(893 000)
Balance 30 June	11 345 000	11 476 000

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	334	340
In-service (employee) non-members	367	389
Continuation members (e.g. Retirees, widows, orphans)	98	97
Total Members	799	826



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
The liability in respect of past service has been estimated to be as follows:		
In-service members	41 068 000	38 200 000
In-service non-members	6 248 000	5 935 000
Continuation members	65 200 000	64 839 000
Total Liability	112 516 000	108 974 000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2020	2019	2018
	R	R	R
In-service members	31 168 000	33 919 383	45 926 000
In-service non-members	4 798 000	5 085 884	12 625 000
Continuation members	58 237 000	61 185 693	53 920 000
Total Liability	94 203 000	100 190 960	112 471 000

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 680 000, whereas the Interest Cost for the next year is estimated to be R12 897 000.

	2022	2021
	%	%
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	11.74%	9.96%
Health Care Cost Inflation Rate	8.37%	6.69%
Net Effective Discount Rate	3.11%	3.06%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 62 years.

iv) Expected rate of salary increases

2021/22 - CPI

The three-year Salary and Wage Collective Agreement ends on 30 June 2025.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	112 516 001	108 974 001
Fair value of plan assets	-	-
	<u>112 516 001</u>	<u>108 974 001</u>
Net liability/(asset)	112 516 001	108 974 001



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OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	108 974 001	94 203 001
Total expenses	8 677 981	7 131 277
Current service cost	3 535 000	3 041 000
Interest Cost	10 597 000	9 349 000
Benefits Paid	(5 454 019)	(5 258 723)
Actuarial (gains)/losses	(5 135 981)	7 639 723
Present value of fund obligation at the end of the year	<u>112 516 001</u>	<u>108 974 001</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2022

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	47.316	65.200	112.516

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	56.875	71.49	128.365	14%
Health care inflation	-1%	39.71	59.74	99.455	-12%
Discount Rate	1%	39.98	59.94	99.918	-11%
Discount Rate	-1%	56.65	71.35	127.993	14%
Post-retirement mortality	-1 year	46.03	62.98	109.015	-3%
Post-retirement mortality	1 year	48.59	67.43	116.014	3%
Average retirement age	-1 year	51.55	65.20	116.750	4%
Withdrawal Rate	-50%	41.36	65.20	106.564	-5%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2022

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	3 535 000	10 597 000	14 132 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	4 371 000	12 159 000	16 530 000	17%
Health care inflation	-1%	2 889 000	9 316 000	12 205 000	-14%
Discount rate	1%	2 936 000	10 300 000	13 236 000	-6%
Discount rate	-1%	4 309 000	10 906 000	15 215 000	8%
Post-retirement mortality	1%	3 441 000	10 262 000	13 703 000	-3%
Post-retirement mortality	-1%	3 631 000	10 933 000	14 564 000	3%
Average retirement age	-1 year	3 760 000	11 013 000	14 773 000	5%
Membership continuation	-10%	3 094 000	10 045 000	13 139 000	7%



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2023

	Current	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	3 680 000	12 897 000	16 577 000

The effect of movements in the assumptions are as follows:

	Change	Current	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	4 534 000	14 756 000	19 290 000	16%
Health care inflation	-1%	3 015 000	11 365 000	14 380 000	-13%
Discount rate	1%	3 066 000	12 391 000	15 457 000	-7%
Discount rate	-1%	4 473 000	13 460 000	17 933 000	8%
Post-retirement mortality	1%	3 579 000	12 486 000	16 065 000	-3%
Post-retirement mortality	-1%	3 778 000	13 307 000	17 085 000	3%
Average retirement age	-1 year	3 973 000	13 394 000	17 367 000	5%
Membership continuation	-10%	3 222 000	12 198 000	15 420 000	-7%

	2022 Rm	2021 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(4.460)	(0.782)

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2020 Rm	2019 Rm	2018 Rm
Liabilities: (Gain) / loss	4.032	3.730	1 306

13.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 701 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R1 085 0000 whereas the Interest Cost for the next year is estimated to be R1 359 000.

	2022 %	2021 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	11.12%	9.44%
General Salary Inflation (long-term)	7.30%	5.84%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.56%	3.40%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	13 054 000	12 369 000
Fair value of plan assets	-	-
	<u>13 054 000</u>	<u>12 369 000</u>
Net liability/(asset)	<u>13 054 000</u>	<u>12 369 000</u>



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	12 369 000	11 612 000
Total expenses	1 321 468	606 585
Current service cost	1 065 000	980 000
Interest Cost	1 127 000	823 000
Benefits Paid	(870 532)	(1 196 415)
Actuarial (gains)/losses	(636 468)	150 415
Present value of fund obligation at the end of the year	13 054 000	12 369 000

Sensitivity Analysis on the Accrued Liability at 30 June 2022

Assumption	Change	Liability (Rm)	% change
Central assumptions		13 054 000	
General salary inflation	1%	13 848 000	6%
General salary inflation	-1%	12 334 000	-6
Discount rate	1%	12 309 000	-6
Discount rate	-1%	13 889 000	6%
Average retirement age	-2 yrs.	15 130 000	16%
Average retirement age	2 yrs.	11 524 000	-12%
Withdrawal rates	x2	10 678 000	-18%
Withdrawal rates	x0.5	14 698 000	13%

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:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	+1%	1 157 000	1 203 000	2 360 000	8%
Health care inflation	-1%	984 000	1 057 000	2 041 000	-6%
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 yrs.	1 207 000	1 314 000	2 521 000	15%
Average retirement age	-2 yrs.	956 000	988 000	1 944 000	-11%
Withdrawal Rate	x2	774 000	901 000	1 675 000	24%
Withdrawal Rate	x0.5	1 284 000	1 284 000	2 568 000	16%



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2023

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	1 085 000	1 359 000	2 444 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	+1%	1 173 000	1 448 000	2 621 000	7%
Health care inflation	-1%	1 007 000	1 279 000	2 286 000	-6%
Discount rate	+1%	1 015 000	1 392 000	2 407 000	-2%
Discount rate	-1%	1 165 000	1 322 000	2 487 000	2%
Average retirement age	2 yrs.	1 232 000	1 589 000	2 821 000	15%
Average retirement age	-2 yrs.	970 000	1 189 000	2 159 000	-12%
Withdrawal Rate	x2	805 000	1 095 000	1 900 000	22%
Withdrawal Rate	x0.5	1 293 000	1 542 000	2 835 000	16%

	2022 R	2021 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(411 468)	291 415

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2020 R	2019 R	2018 R
Liabilities: (Gain) / loss	693 031	566 124	499 606



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
13.3 Retirement funds		
<p>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.</p> <p>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.</p> <p>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.</p>		
<u>CONSOLIDATED RETIREMENT FUND</u>		
<p>The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in a sound financial position with a funding level of 133% (30 June 2020 - 132.2%).</p>		
Contributions paid recognised in the Statement of Financial Performance	26 977 675	27 570 872
<u>DEFINED CONTRIBUTION FUNDS</u>		
<p>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.</p>		
14. CONSUMER DEPOSITS		
Electricity	4 434 162	4 421 440
Rental Properties	155 733	134 759
Water	5 218 354	5 153 680
Building Plans	1 653 771	1 424 818
Hiring of Decorative Items	4 430	4 430
Total Consumer Deposits	11 466 449	11 139 126
15. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	491 923	493 245
Staff Bonuses	7 017 942	6 785 877
Staff Leave	16 935 850	16 192 378
Other	1 045	1 045
Current Portion of Non-Current Provisions	7 188 000	6 167 000
Current Portion of Post Retirement Benefits - Note 13	5 479 000	5 274 000
Current Portion of Long-Service Provisions - Note 13	1 709 000	893 000
Total Provisions	31 634 759	29 639 545



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

The movement in current provisions are reconciled as follows:

	2022 R	2021 R
15.1 <u>Performance Bonuses</u>		
Balance at beginning of year	493 245	828 593
Contribution to current portion	55 351	(185 730)
Expenditure incurred	(56 673)	(149 618)
Balance at end of year	491 923	493 245

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 <u>Staff Bonuses</u>		
Balance at beginning of year	6 785 877	6 572 014
Contribution to current portion	12 677 720	12 562 413
Expenditure incurred	(12 445 655)	(12 348 550)
Balance at end of year	7 017 941	6 785 877

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 <u>Staff Leave</u>		
Balance at beginning of year	16 192 896	17 054 005
Contribution to current portion	2 120 518	889 230
Expenditure incurred	(1 377 046)	(1 750 339)
Balance at end of year	16 936 368	16 192 896

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.

16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	36 422 973	32 176 450
Pre-paid electricity	483 644	496 197
Unallocated funds debtors	51 600	33 769
Payments received in advance	3 519 137	4 535 076
Control, Clearing and Interface Accounts	247 732	109 434
Sundry Deposits	8 730	8 730
Retentions	6 680 822	7 646 314
Correction of error note 41.1(c)	-	148 717
Correction of error note 41.1(d)	-	394 042
Correction of error note 41.1(e)	-	4 121 984
Correction of error note 41.1(f)	-	56 673
Correction of error note 41.1(h)	-	5 576 743
Correction of error note 41.1(o)	-	(3 452 482)
Correction of error note 41.1(p)	-	110 694
Total Trade Payables	47 414 638	51 962 342

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 their fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
17. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	41 026 340	11 043 304
National Government Grants	38 811 780	4 841 069
Provincial Government Grants	1 870 402	6 202 235
District Municipality	120 000	-
Other Sources	224 158	-
Less: Unpaid Transfers and Subsidies	-	-
Total Unspent Transfers and Subsidies	41 026 340	11 043 304

See Appendix "B" for reconciliation of grants from other spheres of government.

The Unspent Grants are cash-backed by short-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-end.

18. TAXES		
18.1 VAT Payable	2 350 530	1 263 365
VAT Output in Suspense	(14 599 816)	(13 634 229)
Total VAT Payable	(12 249 286)	(12 370 863)
18.2 VAT Receivable	-	-
VAT Input in Suspense	7 175 626	4 467 842
Total VAT Receivable	7 175 626	4 467 842
18.3 Net VAT (Payable)/Receivable	(5 073 659)	(7 903 021)

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

19. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	111 588 165	104 557 531
Business and Commercial Property	22 809 538	21 767 565
Farm Holdings	4 434 305	4 201 687
Mining Properties	88 745	83 721
Public Benefit Organisations	286 310	117 161
Public Service Infrastructure Properties	19 604	18 535
Residential Properties	71 660 064	66 774 360
State-owned Properties	12 289 597	11 594 502
Less: Revenue Forgone	(7 025 223)	(6 668 781)
Total Property Rates	104 562 942	97 888 750



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
<u>Valuations - 1 July 2021</u>		
Rateable Land and Buildings	10 465 829 500	10 396 431 500
Business and Commercial Property	1 321 222 000	1 319 057 000
Churches	233 470 000	231 055 000
Pensioners	174 807 000	85 069 000
Mining Properties	5 070 000	5 070 000
Municipal Properties	335 279 000	376 804 000
Protected Areas	47 510 000	-
Public Benefit Organisations	88 335 000	85 915 000
Public Service Infrastructure Properties	9 950 500	9 820 500
Residential Properties	5 539 969 000	5 565 374 000
State-owned Properties	718 816 000	718 816 000
Agricultural Property	1 991 401 000	1 999 451 000
Less: Rebates	(226 920 000)	(225 915 000)
Total Assessment Rates	<u>10 238 909 500</u>	<u>10 170 516 500</u>
Basic Rate		
Residential	1.273c/R	1.201c/R
Government	1.709c/R	1.613c/R
Commercial	1.750c/R	1.651c/R
Agricultural	0.222c/R	0.210c/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.



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
20. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>	80 955 000	89 790 000
Equitable Share	80 955 000	89 790 000
<u>Conditional</u>	61 888 204	73 538 619
Local Government Financial Management Grant (FMG)	2 663 000	2 517 000
Integrated National Electrification Programm	5 826 084	379 916
Municipal Infrastructure Grant	22 607 715	25 299 048
Extended Public Works Program	1 784 000	2 243 000
CDW operational support grant	57 000	56 000
Library Services	7 520 035	7 126 810
Rosevalley Library Grant	6 202 200	1 942 870
Integrating Housing Settlement Grant	-	480 846
Emergency Housing Program	1 288 088	-
Finance Management Support Grant	-	-
Local Government Graduate Internship Grant	-	80 000
Thusong Centre Operational Grant	150 000	-
Fire Service Capacity Building Grant	-	177 577
National Disaster Fund	-	156 100
Municipal Drought Relief Grant	1 251 000	-
Municipal Disaster Relief Grant	10 119 476	-
Airport Infrastructure Grant	-	875 303
WC Municipal Financial Management Capacity Building Grant	250 000	434 184
Municipal Service Delivery and Capacity Building grant	-	120 000
Maintenance Main Road Subsidy	125 000	125 000
Water Services Infrastructure Grant	-	31 524 965
Water Macro Planning	704 159	-
ASLA RoseVally Contribution	110 842	-
Local Government Public Employment Support Grant	1 100 000	-
Upgrading of SMME Infrastructure Grant	129 605	-
Total Government Grants and Subsidies	142 843 204	163 328 619
Government Grants and Subsidies - Operating	96 932 656	103 919 207
Government Grants and Subsidies - Capital	45 910 548	59 409 413
Total Government Grants and Subsidies	142 843 204	163 328 619
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	80 955 000	89 790 000
Corporate Services	307 000	570 184
Financial Services	2 663 000	2 517 000
Community and Public Safety	23 583 377	9 523 357
Technical Services	33 917 141	59 571 930
Human Settlement	1 288 088	480 846
Strategic Services	129 597	875 303
Total Government Grants and Subsidies	142 843 204	163 328 619

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.



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
20.1 <u>Equitable Share</u>		
Grants received	80 955 000	89 790 000
Conditions met - Operating	(80 955 000)	(89 790 000)
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)

Opening balance	-	-
Grants received	2 663 000	2 517 000
Conditions met - Operating	(2 564 832)	(2 517 000)
Conditions met - Capital	(98 168)	-
Conditions still to be met	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).

20.3 Water services Infrastructure Grant

Opening balance	-	31 024 965
Grants received	-	10 000 000
Repaid to National Revenue Fund	-	(9 500 000)
Conditions met - Capital	-	(31 524 965)
Conditions still to be met	-	(0)

The Water Services infrastructure grant was provided to fund for the Blossoms pipeline and do refurbishments on the KKLWVS rural water scheme.

20.4 Municipal Infrastructure Grant (MIG)

Opening balance	607 000	4 544 048
Grants received	22 775 000	21 362 000
Repaid to National Revenue Fund	(607 000)	-
Conditions met - Operating	(1 138 800)	(870 996)
Conditions met - Capital	(21 468 930)	(24 428 052)
Conditions still to be met	167 270	607 000

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

20.5 Integrated National Electrification Grant

Opening balance	2 620 084	-
Grants received	3 206 000	3 000 000
Conditions met - Capital	(5 826 083)	(379 916)
Conditions still to be met	0	2 620 084

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
20.6 <u>Extended Public Works Program</u>		
Opening balance	-	-
Grants received	1 784 000	2 243 000
Conditions met - Operating	(1 784 000)	(2 243 000)
Conditions still to be met	<u>0</u>	<u>-</u>

Job creation projects in previous disadvantage areas.

20.7 <u>Integrating Human Settlement Grant</u>		
Opening balance	-	6 625 633
Grants received	-	2 725 470
Repaid to National Revenue Fund	-	(8 870 256)
Conditions met - Operating	-	(480 846)
Conditions still to be met	<u>-</u>	<u>0</u>

The Integrated Human Settlement Grant was received from the Provincial Government and is utilised for the building of low cost housing.

20.8 <u>Library Services</u>		
Opening balance	(0)	0
Grants received	7 520 000	7 128 000
Conditions met - Operating	(7 520 000)	(7 126 810)
Conditions met - Capital	-	(1 190)
Conditions still to be met	<u>(0)</u>	<u>(0)</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.

20.9 <u>Rosevalley Library Grant</u>		
Opening balance	6 202 235	8 143 915
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(6 202 235)	(1 941 680)
Conditions still to be met	<u>-</u>	<u>6 202 235</u>

The Rosevalley Library Grant was used for the construction of a new library within the Rosevalley Housing

20.10 <u>WC Municipal Financial Management Capacity Building Grant</u>		
Opening balance	-	134 184
Grants received	250 000	300 000
Conditions met - Operating	(250 000)	(434 184)
Conditions still to be met	<u>-</u>	<u>-</u>

This Municipal Services Delivery and Capacity building grant was provided for provision of bursaries.



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
20.11 <u>Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant</u>		
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.		
20.12 <u>Disaster Relief Grant</u>		
Opening balance	-	156 100
Conditions met - Operating	-	(156 100)
Conditions still to be met	<u>-</u>	<u>-</u>
This grant was received for Covid 19 Relief and was utilised for the purchase of PPE		
20.13 <u>Municipal Disaster Relief Grant</u>		
Opening balance	-	-
Grants received	47 150 000	-
Conditions met - Operating	-	-
Conditions met - Capital	(10 119 476)	-
Conditions still to be met	<u>37 030 524</u>	<u>-</u>
This grant was received for the completion of the Blossoms pipeline , a new sustainable water resource		
20.14 <u>Other Grants</u>		
Opening balance	(1)	(734 542)
Grants received	7 130 248	2 181 000
Repaid to National Revenue Fund	-	(12 578)
Conditions met - Operating	(2 720 082)	(300 272)
Conditions met - Capital	(2 195 606)	(1 133 609)
Conditions still to be met	<u>2 214 560</u>	<u>(1)</u>
20.15 <u>Total Grants</u>		
Opening balance	11 043 304	51 508 289
Grants received	173 433 248	141 246 469
Repaid to National Revenue Fund	(607 000)	(18 382 835)
Conditions met - Operating	(96 932 714)	(103 919 207)
Conditions met - Capital	(45 910 498)	(59 409 413)
Conditions still to be met/(Grant expenditure to be recovered)	<u>41 026 340</u>	<u>11 043 304</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	41 026 340	11 043 304
Unpaid Conditional Government Grants and Receipts	-	-
Total	<u>41 026 340</u>	<u>11 043 304</u>
21. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT		
Department of Sport Arts and Culture	64 713	-
Department of Human Settlement	-	39 066 686
Supplier Donations	201 590	-
Total Contributed Property, Plant and Equipment	<u>266 303</u>	<u>39 066 686</u>



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	266 303	39 066 686
Total Contributed Property, Plant and Equipment	266 303	39 066 686
22. AVAILABILITY CHARGES		
Electricity	1 375 358	1 238 743
Water	918 492	875 691
Waste Water Management	771 044	742 665
Total Availability Charges	3 064 894	2 857 099
23. LICENCES AND PERMITS		
Road and Transport	265 339	253 745
Total Licences and Permits	265 339	253 745
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	265 339	253 745
Total Licences and Permits	265 339	253 745
24. SERVICE CHARGES		
Electricity	280 728 876	238 939 066
Service Charges	290 194 491	247 362 914
Less: Revenue Foregone	(9 465 615)	(8 423 848)
Water	57 732 465	52 914 735
Service Charges	73 688 891	68 096 922
Less: Revenue Foregone	(15 956 426)	(15 182 186)
Water Klein Karoo Rural Scheme	6 622 425	6 168 301
Service Charges	6 622 425	6 168 301
Less: Revenue Foregone	-	-
Waste Management	20 979 252	19 294 301
Service Charges	33 910 322	31 158 753
Less: Revenue Foregone	(12 931 070)	(11 864 452)
Waste Water Management	37 693 488	35 285 360
Service Charges	49 580 064	46 303 442
Less: Revenue Foregone	(11 886 576)	(11 018 082)
Total Service Charges	403 756 506	352 601 762

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.



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
25. SALES OF GOODS AND RENDERING OF SERVICES		
Academic Services	244	-
Advertisements	473 202	473 182
Application Fees for Land Usage	80 959	106 998
Building Plan Approval	808 841	1 126 343
Camping Fees	123 220	9 018
Cemetery and Burial	1 922 816	1 547 957
Computer Services	109 236	97 688
Encroachment Fees	140 475	149 577
Fire Services	89 598	63 838
Legal Fees Recovered	2 039 551	1 411 970
Library Fees	120	375
Photocopies and Faxes	55 050	29 333
Sale of Goods	31 493	15 188
Valuation Services	271 045	237 069
Total Sales of Goods and Rendering of Services	6 145 848	5 268 535
26. RENTAL FROM FIXED ASSETS		
Property, Plant and Equipment	2 120 252	1 522 383
Correction of error note 41.1(g)	-	99 339
Total Rental from Fixed Assets	2 120 252	1 621 721
27. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	1 476 574	1 098 199
Investments	5 341 683	4 650 642
Other	-	-
Total Interest Earned - External Investments	6 818 257	5 748 841
28. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	4 361 960	2 298 441
Total Interest Earned - Outstanding Receivables	4 361 960	2 298 441
29. OPERATIONAL REVENUE		
Collection Charges	-	7 660
Incidental Cash Surpluses	228 449	166 241
Merchandising, Jobbing and Contracts	75 090	64 269
Registration Fees	4 667	31 683
Request for Information	-	122
Staff Recoveries	21 645	14 722
Total Operational Revenue	329 851	284 696



ODTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
30. EMPLOYEE RELATED COST		
Acting Allowance	1 606 697	1 460 682
Contributions to Group Insurance	4 598 892	3 402 089
Contributions to Workman's Compensation	1 590 948	1 480 259
Housing Benefits and Allowance	1 339 731	1 979 688
Leave payments	2 120 518	889 230
Standby Allowance	5 500 023	3 941 790
Shift Allowance	645 222	592 889
Basic Salaries and Wages	160 798 199	155 624 229
Pension and UIF Contributions	28 914 563	28 159 142
Medical Aid Contributions	12 096 047	11 756 739
Overtime	15 638 107	12 732 751
Bonuses	12 841 895	12 376 684
Motor Vehicle Allowance	4 185 372	4 413 094
Cellphone Allowance	1 293 492	1 284 395
Other benefits and allowances	152 735	159 235
Contribution to Long Service awards	2 192 000	1 803 000
Contribution to Post Employment Medical	14 132 000	12 390 000
Correction of error note 41.1(f)	-	56 673
Total Employee Related Costs	269 646 441	254 502 567

KEY MANAGEMENT PERSONNEL

Key Management personnel in Corporate Services are permanently employed, but the Chief Financial Officer and Director Technical Services were appointed on a 5 year contract. All permanent staff is entitled to post retirement benefits upon retirement.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - Mr Paulse (resignation October 2020)

Basic Salary	-	284 404
Pension and UIF Contributions	-	56 379
Medical Aid Contributions	-	19 092
Performance Bonus	-	-
Motor Vehicle Allowance	-	80 564
Cell Phone Allowance	-	23 398
Payments in lieu of leave	-	174 790
Other Benefits and Allowances	-	75 655
Total	-	714 283

Remuneration of the Acting Municipal Manager - Mr W Hendricks (September 2021 to date)

Basic Salary	1 051 533	-
Pension and UIF Contributions	1 594	-
Cell Phone Allowance	53 404	-
Other Benefits and Allowances	51 634	-
Total	1 158 164	-

Remuneration of the Acting Chief Financial Officer - LH Fourie (temp service started August 2020 - March 2021)

Basic Salary	-	722 126
Pension and UIF Contributions	-	1 338
Cell Phone Allowance	-	44 720
Payments in lieu of leave	-	58 942
Other Benefits and Allowances	-	7 101
Total	-	834 227



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
Remuneration of the Chief Financial Officer - GP De Jager		
Basic Salary	712 382	737 628
Acting Allowance	-	101 406
Pension and UIF Contributions	130 604	135 532
Housing allowance	118 416	118 416
Medical Aid Contributions	30 884	-
Performance Bonus	56 673	-
Motor Vehicle Allowance	144 000	144 000
Cell Phone Allowance	72 650	70 194
Payments in lieu of leave	22 621	-
Other Benefits and Allowances	35 977	15 351
Total	1 324 208	1 322 526
Remuneration of Director : Corporate Services - Mr Smit (Acting MM from July 2021-September 2021)		
Basic Salary	960 561	960 561
Acting Allowance	63 293	168 102
Pension and UIF Contributions	175 028	174 715
Performance Bonus	-	87 279
Cell Phone Allowance	72 650	70 194
Payments in lieu of leave	38 577	-
Other Benefits and Allowances	156 022	142 359
Total	1 466 131	1 603 209
Remuneration of Director : Community Services - Mr T Mathee (terminated May 2021)		
Basic Salary	-	715 482
Acting Allowance	-	-
Pension and UIF Contributions	-	141 912
Medical Aid Contributions	-	52 504
Performance Bonus	-	62 340
Motor Vehicle Allowance	-	55 000
Cell Phone Allowance	-	64 344
Other Benefits and Allowances	-	227 606
Payments in lieu of leave	-	177 790
Total	-	1 496 980
Remuneration of Director : Technical Services - Mr JW Lesch		
Basic Salary	921 646	-
Acting Allowance	-	-
Pension and UIF Contributions	154 673	-
Performance Bonus	-	-
Motor Vehicle Allowance	50 000	-
Cell Phone Allowance	72 420	-
Payments in lieu of leave	-	-
Other Benefits and Allowances	68 554	-
Total	1 267 293	-
Remuneration of Acting Director: Human Settlement - Ms S Simms (resignation Oct 2020)		
Basic Salary	-	365 000
Pension and UIF Contributions	-	599
Cell Phone Allowance	-	3 000
Housing Allowances	-	32 000
Other Benefits and Allowances	-	523
Payments in lieu of leave	-	48 322
Total	-	449 443



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

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.

	2022	2021
	R	R
31. REMUNERATION OF COUNCILLORS		
Salaries	8 153 605	7 005 785
Pension	553 957	468 853
Travelling Allowance	1 042 945	2 245 318
Telephone Allowance	958 364	1 045 927
Medical Scheme	150 773	217 214
Total Councillors' Remuneration	10 859 644	10 983 096

Remuneration paid to Councillors can be summarised as follow:

2022 Financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor / Mayor	762 188	-	34 734	40 911	837 833
Executive Deputy-Mayor / Deputy-Mayor	540 281	140 486	-	8 574	689 342
Speaker	472 110	103 845	37 214	53 046	666 215
Executive Committee Members	2 135 331	241 556	180 330	196 082	2 753 299
Councillors	4 243 693	557 058	706 086	406 117	5 912 955
Total Councillors' Remuneration	8 153 604	1 042 945	958 364	704 730	10 859 644

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
Total Councillors' Remuneration	7 005 339	2 245 318	982 432	750 008	10 983 096

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.



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
32. CONTRACTED SERVICES		
Outsourced Services		
Business and Advisory	1 311 468	1 831 890
Fire Services	173 000	-
Security Services	10 141 671	6 455 145
Catering services	154 650	58 184
Clearing and Grass Cutting Services		62 465
Meter management	263 295	-
Legal Cost Collection	260 861	75 320
Printing Services	283 170	604 369
Traffic Management	442 509	273 748
Cleaning Services	117 182	81 500
Refuse Removal	3 741 335	3 471 258
Correction of error 41.1(d)		351 686
Consultants and Professional Services	-	
Business and Advisory	3 280 091	3 544 688
Engineering	224 230	171 855
Valuer and Assessors	139 354	98 541
Communications	1 908 299	1 798 182
Legal Services	3 038 007	1 274 253
Contractors		
Fire Services	583 749	899 682
Maintenance of Buildings and Facilities	42 880	55 551
Maintenance of Equipment	189 160	326 102
Stream Cleaning and Ditching	92 811	33 203
Employee Wellness	268 904	279 280
Aerial Surveillance	11 160	-
Total Contracted Services	26 667 785	21 746 901
	2022	2021
	R	R
33. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	45 412 389	41 659 409
Intangible Assets	402 687	675 778
Investment Property	158 961	128 202
Total Depreciation and Amortisation	45 974 037	42 463 389
34. FINANCE CHARGES		
Long-term Borrowings	3 877 414	3 995 097
Non-current Provisions	2 078 358	1 430 755
Payables	80 293	44 998
Finance leases	922 838	120 846
Total Finance Costs	6 958 904	5 591 695
35. BULK PURCHASES		
Electricity	209 246 642	176 489 766
Total Bulk Purchases	209 246 642	176 489 766



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
36. TRANSFERS AND SUBSIDIES		
Operational	3 401 653	1 901 107
Monetary Allocations	3 401 653	1 901 107
Households	100 000	23 000
Non-profit Institutions	1 574 830	1 042 275
Provincial Government	1 288 088	-
Bursaries Non Employee	438 736	835 832
Total Transfers and Subsidies	3 401 653	1 901 107
37. OPERATIONAL COST		
Achievements and Awards	-	-
Advertising, Publicity and Marketing	1 603 337	2 027 792
Assets less than the Capitalisation Threshold	213 371	156 737
Bank Charges, Facility and Card Fees	1 802 220	1 486 705
Bursaries (Employees)	288 060	166 897
Cleaning Services	65 273	23 343
Commission	2 784 611	2 503 029
Courier and Delivery Services	28 486	20 322
Communication	2 991 773	2 496 459
Deeds	236 948	14 914
Entrance Fees	47 186	-
Entertainment	24 139	7 698
External Audit Fees	4 642 314	4 546 240
External Computer Service	2 200 782	1 739 391
Full Time Union Representative	209 312	-
Hire Charges	5 880 285	5 561 741
Indigent Relief	1 264 571	986 530
Insurance Underwriting	2 595 400	2 059 993
Learnerships and Internships	422 367	486 691
Levies Paid - Water Resource Management Charges	-	591 936
Licences	290 514	438 582
Membership fees SALGA	2 644 604	2 777 075
Printing, Publications and Books	1 471 388	1 356 865
Professional Bodies, Membership and Subscription	114 023	41 733
Registration Fees	955 837	324 152
Remuneration to Section 79 Committee Members	-	19 425
Remuneration to Ward Committees	11 037	113 477
Resettlement Cost	1 853 967	2 025 143
Samples and Specimens	116 675	104 195
Skills Development Fund Levy	2 194 384	1 764 805
Travel and Subsistence	1 303 716	1 004 551
Uniform and Protective Clothing	1 651 568	1 119 057
Vehicle Tracking	-	315 801
Wet Fuel	7 528 954	4 750 501
Correction of Error note 41.1(d)	-	1 375
Total Operational Costs	47 437 102	41 033 153



ODTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

38. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES

Receivables from Exchange Transactions and Non-Exchange	1 063 626	12 411 708
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	1 063 626	12 411 708

39. GAINS/ (LOSS) ON SALE OF FIXED ASSETS

Property, Plant and Equipment	(4 890 713)	(1 086 130)
Total Gains/ (Loss) on Sale of Fixed Assets	(4 890 713)	(1 086 130)

2022	2021
R	R

40. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON FIXED ASSETS

Investment Property	-	-
Property, Plant and Equipment	-	-
Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	-	-

41. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

- 41.1**
- (a) Reclassification of Road Worthy Certificates was performed between Agency Fees and Licence and permits for 2020/21 financial year, as per mSCOA Chart classifications guidance. Full revenue paid to municipality to value of R253 745.
 - (b) Reclassification of Availability Charges, previously reported as Revenue from Exchange Transactions 2021/22 now Revenue From Non-Exchange to the value of R3 828 749.
 - (c) Correction of Infrastructure Electricity WIP 2020/21, retention fees outstanding that needs to be provided for on Dysselsdorp Electrification project. This is now corrected with the following entries, Dt Infrastructure Electricity WIP 2020/21 R148 716.91 and , (Ct) Trade Payables from Exchange Retention Fees R148 716.91
 - (d) Correction of Trade Payables from Exchange transactions, invoices relating to operational expenditure 2020/21 Paid n July 2021 only. This is now corrected with the following entries Dt Accumulated Surplus (Operational Expenditure) R392 042.20 and (Ct) Trade Payables from Exchange Transactions 2020/21 R394 042.20
 - (e) Correction of Trade Payables From Exchange Transactions Opening balance, back-pay on standby allowance as per bargaining council dispute resolution had to be paid to all eligible employees. This is now corrected with following entries Dt Accumulated Surplus Opening balance R4 121 983.58, (Ct) Trade Payables from Exchange Transaction Opening balance R 4 121 983. 58
 - (f) Correction of Trade Payables from Exchange transactions, Performance bonus for GP De Jager employee related cost 2020/21 Paid n July 2021 only. This is now corrected with the following entries Dt Accumulated Surplus (Operational Expenditure) R56 673.15 and (Ct) Trade Payables from Exchange Transactions 2020/21 R56 673.15
 - (g) Correction of Receivables from Exchange Transactions 2020/21 and Opening balance. Vodacom rental charges levied with regards to prior periods only corrected n 2021/22. This is now corrected with the following entries Dt Receivables from Exchange Opening balance R359 266.24 , Receivables from Exchange 2020/21 R99 338.80 and (Ct) Accumulated Surplus Opening balance R359 266.24 and Accumulated Surplus (Rental of Facilities) 2020/21 R99 338.80



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

- (h) Correction of Trade Payables From Exchange Transactions Opening balance, back-pay on standby allowance as per bargaining council dispute resolution had to be paid to all eligible employees. This is now corrected with following entries Dt Accumulated Surplus Opening balance R5 576 743, (Ct) Trade Payables from Exchange Transaction Opening balance R5 576 743.
- (i) Correction of Other Assets at cost. First time recognition of movable assets identified now during the annual asset count not previously on FAR. This is now corrected with the following entries, DT Other Assets at Cost opening balance R342 877.30, (Ct) Accumulated Depreciation 2020/21 R50 916.61 and (Ct) Accumulated Surplus Opening balance R291 960.69
- (j) Correction of Land Opening balance. First time recognition of properties identified during annual verification process. This is now corrected with the following entries Dt Land Opening balance R13 000, (Ct) Accumulated Surplus Opening balance R13 000
- (k) Correction of Accumulated Depreciation Investment Property 2020/21, the airport upgrading project was incorrectly classified as WIP that was completed during the 2020/21 financial year to value of R2 303 912.50. The depreciation is now corrected with the following entries Dt Accumulated Surplus 2020/21 R9 828.17, (Ct) Accumulated Depreciation Investment Property R9 828.17
- (l) Correction of Accumulated Depreciation Electricity Infrastructure 2020/21, the Dysveldorp Electrification Phase 1 was completed prior periods to value of R3 407 935.97 was incorrectly classified as WIP. This is now corrected with the following entries Dt Accumulated Surplus 2020/21 R70 138 and (Ct) Accumulated Depreciation Electricity Infrastructure R70 138.
- (m) physical verification was performed. This is now corrected with the following entries Dt Infrastructure at Cost Opening balance R26 863 104, Ct Accumulated Surplus Opening balance R26 863 104 and Dt Accumulated Surplus 2020/21 R2 019 949.92 and (Ct) Accumulated Depreciation Infrastructure R2 019 949.
- (o) Correction of Trade Payables from Exchange Transaction Opening balance. High Court ruling of claim against municipality by Imvusa Trading was in favour of the municipality and was withdrawn. This is now corrected by the following entries (Dt) Trade Payables from Exchange Transactions Opening balance R3 452 482 and (Ct) Accumulated Surplus Opening balance R3 452 482
- (p) Correction of Trade Payables from Exchange Transactions Opening Balance. Invoices relating to operational expenditure for the prior period only provided for during 2021/22. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R110 694 , (Ct) Trade Payables from Exchange Transactions Opening balance R110 694

	2021 R	2020 R
41.2 Accumulated Surplus/(Deficit)	900 910 495	820 030 672
Balance previously reported		
Correction of Trade Payables from Exchange 2020/21 as per note 41.1(d)	(394 042)	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1(e)	(4 121 984)	(4 121 984)
Correction of Trade Payables from Exchange 2020/21 as per note 41.1(f)	(56 673)	-
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1(g)	99 339	-
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1(g)	359 266	359 266
Correction of Trade Payables from Exchange Opening balance as per note 41.1(h)	(5 576 743)	(5 576 743)
Correction of Other Assets at Cost Opening balance as per note 41.1(i)	342 877	342 877
Correction of Accumulated Depreciation Other Assets 2020/21 as per note 41.1(i)	(50 917)	-
Correction of Land Opening balance as per note 41.1(j)	13 000	13 000
Correction of Accumulated depreciation Investment property 2020/21 as per note 56.(k)	(9 828)	-
Correcting of Accumulated Depreciation Electricity Infrastructure as per note 41.1(l)	(70 138)	-
Correction of Infrastructure at Cost Water as per note 41.1(m)	13 929 174	13 929 174
correction of Infrastructure at Cost Sanitation as per note 41.1(m)	12 933 931	12 933 931
Correction of Accumulated Depreciation Water Infrastructure as per note 41.1(l)	(529 045)	-
Correction of Accumulated Depreciation Sanitation Infrastructure as per note 41.1(l)	(1 490 905)	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1(o)	3 452 482	3 452 482
Correction of Trade Payables from Exchange Opening balance as per note 41.1(p)	(110 694)	(110 694)
	919 629 595	841 251 982



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

41.3 Property, Plant and Equipment		
Balance previously reported	977 911 675	1 710 963 045
Cost	27 367 699	27 218 982
Correction of Infrastructure Electricity note 41.1(c)	148 717	-
Correction of Other Assets Opening balance note 41.1(i)	342 877	342 877
Correction of Land Opening balance as per note 41.1(j)	13 000	13 000
Correction of Infrastructure at Cost Water as per note 41.1(m)	13 929 174	13 929 174
Correction of Infrastructure at Cost Sanitation as per note 41.1(m)	12 933 931	12 933 931
Accumulated Depreciation	(2 141 005)	-
Correction of Accumulated Depreciation Other Assets 2020/21 as per note 41.1(i)	(50 917)	-
Correction of Accumulated Depreciation Electricity Infrastructure as per note 41.1(l)	(70 138)	-
Correction of Accumulated Depreciation Water Infrastructure as per note 41.1(m)	(529 045)	-
Correction of Accumulated Depreciation Sanitation Infrastructure as per note 41.1(m)	(1 490 905)	-
Restated Balance	1 003 138 369	1 738 182 027
41.4 Investment Property		
Balance previously reported	16 937 827	15 900 831
Correction of accumulated depreciation Investment property 2020/21 as per note 41.1(k)	(9 828)	-
Restated Balance	16 927 999	15 900 831
	2021	2020
	R	R
41.5 Receivables from Exchange Transactions		
Balance previously reported	60 020 732	40 456 001
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1(g)	99 339	-
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1(g)	359 266	359 266
Availability reclassification	(1 123 458)	-
Restated Balance	59 355 879	40 815 267
41.6 Receivables from Non-Exchange Transactions		
Balance previously reported	13 461 026	10 495 462
Availability reclassification	1 123 458	-
Restated Balance	14 584 484	10 495 462
41.7 Trade and Other Payables from Exchange Transactions		
Balance previously reported	45 005 971	71 228 063
Correction of Trade Payables from Exchange 2020/21 as per note 41.1(d)	394 042	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1(e)	4 121 984	4 121 984
Correction of Trade Payables from Exchange 2020/21 as per note 41.1(f)	56 673	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1(h)	5 576 743	5 576 743
Correction of Trade Payables from Exchange 2020/21 as per note 41.1(c)	148 717	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1(o)	(3 452 482)	(3 452 482)
Correction of Trade Payables from Exchange Opening balance as per note 41.1(p)	110 694	110 694
Restated Balance	51 962 342	77 585 002



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
42. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	26 021 593	78 377 613
Adjustments for:		
Depreciation and Amortisation	45 974 037	42 453 561
Loss/(Gain) on Sale of Fixed Assets	4 890 713	1 086 130
Impairment Loss/(Reversal of Impairment Loss)	(1 063 626)	(12 411 708)
Contributed Property, Plant and Equipment	(266 303)	(39 066 686)
Government Grants and Subsidies received	173 433 248	141 246 469
Government Grants and Subsidies recognised as revenue	(142 843 204)	(165 328 619)
Unpaid Government Grants	-	2 000 000
Repaid to Revenue Fund	(607 000)	(18 382 835)
Change in Provision for Rehabilitation Cost	2 078 358	1 430 755
Contribution from/to provisions - Non-Current Employee Benefits	8 978 450	7 879 862
Contribution from/to - Current Employee Benefits	1 995 214	(1 124 593)
Bad Debts written off	25 397 966	34 365 998
Gains/(Loss) on Fair Value Adjustments	(5 772 450)	7 790 138
Operating lease expenses accrued	(4 273)	(13 912)
Operating Surplus/(Deficit) before changes in working capital	138 212 724	80 302 174
Changes in working capital	(45 152 261)	(75 276 382)
Increase/(Decrease) in Consumer Deposits	327 324	460 335
Increase/(Decrease) in Trade and Other Payables	(9 397 965)	(33 272 842)
Increase/(Decrease) in Taxes	(107 112)	2 787 648
(Increase)/Decrease in Inventory	(1 893 671)	(766 938)
(Increase)/Decrease in Receivables	(34 080 837)	(44 484 585)
Cash generated/(absorbed) by operations	93 060 463	5 025 791
43. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 10	12 960 591	16 088 101
Call Deposits and Investments - Note 10	130 934 736	99 841 236
Cash Floats - Note 10	37 550	37 550
Total cash and cash equivalents	143 932 877	115 966 886
44. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 43	143 932 877	115 966 886
Less:	(52 192 696)	(31 014 599)
Unspent Transfers and Subsidies - Note 17	(41 026 340)	(11 043 304)
Unspent Borrowings	(6 092 696)	(12 068 274)
VAT - Note 18	(5 073 659)	(7 903 021)
Net cash resources available for internal distribution	91 740 181	84 952 288
Resources available for working capital requirements	91 740 181	84 952 288
45. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 11	81 859 271	54 237 029
Used to finance property, plant and equipment - at cost	(81 859 271)	(54 237 029)
	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

46. BUDGET INFORMATION

Explanation of variances between approved and final budget amounts

Explanation of variances greater than 5%: Final Budget and Actual Amounts

46.1 Statement of Financial Position

46.1.1 Current Assets

Cash

Actual cash is R9 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 R66 million more than budgeted due to unspent grants to value of R40 million mainly for Disaster Relief that was transferred late. Cash position overall improved and more investments was made by the municipality than anticipated

Consumer Debtors

Other debtors are R10 million less than budgeted, because the debt impairment provision increased substantially in the current year for old debt for which agreements have been made. Additional provision had to be made to the contribution.

Other Debtors

Other debtors are R2.2 million less than budgeted, because less fines were issued than anticipated. A service provider was only appointed late during year for the capturing of camera fines, and the issuing of provincial fines was much lower than anticipated.

Operating Lease Asset

Operating lease assets are more than budgeted with the movement of the rental for Kraaibosch restaurant classified as 'n long term operating lease. It was not provided for during the budget process that was based on the actual of the prior year.

Inventory

Inventory in stock at year end is R1.7 million more than budgeted, this mainly due to more stock held at year-end than anticipated for consumables materials and supplies.

46.1.2 Current Liabilities

Borrowing

Current portion of borrowing is R6.7 million more than budgeted The new Financial Leases was not budgeted for as the tender took considerably longer to complete and was only awarded after the budget process was concluded.

Trade and Other Payables

Trade payables is R37 million more than budgeted, as a result of unspent grants to value of R41 million that was not anticipated during budget process. Disaster Relief funds of R47 million was transferred through the Adjustment DORA to the municipality that was mainly unspent and was appropriated in then next budget.

46.1.3 Non-Current Assets

Intangible Assets

Intangible assets is R401 691 less than budgeted, because amortisation was not taken into account when the budget was compiled



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

46.1.4 Non-Current Liabilities

Borrowing

Borrowing is R18.8 million more than budgeted. The new Financial Leases was not budgeted for as the tender took considerably longer to complete and was only awarded after the budget process was concluded.

46.2 Statement of Financial Performance

46.2.1 Revenue

Rental of Facilities and Equipment

Halls open for functions. The budget was based on prior year actuals as a conservative approach for revenue collection was followed.

Interest Earned - External Investments

Interest earned on Investments R1,1 million more due to more investments held at year-end than anticipated. This is due to the investing of all unspent grants and mainly Disaster Relief funding received late during the year.

Interest Earned - Outstanding Debtors

Interest earned on debtors R610 448 more than budgeted, that was based on the prior year actual. Strict debt collection policies were implemented and full interest was charged on all arrears debt.

Fines

Camera Fines are R2.4 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

Licence and Permits was not classified correctly in the budget. The mSCOA classification of Road Worthy Certificates was incorrect, but corrected now on the annual financial statements and reclassified from Agency Fees to Licence and Permits.

Agency Services

Agency fees earned on vehicle licencing are R308 994 more than budgeted. This item was budgeted based on prior year actual, in current year electronic renewals of licences was implemented that caused an increase in revenue earned.

Other Revenue

Other revenue are aggregated in the Statement of Budget Comparison comprising of Operational revenue and Sales on Goods and Services, Entrance Fees and Availability Charges. Availability Charges of R3 million were not budgeted as it was only determined during the audit of 2021 that it should be classified separately as non-exchange revenue.

Gains

Actuarial Gains was budgeted based on prior year actuarial report issued, the actual is R2.2 million less than anticipated after the annual actuarial valuation by Arch Consulting was performed as at 30 June 2022.

Transfers Recognised - Capital

Transferred recognized Capital is less by R39 million, because the Disaster Relief capital project was not completed and full amount was budgeted. Only completed projects can be recognized as revenue the remainder is allocated to unspent grants.

Contributed Assets

Contributed PPE was not budgeted for, as it was not anticipated that movable assets from Department of Sport and Culture would be donated to the municipal library and a vehicle was donated by a previous service provider Syntell.



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

46.2.2 Expenditure

Debt Impairment

The budgeted figure was based on prior year actuals, and it was not anticipated that debtors, majority 90 days and older on agreement would increase for which impairment needs to be made. It was anticipated that there would be a reversal in impairment, but after calculations were made a contribution needed to be made.

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 is R4.5 million more than budgeted, due to the physical verification of infrastructure assets underway a large quantity of additional assets were identified that was corrected in the fixed asset register. This was not anticipated during the budget process

Finance Charges

Finance charges is R2.1 million less than budget, because the lease term expired for majority of the lease vehicles are were classified as hire charges and day-to-day rentals. It was anticipated that the leases would be replaced by 1 July 2022, but delivery only started in October 2021 onwards.

Contracted Services

Contracted Services are R5.6 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 2021-22 year.

Transfers and Grants

Transfers and Grants R1 million more than budgeted, mainly due to the transfer to households for Emergency Kits that was not budgeted for. Funding was received from Department of Human Settlement as part of an agreement.

Other Expenditure

Other Expenditure are aggregated on Statement of Budget comparison and comprises of Operational Cost, Operating Leases as per NT budget schedules these are not separate items. The total is R4.8 million lower than anticipated due to strict cost containment measures being implemented to prevent non-essential expenditure.

Losses

Losses on fair value adjustments and disposal of PPE is R3.1 million lower than anticipated. After the actuarial valuation was performed as at 30 June 2022, an actuarial gain was identified and not a loss. This figure was based on prior year actual and can only be accurately determined at year-end.

46.3 Cash Flow Statement

46.3.1 Net Cash from Operating Activities

Government Grants - Operating

Operational revenue lower than budgeted by R6.1 million. The main reason being that some of the grants were originally budgeted as operating but classified as capital on the budget. Nett effect of operating and capital grant income is equal to the budgeted as published in the DORA and Government Gazette

Government Grants - Capital

Capital revenue is more by R7 million. The main reason being that some of the grants were originally budgeted as operating but classified as capital on the budget. Nett effect of operating and capital grant income is equal to the budgeted as published in the DORA and Government Gazette



**OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

Interest

Interest earned is R7 million more than budgeted, because the classification in terms of mSCOA V6.6 mapping shows that interest on outstanding debtors must be added to the service it relates i.e. Ratepayers and Other. This is not classified by nature on the statement of financial performance as a material amount and shown under interest

Finance Costs

Finance charges is R4.1 million lower than budgeted amount, as it was anticipated that the new financial leases and LT Borrowing will be paid for the entire year. The new borrowings was only incurred late in the second half of the financial year and no interest was repaid on the LT Borrowing loan.

Transfers and Grants

Transfers and Grants is R1 million more than anticipated, due to mSCOA classifying corrections that needed to be made, items was paid against operational cost that relates to transfers and subsidies and must be reported as such in the financial statements. This was not known when budget was compiled

46.3.2 Net Cash from Investing Activities

Proceeds on disposal of PPE

Proceeds on disposal of PPE was not budgeted for, as it was not anticipated that the municipal auction and sale of land would occur in 2021/22 financial year.

Capital Assets

Actual capital payments are R46 million less than budgeted, mainly as result of Disaster Relief funding that was only published in the Revised DORA and could not be spent. Roll-over of the funding was to 2022/23 budget as per Schedule 7 allocation conditions were met. It is anticipated this Blossoms pipe-line project would be completed by 30 June 2023.

46.3.3 Net Cash from Financing Activities

Repayment of Borrowing

Repayment of Borrowing is R3.1 million less than budgeted as it was anticipated that the new LT Leases and Loans would be taken-up earlier during the year. No repayment was made on the LT Loan that was paid to the municipality in March 2022 only. This was not anticipated during the budget process.

	2022 R	2021 R
47. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
47.1 <u>Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure:		
Opening balance	-	313 708 083
Restated opening balance	-	313 708 083
Unauthorised expenditure current year - operational	20 591 017	-
Unauthorised expenditure current year - capital	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	(313 708 083)
Current	-	-
Prior Period	-	(313 708 083)
Unauthorised expenditure awaiting authorisation	20 591 017	-



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

The overspending of the Community Services vote in the 2021-22 year is due to the write-off for speed camera fines issued by the previous service provider Syntell, these fines are irrecoverable due to legislative restrictions. The impairment of traffic fines is non-cash accounting transactions and is based on the actual fines issued and recoverability thereof.

The overspending of the Executive and Council vote in the 2021-22 year is due to the disposal of movable and infrastructure assets that do not meet the definition of an asset anymore and could not be verified during the physical inspection that was undertaken by the municipality. A loss on disposal was realised as expenditure in the current year and is a non-cash accounting transaction.

The overspending of Technical Services vote in the 2021-22 financial year is due to the depreciation on infrastructure assets identified during the physical verification process. These assets were recognized in the prior year as a correction and details are available on the Fixed Asset register. Depreciation is a non-cash accounting transaction. Other over expenditure is for the contribution to the provision of bad debts mainly due to the increase in aging debt that needs to be provided for, the provision is a non-cash accounting transaction.

Incident	Disciplinary steps/criminal proceedings		
Overspending of votes	Refer to narrative	20 591 017	
		<u>20 591 017</u>	<u>-</u>

The over expenditure incurred by municipal departments on their operating budgets during the year is

Non-cash	20 591 017	-
Cash	-	-
	<u>20 591 017</u>	<u>-</u>

Analysed as follows: Non-cash

Depreciation and Amortisation	5 999 166	-
Loss on disposal of Property, Plant and Equipment	2 734 204	-
Bad Debts Written Off	4 426 351	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	7 431 297	-
	<u>20 591 017</u>	<u>-</u>

The overspending of the Budget per municipal vote can be summarised as follows:

	2022 Actual R	2022 Final Budget R	2022 Variance R	2022 Unauthorised R
<u>Unauthorised expenditure current year - operating</u>				
Community And Public Safety	129 287 851	124 861 500	(4 426 351)	(4 426 351)
Corporate Services	25 183 253	28 446 100	3 262 847	-
Executive & Council	60 529 104	57 794 900	(2 734 204)	(2 734 204)
Financial Services	42 203 609	48 910 200	6 706 591	-
Human Settlement	13 301 298	13 727 000	425 702	-
Municipal Manager	20 637 537	22 481 900	1 844 363	-
Strategic Services	21 261 871	21 835 400	573 529	-
Technical Services	366 163 363	352 732 900	(13 430 463)	(13 430 463)
	-	-	-	-
	<u>678 567 885</u>	<u>670 789 900</u>	<u>(7 777 985)</u>	<u>(20 591 017)</u>



ODTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 Actual R	2022 Final Budget R	2022 Variance R	2022 Unauthorised R
<u>Unauthorised expenditure current year - capital</u>				
Community And Public Safety	12 907 237	19 163 500	6 256 263	-
Corporate Services	30 799	35 000	4 201	-
Executive & Council	-	-	-	-
Financial Services	1 562 837	1 566 900	4 063	-
Human Settlement	-	-	-	-
Municipal Manager	37 790	60 000	22 210	-
Strategic Services	519 162	2 206 800	1 687 638	-
Technical Services	62 397 087	98 950 000	36 552 913	-
	77 454 912	121 982 200	44 527 288	-

	2022 R	2021 R
47.2 <u>Fruitless and wasteful expenditure</u>		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	-	36 573 002
Restated opening balance	-	36 573 002
Fruitless and wasteful expenditure current year	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	(36 573 002)
Prior Period	-	(36 573 002)
Fruitless and wasteful expenditure awaiting further action	-	-
	2022 R	2021 R

47.3 <u>Irregular expenditure</u>		
Reconciliation of irregular expenditure:		
Opening balance	18 558 860	524 748 030
Irregular expenditure current year	9 932 589	24 614 634
Expenditure authorised i.t.o. Section 32 of MFMA	(24 135 055)	(530 803 805)
Current Period (July 2021 - May 2022)	(5 576 196)	(6 055 775)
Prior Period	(18 558 860)	(524 748 030)
Irregular expenditure awaiting further action	4 356 394	18 558 860

Irregular expenditure can be summarised as follow:

Incident/Cases identified written-off by council in current year	Disciplinary steps/criminal proceedings		
No procurement process followed or less than 3	Refer to narrative	137 658	686 253
Payments made to suppliers exceed contract price	Refer to narrative	-	4 124 340
Payments made to suppliers exceeding contract	Refer to narrative	221 045	
Awards made to bidder not Tax Compliant	Refer to narrative	71 500	-
Tenders awarded in contradiction with SCM	Refer to narrative	-	1 223 317
Local Content- MBD 6 not completed	Refer to narrative	38 711	21 864
Non-compliance with PPR	Refer to narrative	5 107 281	-
		5 576 196	6 055 775



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
Incident/Cases identified in the current year awaiting action		
Disciplinary steps/criminal proceedings		
No procurement process followed or less than 3	-	75 777
<i>Tenders awarded in contradiction with SCM</i>	-	137 087
<i>Non compliance scm reg 19 no competitive bidding</i>	4 353 597	11 164 809
<i>Non-Compliance with Sec 112 of the MFMA - Bidder</i>	-	2 363 841
<i>Non Compliance with regulation 12, competitive</i>	-	2 119 836
<i>Non Compliance with regulation 13(b), tax clearance</i>	-	74 909
<i>Local Content- MBD 6 not completed</i>	-	9 555
Payments made to suppliers exceed contract price	-	1 331 903
<i>Non-compliance with PPR</i>	2 797	1 281 144
	4 356 394	18 558 860

Section Committee 32 investigated and as per council per resolution no: 63.34/05/22 accept and approved the recommendation from MPAC to write-off irregular expenditure for prior and current period up and until 31 May 2022. No fraud or financial loss to council. No disciplinary steps recommended to any official a no deliberate act or fraud suspected and service were rendered for all instances.

After the reporting date, Council resolved to write off unauthorised and irregular expenditure in terms vir Sec 32, which have accumulated during the year. This late resolution constitute to a non-adjusting event in terms of GRAP 14 and is the effect of this the following amounts that will be written-off in the 2022/23 reporting period in the financial statements of the municipality:



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

- Unauthorised expenditure R 20 591 017 (Res no 60.30/08/22)
- Irregular Expenditure R2 797 (Res no 63.16/8/22)

48. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

48.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	-	-
Council subscriptions	2 636 388	2 774 994
Amount paid - current year	(2 636 388)	(2 774 994)
Balance unpaid (included in creditors)	-	-
	2022	2021
	R	R

48.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Current year audit fee	5 338 661	5 199 258
External Audit - Auditor-General	5 338 661	5 199 258
Amount paid - current year	(5 338 661)	(5 199 258)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-

48.3 VAT - [MFMA 125 (1)(c)]

Opening balance	(7 903 021)	(5 115 373)
Nett movements	2 829 362	(2 787 648)
Closing balance	(5 073 659)	(7 903 021)

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

48.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]

Opening balance	-	-
Restated opening balance	-	-
Current year payroll deductions	38 243 295	33 224 802
Amount paid - current year	(38 243 295)	(33 224 802)
Balance unpaid (included in creditors)	-	-

48.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	-	-
Restated opening balance	-	-
Current year payroll deductions and Council Contributions	70 858 424	68 975 777
Amount paid - current year	(70 858 424)	(68 975 777)
Balance unpaid (included in creditors)	-	-



**OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

48.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2022:

	Outstanding more than 90 days
L CAMPHER	42 869

The following Councillors had arrear accounts outstanding for more than 90 days during the year.

	90+ Days	120+ Days
L CAMPHER	-	42 869

48.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2022

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
July	44 399	-	-	44 399	-
August	619 878	-	-	60 754	559 124
September	501 417	273 600	-	-	227 817
October	13 850	-	-	-	13 850
November	75 153	14 254	-	-	60 899
December	-	-	-	-	-
January	74 977	-	-	-	74 977
February	423 658	50 493	-	373 165	-
March	-	-	-	-	-
April	38 571	-	-	38 571	-
May	2 130	-	-	2 130	-
June	4 225	-	-	4 225	-
	1 798 258	338 347	-	523 244	936 667

30 June 2021

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
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	-
	3 123 380	7 912	-	3 027 554	87 914



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

48.8 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.

	2022 R	2021 R
48.9 <u>Material losses</u>		
Electricity distribution losses		
Units purchased (Kwh)	142 086 914	141 514 167
Units lost during distribution (Kwh)	12 316 432	10 310 136
Percentage lost during distribution	8.67%	7.29%
Water distribution losses		
Units purchased (ml)	5 089 310	5 093 968
Units lost during distribution (ml)	616 135	886 471
Percentage lost during distribution	12.11%	17.40%

Normal pipe bursts and field leakages are responsible for water losses.

49. 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.



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

The municipality did not hedge against any interest rate risks during the current year.

2022 R	2021 R
118 480	264 889
(59 240)	(132 444)

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

0.5% (2021: 0.5%) Increase in interest rates
 0.25% (2021: 0.25%) Decrease in interest rates

(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. Also refer to note 8 and 9 for balances included in receivables that were re-negotiated for the period under review.

	2022 %	2022 R	2021 %	2021 R
<u>Non-exchange Receivables</u>				
Rates	85.64%	26 923 764	87.26%	24 473 552
Availability charges	14.36%	4 515 002	12.74%	3 573 165
	<u>100.00%</u>	<u>31 438 767</u>	<u>100.00%</u>	<u>28 046 716</u>
<u>Exchange Receivables</u>				
Electricity	23.51%	15 854 447	25.22%	16 280 880
Water	27.15%	18 312 679	26.14%	16 874 947
Property Rentals	0.00%	506	0.00%	506
Waste Management	14.41%	9 718 551	13.96%	9 011 153
Waste Water Management	15.09%	10 179 783	16.00%	10 331 396
Klein Karoo Water Scheme	8.33%	5 618 142	6.43%	4 150 166
Legal Fees Recovery	0.04%	29 216	0.05%	29 216
Sundry municipal charges	11.43%	7 707 294	12.17%	7 855 561
Prepaid expenditure	0.00%	-	0.00%	-
Other receivables	0.04%	29 550	0.04%	23 400
	<u>100.00%</u>	<u>67 450 167</u>	<u>100.00%</u>	<u>64 557 226</u>



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

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:

	2022	2022	2021	2021
	%	R	%	R
<u>Non-exchange Receivables</u>				
Rates	31.13%	21 012 418	27.50%	18 850 011
Availability Charges	3.92%	2 644 463	3.95%	2 709 891
Fines	3.45%	2 325 754	13.86%	9 503 991
<u>Exchange Receivables</u>				
Services	61.50%	41 509 093	54.69%	37 491 461
	<u>100.00%</u>	<u>67 491 728</u>	<u>100.00%</u>	<u>68 555 354</u>

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2022	2022	2021	2021
	%	R	%	R
Government	0.85%	573 791	0.80%	550 436
Business	12.30%	8 301 486	8.44%	5 787 434
Residential	71.14%	48 011 522	76.97%	52 769 331
Indigents	8.23%	5 551 841	7.32%	5 021 185
Other	7.49%	5 053 089	6.46%	4 426 968
	<u>100.00%</u>	<u>67 491 728</u>	<u>100.00%</u>	<u>68 555 354</u>

	2022	2022	2021	2021
	%	R	%	R
<u>Balances past due not impaired:</u>				
<u>Non-exchange Receivables</u>				
Rates	75.96%	5 911 346	72.69%	5 623 540
Availability Charges	24.04%	1 870 539	11.16%	863 274
Fines	0.00%	-	16.15%	1 249 714
	<u>100%</u>	<u>7 781 885</u>	<u>100.00%</u>	<u>7 736 528</u>
<u>Exchange Receivables</u>				
Services	100.00%	25 941 074	100.00%	27 065 766
	<u>100.00%</u>	<u>25 941 074</u>	<u>100.00%</u>	<u>27 065 766</u>



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	68 639 359	59 355 879
Receivables from non-exchange transactions	15 047 500	14 584 483
Cash and Cash Equivalents	143 895 327	115 929 336
	<u>227 582 186</u>	<u>189 869 699</u>

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
	<u>609 100</u>	<u>609 100</u>

(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.



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2022				
Long-term Liabilities	24 143 756	48 065 012	34 770 130	-
Provision for Rehabilitation of Landfill-sites	9 775 898	-	-	300 729 653
Trade and Other Payables	47 414 638	-	-	-
Unspent Conditional Grants and Receipts	41 026 340	-	-	-
	<u>122 360 632</u>	<u>48 065 012</u>	<u>34 770 130</u>	<u>300 729 653</u>
2021				
Long-term Liabilities	15 533 468	32 525 793	21 657 316	-
Provision for Rehabilitation of Landfill-sites	8 770 974	-	-	345 699 488
Trade and Other Payables	51 962 342	-	-	-
Unspent Conditional Grants and Receipts	11 043 304	-	-	-
	<u>87 310 088</u>	<u>32 525 793</u>	<u>21 657 316</u>	<u>345 699 488</u>
			2022	2021
			R	R

50. FINANCIAL INSTRUMENTS

In accordance with GRAP 104.45 the financial liabilities and assets of the municipality are classified as follows:

50.1 Financial Assets

Classification

		2022 R	2021 R
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	29 402 102	29 054 679
Water	Financial Instruments at amortised cost	23 076 287	21 786 374
Property Rentals	Financial Instruments at amortised cost	506	506
Waste Management	Financial Instruments at amortised cost	11 373 197	10 566 315
Waste Water Management	Financial Instruments at amortised cost	12 707 296	12 834 551
Legal Fees Recovery	Financial Instruments at amortised cost	29 216	29 216
Klein Karoo Water Scheme	Financial Instruments at amortised cost	6 233 695	4 656 076
Cash and Cash Equivalents			
Primary Bank Account	Financial Instruments at amortised cost	12 960 591	16 088 101
Call Deposits	Financial Instruments at amortised cost	130 934 736	99 841 236
Total Financial Assets		<u>226 717 627</u>	<u>194 857 054</u>
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	29 402 102	29 054 679
Receivables from Exchange Transactions	Water	23 076 287	21 786 374
Receivables from Exchange Transactions	Property Rentals	506	506
Receivables from Exchange Transactions	Waste Management	11 373 197	10 566 315
Receivables from Exchange Transactions	Waste Water Management	12 707 296	12 834 551
Receivables from Exchange Transactions	Legal Fees Recovery	29 216	29 216
Receivables from Exchange Transactions	Klein Karoo Water Scheme	6 233 695	4 656 076
Cash and Cash Equivalents	Primary Bank Account	12 960 591	16 088 101
Cash and Cash Equivalents	Call Deposits	130 934 736	99 841 236
Total Financial Assets		<u>226 717 627</u>	<u>194 857 054</u>



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

		2022 R	2021 R
50.2	<u>Financial Liabilities</u>		
	<u>Classification</u>		
	Long-term Liabilities		
	Annuity Loans	63 168 400	52 391 823
	Capitalised Lease Liability	18 690 871	1 845 206
	Trade and Other Payables		
	Trade Payables	36 422 973	32 176 450
	Control, Clearing and Interface Accounts	247 732	109 434
	Retentions	6 680 822	7 646 314
		125 210 798	94 169 227

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:

Long-term Liabilities	Annuity Loans	63 168 400	52 391 823
Long-term Liabilities	Capitalised Lease Liability	18 690 871	1 845 206
Trade and Other Payables	Trade Payables	36 422 973	32 176 450
Trade and Other Payables	Other Payables	247 732	109 434
Trade and Other Payables	Retentions	6 680 822	7 646 314
		125 210 798	94 169 227

51. STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes

VAT Receivable	-	-
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Receivables from Non-Exchange Transactions

Rates	36 230 441	41 819 627
Fines	33 126 591	30 696 122
	3 103 850	11 123 505

Total Statutory Receivables (before provision)

	36 230 441	41 819 627
--	-------------------	-------------------

Less: Provision for Debt Impairment

(23 338 171)	(28 354 002)
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Total Statutory Receivables (after provision)

12 892 270	13 465 625
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Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	28 354 002	29 907 801
Reverl of provision	(5 015 831)	(1 553 799)
Balance at end of year	23 338 171	28 354 002



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022	2021
	R	R
<u>Ageing of amounts past due but not impaired:</u>		
Non-exchange	5 911 346	6 873 254
	5 911 346	6 873 254
	5 911 346	6 873 254

The basis used to assess and test whether a statutory receivable is impaired, including how receivables are grouped and assessed for collective impairment.

52. 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.

53. 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	5 627 794	5 831 885
Total Compensation received	5 627 794	5 831 885
	5 627 794	5 831 885

Reconciliation of Agency Funds and Disbursements

Principal name	2022		2021	
	R	R	R	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	5 627 794	18 674 666	5 831 885	18 486 535
	5 627 794	18 674 666	5 831 885	18 486 535
	5 627 794	18 674 666	5 831 885	18 486 535

Resources under custodianship at year-end

None



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
54. CONTINGENT LIABILITY		
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:		
54.1 Cobus Louw Professional Engineers CC v Oudtshoorn Municipality		
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. Older than 3 years and no process started, matter seen as resolved	-	494 364
54.2 Golden Rewards 965 cc. vs. Oudtshoorn Municipality		
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.	185 040	155 040
54.3 Cornelius Draai vs Oudtshoorn Municipality		
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
54.4 S E Zunga vs Oudtshoorn Municipality		
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. The matter was withdrawn by the Plaintiff.	-	261 300
54.5 APJ Marais and CM Marais vs Oudtshoorn Municipality		
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	190 000
54.6 M J Meyers vs Oudtshoorn Municipality		
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.	290 000	75 000
54.7 NJ Terblance vs Oudtshoorn Municipality		
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.	270 000	45 000
54.8 B Dido vs Oudtshoorn Municipality		
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. The matter was settled and withdrawn by the plaintiff.	-	125 000
54.9 Johan Wagenaar Attorneys on behalf of R September vs Oudtshoorn Municipality		
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 summons is received from the third party.	702 241	689 772



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

54.10	Manormanie Moodley vs Oudtshoorn Municipality		
	The plaintiff fell into a hole in the pavement. Investigations are still ongoing surrounding the circumstances of the alleged incident. Currently in the process of drafting the municipality's plea. If the municipality is found guilty the municipality must pay for damages.	1 265 427	-
54.11	Thomas Mathee vs Oudtshoorn Municipality		
	Arbitration matter resumed on 13-15 June. Matter remanded for further trial. Currently awaiting further trial dates. If the municipality is found guilty the municipality must pay for damages. This matter is being handled internally by our legal advisor.	1 500 000	-
54.12	E Petersen vs Oudtshoorn Municipality		
	Plaintiff has applied for formal amendment of her POC. Awaiting set down of the interlocutory application. If the municipality is found guilty the municipality must pay for damages.	487 120	-
		14 889 828	12 035 476
55.	CONTINGENT ASSETS		
55.1	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. High court ruled in favour of municipality and claim was dismissed, awaiting ruling on counter claim	4 475 896	3 975 896
55.2	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. We await a date for taxation of costs awarded to the Municipality.	100 000	80 000
55.3	Oudtshoorn Municipality vs D Hartzenberg		
	Ex-employee did not honour his re-imbursment 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	70 000	29 400
55.4	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. Matter was finalised.	-	100 000
55.5	Oudtshoorn Municipality vs Cobus & Others		
	On 31/01/2022. a group of protesters unlawfully occupied and threatened staff members at Lemon & Lime building and threatened to do the same at other buildings of the Municipality. The Municipality obtained an interdict on an urgent basis on 01/06/2022 to prevent respondents from occupying, threatening or entering certain premises belonging to the Municipality. Interim interdict granted with the return date 26/08/2022.	2 000 000	-
55.6	Oudtshoorn Municipality vs Galant and 7 others		
	A group of people threatened to illegally occupy the Bridgton Chalets over the weekend of 3-5 June. The Municipality obtained an urgent interdict that restrained them from occupying the chalets. Unfortunately, the security at the premises was not sufficient and the group managed to occupy one of the chalets. Interim interdict granted and the return date is 26/08/2022.	2 000 000	-
		8 645 896	4 185 296



OUTDSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

56. 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.

	2022 R	2022 R	2021 R	2021 R
	Rates & Services	Outstanding Balance	Rates & Services	Outstanding Balance
56.1 Related Party Transactions				
Year ended 30 June 2022				
Councillors				
LPO Wagenaar	2 316	2 316	1 739	1 739
JC Lambaatjeen	-	-	-	-
LS Stone	-	-	848	848
MBG Theyse	-	-	681	681
HG Juthe	-	-	-	-
N Mwati	-	-	4 198	4 198
DJ Fourie	4 933	4 933	4 284	4 284
E Fortuin	-	-	-	-
H Human	-	-	156	156
N Soman	-	-	-	-
JH Tyatya	-	-	1 549	1 549
J le Roux Krowitz	-	-	1 088	1 088
BC Berry	-	-	347	347
F September	-	-	937	937
J Allers	13 912	13 912	-	-
SN Bently	910	910	-	-
A Berry	2 544	2 544	-	-
L Campher	42 869	42 869	-	-
JL Du Preez	974	974	-	-
JN Duvenage	4 028	4 028	-	-
DV Moos	1 960	1 960	-	-
C Muller	703	703	-	-
SA Jansen	550	550	-	-
J van der Ross	10 794	10 794	-	-
LSS van Rooyen	456	456	-	-
	86 949	86 949	15 827	15 827
Senior Management - Directors				
Mr GP De Jager	2 855	2 855	1 098	1 098
	2 855	2 855	1 098	1 098
56.2 Related Party Loans				
Since 1 July 2004 loans to councillors and senior management employees are not permitted.				
56.3 Compensation of key management personnel				
The compensation of key management personnel is set out in note 30 to the Annual Financial Statements.				



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

56.4 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2022:

Name	Position	Staff Leave Obligations	Bonus Obligations	Travel and Subsistence paid
W Hendricks	Municipal Manager	-	-	40 400
GP De Jager	Chief Financial Officer	22 621	56 673	25 094
J Lesch	Head: Technical Services	-	-	58 693
R Smit	Head: Corporate Services	38 517	53 985	19 035
		61 137	110 658	143 222

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2021:

Key Management Personnel	Staff Leave Obligations	Performance Bonus	Travel and Subsistence paid
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 R Smit	-	87 277	-
Mr T Matthee (terminated May 2021)	145 884	62 340	489
Ms S Simms (resigned October 2020)	48 322	-	-
	427 939	149 617	8 352
		2022	2021
		R	R

57. TRANSACTIONS WHERE COUNCILLORS AND STAFF HAVE AN INTEREST

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship		
Suave Unlocked Pty Ltd	A. Oliphant	Communications Officer	Brother of Communications officer	-	58 000
GH Towing	G. Wolmerans	Disaster Management Officers	Disaster Management Officers Brother	169 878	178 195
Wessels & Kie	D Saayman	Maintenance Manager Cango Caves	Spouse of the owner	1 306	-
Transform Construction	H. Malgas	Disaster Management Officers	Mother in-law of owner	4 393	245 904
				175 577	482 099



OUDTSHOORN LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

58. FINANCIAL SUSTAINABILITY

There has been a remarkable 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.

The municipality cash position improved post Covid from R115 966 866 to R143 932 877 indicating a nett cash increase of R27 965 911 as at 30 June 2022.

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 1:5 which within the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
- This ratio remained stable where 1.57:1 was reported in the prior year, but remains at risk and is only just within the norm
- Debtors payment ratio increased from 92% in 2021 to 95.8% in 2022. The increase is evident of the economy recovering after covid 19 restriction have been lifted and credit control measures being implemented successfully
- A consecutive surplus was realized from the comparative year to this year.

Other Indicators

Possible outflow of recourses due the contingent liabilities disclosed in note 54..



APPENDIX A
OUDTSHOORN LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2021	Received during the period	Redeemed written off during the period	Balance at 30 June 2022
ANNUITY LOANS							
Standard Bank	11.09%	536761	2022/12/31	1 685 515	-	(1 093 184)	592 331
Standard Bank	11.70%	537021	2023/06/20	8 170 068	-	(3 849 673)	4 320 395
Standard Bank	7.65%	594602	2029/12/31	16 753 034	-	(1 358 490)	15 394 545
Standard Bank	5.80%	654722	2031/12/31	16 500 000	-	(1 247 053)	15 252 947
Standard Bank	6.92%	710574	2027/06/30	-	4 500 000	-	4 500 000
	7.18%	710625	2037/06/30	-	16 000 000	-	16 000 000
Development Bank of SA				-	-	-	-
Urban Infrastructure Project 10608/1	14.00%	10608/101	2017/06	2 794 940	-	(839 156)	1 955 783
Multiple Infrastructure 101096/2	10.16%	101096/2	2019/12	1 065 790	-	(236 842)	828 948
Multiple Infrastructure 101647/3	6.88%	101647/3	2015/06	2 605 264	-	(578 947)	2 026 316
Infrastructure 102003/1	6.56%	102003/1	2025/12	1 516 299	-	(303 260)	1 213 039
Deep Aquifer Hydrogeological 13774	15.67%	13774	2021/06	1 300 913	-	(216 819)	1 084 094
Total Annuity Loans				52 391 823	20 500 000	(9 723 423)	63 168 399
LEASE LIABILITY							
Ford Ranger 2.2tdci L/r P/u S/c Cg 30855	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 29680	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33999	10.25%		2022/05/31	46 524	-	(46 524)	0
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33996	10.25%		2022/05/31	46 528	-	(46 528)	0
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 31834	10.25%		2022/05/31	46 526	-	(46 524)	2
Ford Ranger 2.2tdci Xl 4*4 P/u Sup/cab Cg 34001	10.25%		2022/06/30	119 249	-	(119 249)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 32359	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 32597	10.25%		2022/05/31	106 310	-	(106 310)	0
Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 34003	10.25%		2022/05/31	106 310	-	(106 310)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 34006	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 33895	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 34007	10.25%		2022/05/31	105 240	-	(105 240)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 34012	10.25%		2022/05/31	66 866	-	(66 866)	0
Suzuki Ertiga 1.5 Ga Cg 20395	10.25%		2022/05/31	69 510	-	(69 510)	0
UD TRUCKS CRONER PKE 250 TIPPER CG 18771	10.25%		2022/06	212 389	-	(212 389)	0
UD TRUCKS CRONER PKE 250 TIPPER CG 31467	10.25%		2022/06	432 000	-	(432 000)	0
ISUZU TRUCKS N SERIES NPR 400 CREW CAB AMT	10.25%		2022/07	153 411	-	(140 999)	12 412
Renault Duster 1.5 DCI Techroad - CG5739	7.00%		2024/10/15		215 796	(44 128)	171 668
Isuzu D-Max 250 HO single cab - CG32190	7.00%		2024/10/26		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34075	7.00%		2024/10/27		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34079	7.00%		2024/10/26		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34092	7.00%		2024/10/25		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG28235	7.00%		2024/10/25		249 105	(50 939)	198 166
Isuzu D-Max 250 HO single cab - CG34074	7.00%		2024/10/25		223 659	(45 736)	177 923
Isuzu D-Max 250 HO single cab - CG34100	7.00%		2024/10/28		232 520	(47 548)	184 972
Isuzu D-Max 250 HO single cab - CG34085	7.00%		2024/10/28		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34098	7.00%		2024/10/27		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34104	7.00%		2024/10/28		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG29198	7.00%		2024/11/09		223 922	(45 789)	178 132
Isuzu D-Max 250 HO single cab - CG30833	7.00%		2024/11/09		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34106	7.00%		2024/10/28		223 888	(45 783)	178 106
VW Polo 1.4 trendline sedan - CG16139	7.50%		2025/02/14		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG17052	7.50%		2025/02/13		202 237	(25 450)	176 787
Nissan NP200 1.6 - CG20667	7.25%		2024/12/01		202 985	(36 100)	166 885
VW Polo 1.4 trendline sedan - CG17259	7.50%		2025/02/14		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG17958	7.50%		2025/02/14		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG18397	7.50%		2025/02/13		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG19389	7.50%		2025/02/13		202 237	(25 450)	176 787
Isuzu D-Max 250 HO single cab - CG17929	7.00%		2024/11/16		203 738	(36 348)	167 390
Isuzu D-Max 250 HO single cab - CG13016	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG31605	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG19513	7.00%		2024/11/16		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG32805	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG33157	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG29316	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG27781	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG25272	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG19699	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG34136	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34124	7.25%		2024/11/30		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34137	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34119	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34130	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34129	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34141	7.25%		2024/11/22		223 062	(39 671)	183 391
UD Trucks Croner PKE 250 (H37) - CG24967	7.25%		2025/01/03		1 357 712	(206 343)	1 151 369
UD Trucks Croner PKE 250 (H28) - CG33277	7.25%		2024/12/08		782 194	(139 111)	643 083
Izuzu truck N-series NPR 400 - CG33343	7.25%		2025/01/11		533 166	(81 030)	452 136
Izuzu truck N-series NPR 400 - CG33347	7.25%		2025/01/13		533 166	(81 030)	452 136
Nissan NP200 1.6 - CG14873	7.25%		2024/12/01		154 411	(27 461)	126 949
Isuzu trucks N Series NPR400 - CG12098	7.25%		2024/12/22		465 826	(70 796)	395 031
Isuzu trucks N Series NPR400 - CG12651	7.25%		2024/12/21		465 826	(70 796)	395 031
Nissan NP200 1.6 - CG15283	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG17759	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG17153	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG22902	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG23521	7.25%		2024/12/01		154 411	(27 461)	126 949

APPENDIX A
OUDTSHOORN LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022

Isuzu trucks F Series FTR 850 - CAW3997P	7.25%		2024/12/01		866 619	(154 125)	712 494	
Nissan NP200 1.6 - CG13939	7.25%		2024/12/01		154 411	(27 461)	126 949	
Isuzu trucks N Series NPR400 - CG20124	7.50%		2025/02/16		812 125	(81 506)	730 620	
Nissan NP200 1.6 - CG17852	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG23624	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG18624	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG14008	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG21254	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG17535	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG21931	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG12837	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG15033	7.25%		2024/12/01		154 411	(27 461)	126 949	
Isuzu D-Max 300 LX Ext Cab - CG22275	7.25%		2024/11/30		429 029	(76 301)	352 727	
Isuzu D-Max 250 Hi Rider - CG25050	7.00%		2024/10/25		262 033	(53 583)	208 451	
Isuzu D-Max 250 Hi Rider - CG28104	7.00%		2024/11/11		262 033	(53 583)	208 451	
Isuzu D-Max 250 Hi Rider - CG8430	7.25%		2024/11/22		261 066	(46 430)	214 636	
Isuzu D-Max 250 Hi Rider - CG5821	7.25%		2024/11/22		261 066	(46 430)	214 636	
Toyota Hiace 2.7 16 Seat - CG33140	7.25%		2024/12/12		293 638	(52 223)	241 415	
Toyota Land Cruiser Pickup 79 series - CG31184	7.25%		2024/12/08		800 489	(142 364)	658 125	
Isuzu trucks N Series NPR400 - CG29555	7.25%		2025/01/11		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG12161	7.25%		2024/12/22		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG32595	7.25%		2025/01/13		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG15043	7.25%		2024/12/21		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG14040	7.25%		2024/12/21		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG33342	7.25%		2025/01/13		465 826	(70 796)	395 031	
Toyoto Rumion 1.5 - CG33167	7.25%		2025/01/13		178 062	(27 062)	151 001	
TOYOTA HIACE 2.7 16 SEAT - CG12749	7.50%		2025/03/06		292 555	(44 318)	248 237	
Total Lease Liabilities					1 845 197	22 477 872	(5 632 207)	18 690 862
TOTAL EXTERNAL LOANS					54 237 019	42 977 872	(15 355 630)	81 859 262



APPENDIX B
OUTSHOORN LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2021	Correction of Error	Restated Balance 30 June 2021	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2022	Unspent 30 June 2022 (Creditor)	Unpaid 30 June 2022 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	80 955 000	-	-	(80 955 000)	-	-	-	-
Local Government Financial Management Grant	(0)	-	(0)	2 663 000	-	-	(2 564 832)	(98 168)	(0)	-	(0)
Municipal Infrastructure Grant	607 000	-	607 000	22 775 000	-	(607 000)	(1 138 800)	(21 468 930)	167 270	167 270	-
Integrated National Electrification Grant	2 620 084	-	2 620 084	3 206 000	-	-	-	(5 826 083)	0	0	-
Regional Bulk Infrastructure Grant - Department of Water Affairs and I	1 613 986	-	1 613 986	-	-	-	-	-	1 613 986	1 613 986	-
Extended Public Works Program	-	-	-	1 784 000	-	-	(1 784 000)	-	0	0	-
Water services Infrastructure Grant	(0)	-	-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant	-	-	-	47 150 000	-	-	-	(10 119 476)	37 030 524	37 030 524	-
Water Macro Planning	0	-	0	704 159	-	-	-	(704 159)	0	0	-
Total National Government Grants	4 841 069	-	4 841 069	159 237 159	-	(607 000)	(86 442 632)	(38 216 817)	38 811 780	38 811 780	(0)
<u>Provincial Government Grants</u>											
CDW operational support grant	-	-	-	57 000	-	-	(57 000)	-	-	-	-
Library Services	(0)	-	(0)	7 520 000	-	-	(7 520 000)	-	(0)	-	(0)
Rosevalley Library Grant	6 202 235	-	6 202 235	-	-	-	-	(6 202 235)	-	-	-
Emergency Housing Programm	-	-	-	1 288 088	-	-	(1 288 088)	-	-	-	-
Maintenance Main Road Subsidy	(0)	-	(0)	125 000	-	-	(124 993)	-	6	6	-
WC Municipal Financial Management Capacity Building Grant	-	-	-	250 000	-	-	(250 000)	-	-	-	-
Thusong Service Centre Grant	-	-	-	150 000	-	-	(150 000)	-	-	-	-
Local Government Public Employment Support Grant	-	-	-	1 100 000	-	-	(1 100 000)	-	-	-	-
Upgrading of SMME Infrastructure Booster Fund	-	-	-	2 000 000	-	-	-	(129 605)	1 870 395	1 870 395	-
Municipal Drought Relief Grant	-	-	-	1 251 000	-	-	-	(1 251 000)	-	-	-
Total Provincial Government Grants	6 202 235	-	6 202 235	13 741 088	-	-	(10 490 082)	(7 582 840)	1 870 402	1 870 402	(0)
<u>District Municipality</u>											
Garden Route District Municipality	-	-	-	120 000	-	-	-	-	120 000	120 000	-
	-	-	-	-	-	-	-	-	-	-	-
Total District Municipality Grants	-	-	-	120 000	-	-	-	-	120 000	120 000	-
<u>Other Grant Providers</u>											
ASLA Rosevalley Library Contribution	-	-	-	335 000	-	-	-	(110 842)	224 158	224 158	-
Total Other Grant Providers	-	-	-	335 000	-	-	-	(110 842)	224 158	224 158	-
Total Grants	11 043 304	-	11 043 304	173 433 248	-	(607 000)	(96 932 714)	(45 910 498)	41 026 340	41 026 340	(1)

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.



Oudtshoorn Municipality - Reconciliation of Table A1 Budget Summary

Description	2021/22								2020/21
	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	Revised Audited Outcome
	1	2	3	4	5	6	7	8	12
R thousands									
Financial Performance									
Property rates	103 886	1 985	105 871	104 563		(1 308)	98.8%	100.7%	97 889
Service charges	407 059	(7 675)	399 384	403 757		4 373	101.1%	99.2%	352 602
Investment revenue	5 849	(200)	5 649	6 818		1 169	120.7%	116.6%	5 749
Transfers recognised - operational	94 410	1 233	95 643	96 933		1 290	101.3%	102.7%	103 919
Other own revenue	24 060	14 906	38 966	43 976		5 011	112.9%	182.8%	45 041
Total Revenue (excluding capital transfers and contributions)	635 263	10 249	645 512	656 047		10 535	101.6%	103.3%	605 200
Employee costs	262 791	4 898	267 689	269 646	-	1 957	100.7%	102.6%	254 503
Remuneration of councillors	11 269	(625)	10 644	10 860	-	215	102.0%	96.4%	10 983
Depreciation & asset impairment	41 647	356	42 003	45 974	-	3 972	109.5%	110.4%	42 463
Finance charges	9 198	(120)	9 078	9 959	-	(2 119)	76.7%	75.7%	5 592
Materials and bulk purchases	231 022	550	231 572	231 194	-	(377)	99.8%	100.1%	195 764
Transfers and grants	3 321	(1 000)	2 321	3 402	-	1 081	146.6%	102.4%	1 901
Other expenditure	97 076	10 408	107 484	108 167	-	683	100.6%	111.4%	114 093
Total Expenditure	656 324	14 466	670 790	676 202	-	5 412	100.8%	103.0%	625 298
Surplus/(Deficit)	(21 061)	(4 217)	(25 278)	(20 155)		5 123	79.7%	95.7%	(20 098)
Transfers recognised - capital	25 546	59 778	85 325	45 911		(39 414)	53.8%	179.7%	59 409
Contributions recognised - capital & contributed assets	-	-	-	266		-	-	-	39 067
Surplus/(Deficit) after capital transfers & contributions	4 486	55 561	60 047	26 022		(34 291)	43.3%	580.1%	78 378
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-	-
Surplus/(Deficit) for the year	4 486	55 561	60 047	26 022		(34 291)	43.3%	580.1%	78 378
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	22 214	52 834	75 048	40 783		(34 265)	0.0%	0.0%	52 000
Public contributions & donations	-	-	-	-		-	0.0%	0.0%	-
Borrowing	20 500	12 174	32 674	25 582		(7 093)	0.0%	0.0%	15 643
Internally generated funds	8 673	5 587	14 260	11 091		(3 169)	0.0%	0.0%	9 266
Total sources of capital funds	51 387	70 595	121 982	77 455		(44 527)	0.0%	0.0%	76 909
Cash flows									
Net cash from (used) operating	35 190	36 692	71 882	93 060		-	129.5%	264.5%	5 026
Net cash from (used) investing	(50 841)	(70 431)	(121 272)	(70 239)		-	57.9%	138.2%	(69 349)
Net cash from (used) financing	2 000	-	2 000	5 144		-	257.2%	257.2%	2 502
Cash/cash equivalents at the year end	102 036	(33 459)	68 577	143 933		-	209.9%	141.1%	115 967



Oudtshoorn Municipality - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2021/22								2020/21
	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
R thousand	1	2	3	4	5	6	7	8	12
Revenue - Standard									
Governance and administration	172 909	12 306	185 215	186 807		1 592	100.9%	108.0%	171 367
Executive and council	64 768	10 421	75 189	78 926		3 737	105.0%	121.9%	70 156
Finance and administration	108 141	1 885	110 026	107 881		(2 145)	98.1%	99.8%	101 212
Internal audit	-	-	-	-		-	0.0%	0.0%	-
Community and public safety	15 124	10 594	25 718	29 313		3 596	114.0%	193.8%	62 992
Community and social services	7 437	6 795	14 232	14 019		(213)	98.5%	188.5%	9 198
Sport and recreation	212	1 752	1 964	1 848		(115)	94.1%	872.3%	110
Public safety	7 475	2 047	9 522	12 158		2 636	127.7%	162.7%	53 203
Housing	-	-	-	1 288		1 288	0.0%	0.0%	481
Health	-	-	-	-		-	0.0%	0.0%	-
Economic and environmental services	24 684	2 000	26 684	24 646		(2 038)	92.4%	99.8%	28 542
Planning and development	-	2 000	2 000	130		(1 870)	6.5%	100.0%	875
Road transport	24 684	-	24 684	24 517		(167)	99.3%	99.3%	27 667
Environmental protection	-	-	-	-		-	0.0%	0.0%	-
Trading services	448 093	45 127	493 220	463 823		(29 397)	94.0%	103.5%	428 263
Energy Sources	295 911	(2 991)	292 919	297 348		4 428	101.5%	100.5%	249 897
Water Management	74 045	48 611	122 656	89 010		(33 646)	72.6%	120.2%	103 579
Waste water management	47 256	517	47 772	47 501		(272)	99.4%	100.5%	45 798
Waste management	30 882	(1 010)	29 872	29 964		92	100.3%	97.0%	28 988
Other	-	-	-	-		-	0.0%	0.0%	-
Total Revenue - Standard	660 810	70 027	730 837	704 589		(26 247)	96.4%	106.6%	691 165
Expenditure - Standard									
Governance and administration	150 602	11 388	161 990	153 488	-	(8 502)	94.8%	101.9%	144 397
Executive and council	69 508	(890)	68 618	77 657	-	9 039	113.2%	111.7%	70 954
Finance and administration	78 524	12 248	90 772	73 320	-	(17 452)	80.8%	93.4%	71 001
Internal audit	2 570	29	2 600	2 510	-	(89)	96.6%	97.7%	2 442
Community and public safety	112 032	(1 506)	110 526	112 368	-	1 842	101.7%	100.3%	104 192
Community and social services	22 021	301	22 323	21 895	-	(428)	98.1%	99.4%	22 283
Sport and recreation	40 491	(2 636)	37 854	37 169	-	(685)	98.2%	91.8%	32 412
Public safety	35 963	659	36 623	40 003	-	3 381	109.2%	111.2%	37 705
Housing	13 557	170	13 727	13 301	-	(426)	96.9%	98.1%	11 791
Health	-	-	-	-	-	-	0.0%	0.0%	-
Economic and environmental services	60 785	(2 407)	58 378	55 047	-	(3 331)	94.3%	90.6%	54 593
Planning and development	23 119	(1 284)	21 835	21 262	-	(574)	97.4%	92.0%	19 177
Road transport	37 666	(1 123)	36 543	33 785	-	(2 758)	92.5%	89.7%	35 417
Environmental protection	-	-	-	-	-	-	0.0%	0.0%	-
Trading services	332 905	6 990	339 895	357 665	-	17 770	105.2%	107.4%	309 604
Energy Sources	242 451	932	243 383	243 722	-	340	100.1%	100.5%	211 021
Water Management	41 700	816	42 516	56 267	-	13 751	132.3%	134.9%	53 466
Waste water management	24 733	1 201	25 934	27 454	-	1 520	105.9%	111.0%	24 271
Waste management	24 020	4 042	28 062	30 221	-	2 159	107.7%	125.8%	20 846
Other	-	-	-	-	-	-	0.0%	0.0%	-
Total Expenditure - Standard	656 324	14 466	670 790	678 568	-	7 778	101.2%	103.4%	612 786
Surplus/(Deficit) for the year	4 486	55 561	60 047	26 022	-	(34 025)	43.3%	580.1%	78 379



Oudtshoorn Municipality - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2021/22								2020/21
	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
Revenue by Vote									
Executive & Council	52 478	1 400	53 878	71 792		17 914	133.2%	136.8%	65 398
Municipal Manager	6 001	836	6 837	7 134		297	104.3%	118.9%	4 758
Corporate Services	851	–	851	744		(107)	87.4%	87.4%	890
Financial Services	113 579	10 070	123 649	107 137		(16 512)	86.6%	94.3%	100 322
Community and Public Safety	46 006	9 584	55 590	57 989		2 400	104.3%	126.0%	91 500
Technical Services	441 895	46 137	488 032	458 375		(29 656)	93.9%	103.7%	426 941
Human Settlement	–	–	–	1 288		1 288	0.0%	0.0%	481
Strategic Services	–	2 000	2 000	130		(1 870)	6.5%	#DIV/0!	875
Total Revenue by Vote	660 810	70 027	730 837	704 589		(26 247)	96.4%	106.6%	691 165
Expenditure by Vote									
Executive & Council	50 433	(638)	49 795	60 529	–	10 734	121.6%	120.0%	54 111
Municipal Manager	22 689	(207)	22 482	20 638	–	(1 844)	91.8%	91.0%	20 238
Corporate Services	26 358	2 088	28 446	25 183	–	(3 263)	88.5%	95.5%	24 215
Financial Services	47 835	9 076	56 910	42 204	–	(14 707)	74.2%	88.2%	41 724
Community and Public Safety	122 495	2 366	124 862	129 288	–	4 426	103.5%	105.5%	113 246
Technical Services	349 838	2 895	352 733	366 163	–	13 430	103.8%	104.7%	328 283
Human Settlement	13 557	170	13 727	13 301	–	(426)	96.9%	98.1%	11 791
Strategic Services	23 119	(1 284)	21 835	21 262	–	(574)	97.4%	92.0%	19 177
Total Expenditure by Vote	656 324	14 466	670 790	678 568	–	7 778	101.2%	103.4%	612 786
Surplus/(Deficit) for the year	4 486	55 561	60 047	26 022		(34 025)	43.3%	580.1%	



Oudtshoorn Municipality - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2021/22								2020/21
	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	1	2	3	4	5	6	7	8	12
Revenue By Source									
Property rates	103 886	1 985	105 871	104 563		(1 308)	98.8%	100.7%	97 889
Service charges - electricity revenue	284 466	(6 852)	277 614	280 729		3 114	101.1%	98.7%	238 939
Service charges - water revenue	62 109	–	62 109	64 355		2 246	103.6%	103.6%	59 083
Service charges - sanitation revenue	38 438	317	38 755	37 693		(1 061)	97.3%	98.1%	35 285
Service charges - refuse revenue	22 046	(1 140)	20 906	20 979		74	100.4%	95.2%	19 294
Rental of facilities and equipment	1 728	248	1 976	2 120		144	107.3%	122.7%	1 622
Interest earned - external investments	5 849	(200)	5 649	6 818		1 169	120.7%	116.6%	5 749
Interest earned - outstanding debtors	2 627	3 241	5 868	6 478		610	110.4%	246.6%	3 258
Fines, penalties and forfeits	2 322	1 819	4 141	6 565		2 425	158.6%	282.8%	8 341
Licences and permits	374	–	374	265		(109)	70.9%	70.9%	254
Agency services	5 319	–	5 319	5 628		309	105.8%	105.8%	5 832
Transfers and subsidies	94 410	1 233	95 643	96 933		1 290	101.3%	102.7%	103 919
Other revenue	11 691	1 598	13 289	17 147		3 858	129.0%	146.7%	13 323
Gains	–	8 000	8 000	5 772		(2 228)	72.2%	#DIV/0!	
Total Revenue (excluding capital transfers and contributions)	635 263	10 249	645 512	656 047		10 535	101.6%	103.3%	592 788
Expenditure By Type									
Employee related costs	262 791	4 898	267 689	269 646		1 957	100.7%	102.6%	254 503
Remuneration of councillors	11 269	(625)	10 644	10 860		215	102.0%	96.4%	10 983
Debt impairment	13 747	(3 712)	10 035	24 334		14 299	242.5%	177.0%	21 954
Depreciation & asset impairment	41 647	356	42 003	45 974		3 972	109.5%	110.4%	42 463
Finance charges	9 198	(120)	9 078	6 959		(2 119)	76.7%	75.7%	5 592
Bulk purchases	209 162	–	209 162	209 247		85	100.0%	100.0%	176 490
Other materials	21 861	550	22 410	21 948		(462)	97.9%	100.4%	19 274
Contracted services	28 596	3 734	32 330	26 668		(5 662)	82.5%	93.3%	21 747
Transfers and grants	3 321	(1 000)	2 321	3 402		1 081	146.6%	102.4%	1 901
Other expenditure	54 733	2 386	57 118	52 274		(4 844)	91.5%	95.5%	49 103
Loss	–	8 000	8 000	4 891		(3 109)	61.1%	#DIV/0!	8 876
Total Expenditure	656 324	14 466	670 790	676 202	–	5 412	100.8%	103.0%	612 886
Surplus/(Deficit)	–	–	–	–		–			–
Transfers recognised - capital	25 546	59 778	85 325	45 911		(39 414)	53.8%	179.7%	59 409
Contributed assets	–	–	–	266		266	#DIV/0!	#DIV/0!	39 067
Surplus/(Deficit) after capital transfers & contributions	4 486	55 561	60 047	26 022		(34 025)	43.3%	580.1%	78 378



Oudtshoorn Municipality - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2021/22							2020/21
	Original Budget	Total Budget Adjustments (i.t.o. MFMA 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	6	7	8	12
Capital expenditure - Vote								
Multi-year expenditure								
Executive & Council	-	-	-	-	-	0%	0%	-
Municipal Manager	-	-	-	-	-	0%	0%	-
Corporate Services	-	-	-	-	-	0%	0%	-
Financial Services	-	-	-	-	-	0%	0%	-
Community and Public Safety	4 000	(116)	3 884	-	(3 884)	0%	0%	159
Technical Services	17 917	57 252	75 169	(0)	(75 169)	0%	0%	27 722
Human Settlement	-	-	-	-	-	0%	0%	-
Strategic Services	-	-	-	-	-	0%	0%	-
Capital multi-year expenditure	21 917	57 136	79 053	(0)	-	0%	0%	27 880
Single-year expenditure								
Executive & Council	-	-	-	-	-	0%	0%	-
Municipal Manager	-	60	60	(0)	(60)	0%	0%	108
Corporate Services	35	-	35	-	(35)	0%	0%	20
Financial Services	1 350	217	1 567	-	(1 567)	0%	0%	1 463
Community and Public Safety	8 422	6 858	15 280	-	(15 280)	0%	0%	5 045
Technical Services	19 496	4 286	23 781	-	(23 781)	0%	0%	41 049
Human Settlement	-	-	-	-	-	0%	0%	-
Strategic Services	168	2 039	2 207	(0)	(2 207)	0%	0%	1 195
Capital single-year expenditure	29 470	13 459	42 929	(0)	-	0%	0%	48 880
Total Capital Expenditure - Vote	51 387	70 595	121 982	(0)	-	0%	0%	76 761
Capital Expenditure - Standard								
Governance and administration	1 385	277	1 662	1 631	-	98%	0%	1 591
Executive and council	-	60	60	38	(22)	63%	0%	97
Finance and administration	1 385	217	1 602	1 594	(8)	99%	0%	1 483
Internal audit	-	-	-	-	-	0%	0%	11
Community and public safety	11 122	6 742	17 864	11 483	(6 381)	64%	0%	5 204
Community and social services	200	8 356	8 556	6 452	(2 104)	75%	0%	4 207
Sport and recreation	10 592	(1 899)	8 693	4 776	(3 917)	55%	0%	493
Public safety	330	284	614	255	(359)	41%	0%	503
Housing	-	-	-	-	-	0%	0%	-
Health	-	-	-	-	-	0%	0%	-
Economic and environmental services	11 879	1 061	12 940	13 854	914	107%	0%	18 186
Planning and development	168	2 039	2 207	519	(1 688)	24%	0%	1 195
Road transport	11 712	(978)	10 734	13 335	2 602	124%	0%	16 991
Environmental protection	-	-	-	-	-	0%	0%	-
Trading services	27 001	62 516	89 517	50 486	(39 030)	56%	0%	51 929
Energy Sources	9 813	2 278	12 092	9 667	(2 425)	80%	0%	3 095
Water Management	14 937	60 175	75 112	38 376	(36 737)	51%	0%	41 224
Waste water management	950	63	1 013	1 020	7	101%	0%	7 609
Waste management	1 300	-	1 300	1 424	124	110%	0%	-
Other	-	-	-	-	-	0%	0%	-
Total Capital Expenditure - Standard	51 387	70 595	121 982	77 455	(44 497)	63%	0%	76 909
Funded by:								
National Government	22 214	43 365	65 579	33 325	(32 254)	51%	0%	49 072
Provincial Government	-	9 029	9 029	7 361	(1 668)	82%	0%	2 928
District Municipality	-	104	104	-	(104)	0%	0%	-
Other transfers and grants	-	335	335	96	(239)	29%	0%	-
Transfers recognised - capital	22 214	52 834	75 048	40 783	-	54%	0%	52 000
Public contributions & donations	-	-	-	-	-	0%	0%	-
Borrowing	20 500	12 174	32 674	25 582	(7 093)	78%	0%	15 643
Internally generated funds	8 673	5 587	14 260	11 091	(3 169)	78%	0%	9 266
Total Capital Funding	51 387	70 595	121 982	77 455	-	63%	0%	76 909



Oudtshoorn Municipality - Reconciliation of Table A7 Budgeted Cash Flows

Description	2021/22							2020/21
	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
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	96 614	1 846	98 460	98 930	470	100.5%	102.4%	87 732
Service charges	387 282	(4 273)	383 010	384 838	1 828	100.5%	99.4%	316 645
Other revenue	20 124	2 109	22 233	22 339	106	100.5%	111.0%	28 491
Transfers and Subsidies - Operational	94 516	1 127	95 643	89 525	(6 117)	93.6%	94.7%	102 807
Transfers and Subsidies - Capital	25 440	51 062	76 502	83 908	7 405	109.7%	329.8%	38 439
Interest	5 849	(200)	5 649	12 875	7 225	227.9%	220.1%	8 793
Payments								
Suppliers and employees	(582 171)	(16 100)	(598 270)	(591 072)	7 198	98.8%	101.5%	(571 819)
Finance charges	(9 144)	120	(9 024)	(4 881)	4 143	54.1%	53.4%	(4 161)
Transfers and Grants	(3 321)	1 000	(2 321)	(3 402)	(1 081)	146.6%	102.4%	(1 901)
NET CASH FROM/(USED) OPERATING ACTIVITIES	35 190	36 692	71 882	93 060	21 179	129.5%	264.5%	5 026
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	2 366	2 366	100.0%	100.0%	-
Payments								
Capital assets	(50 841)	(70 431)	(121 272)	(72 605)	48 667	59.9%	142.8%	(69 349)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(50 841)	(70 431)	(121 272)	(70 239)	51 033	57.9%	138.2%	(69 349)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	20 500	-	20 500	20 500	-	100.0%	100.0%	16 500
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	(18 500)	-	(18 500)	(15 356)	-	83.0%	83.0%	(13 998)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 000	-	2 000	5 144	-	257.2%	257.2%	2 502
NET INCREASE/ (DECREASE) IN CASH HELD	(13 652)	(33 738)	(47 390)	27 966				(61 820)
Cash/cash equivalents at the year begin:	115 688	279	115 967	115 967				177 787
Cash/cash equivalents at the year end:	102 036	(33 459)	68 577	143 933	75 356	0.0%	0.0%	115 967



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 129, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oudtshoorn Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material impairments

8. As disclosed in note 8 to the financial statements, the municipality provided for debt impairment of receivables from exchange transactions of R41,5 million (2020-21: R37,5 million).
9. As disclosed in note 9 to the financial statements, the municipality provided for debt impairment of receivables from non-exchange transactions of R25,9 million (2020-21: R31,1 million).
10. As disclosed in the statement of financial performance, material losses of R25,4 million (2020-21: R34,4 million) was incurred as a result of a write-off irrecoverable trade receivables.

Underspending of conditional grants

11. As disclosed in note 17 to the financial statements, the municipality underspent its conditional grants by R41 million (2020-21: R11 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) 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 130 to 138 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
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 2022:

Objective	Pages in the annual performance report
Objective 5 – to provide basic services to all residents in an environmentally sustainable manner	54–56

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.

Other matter

24. I draw attention to the matter below.

Achievement of planned targets

25. Refer to the annual performance report on pages 54 to 56 for information on the achievement of planned targets for the year. This information should be considered in the context of the conclusion on the usefulness and reliability of the reported performance information in paragraphs 21 to 23 of this report.

Report on the audit of compliance with legislation

Introduction and scope

26. 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.

27. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

28. Reasonable steps were not taken to prevent irregular expenditure of R9,93 million as disclosed in note 47.3 to the financial statements, as required by section 62(1)(d) of the MFMA.

Human resource management

29. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act.

Other information

30. 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.

31. 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.

32. 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.
33. 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 an amended report as appropriate. However, if it is corrected this will not be necessary

Internal control deficiencies

34. 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
35. Deficiencies in the establishment, review processes and effective implementation and monitoring of existing policies and procedures aimed at ensuring compliance with key applicable legislation resulted in non-compliance with the Municipal Supply Chain Management Regulations and the Municipal Systems Act.

Auditor - General

Cape Town

30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for 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 communicate all relationships and other matters

that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Annexure C

Audit and Performance Audit

Committee Report

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OUDTSHOORN MUNICIPALITY FOR THE YEAR ENDING 30 JUNE 2022

The Audit Committee presents its report for the financial year ending 30 June 2022 as follows:

RESPONSIBILITY

The Oudtshoorn Municipality has constituted its Audit and Performance Audit Committee ('APAC') to function in terms of the provisions of Section 166 of the Municipal Finance Management Act, 2003 ("the MFMA") and to fulfil the functions of a Performance Management Audit Committee constituted in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

FUNCTIONS OF THE AUDIT COMMITTEE

The functions and duties of the Audit Committee are stipulated in the Audit Committee Charter. The Charter was approved by Council, and is reviewed annually.

The APAC is an independent advisory body to the Council, Accounting Officer and the management and staff of the municipality on matters relating to internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; the MFMA and any other applicable legislation; performance evaluation; and any other issue.

The APAC is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with applicable legislation.

TERMS OF REFERENCE

The committee is constituted in terms of the requirements of sound corporate governance practices and operates in accordance with an approved APAC Charter that incorporates the specific requirements of section 166 of the MFMA. During May 2022, Council approved the revised Charter at its meeting, which Charter incorporates the stipulations of the MFMA Circular 65: Audit Committee and Internal Audit.

COMPOSITION OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

The APAC should comprise of five independent members. The Municipal Manager, Chief Financial Officer and the Executive Mayoral Committee have standing invitations to all meetings. Both the Internal and External auditors have unrestricted access to the AC.

The current members were appointed in October 2020.

At the end of 30 June 2022 the APAC consists of five members, namely:

1. Mr. LH Fourie – appointed October 2020, joined the committee in December 2021 as Chairperson, serving a first term of 3 years.
2. Mr. A Dippenaar (Chairperson for the period July 2021 to November 2021) – appointed October 2020, serving a first term of 3 years.
3. Adv. D Block – appointed October 2020, serving a first term of 3 years.
4. Miss. D Mooney – appointed October 2020, serving a first term of 3 years.
5. Mr. P Hayward – appointed 1 July 2019, serving a first term of 3 years.

AUDIT COMMITTEE ACTIVITIES

The Audit Committee met 5 times during the financial year ended 30 June 2022 and has carried out the following functions in terms of its charter:

1. Reviewed and amended the Audit Committee charter.
2. Reviewed and approved the rolling and annual internal audit plans including the definition of audit units, audit universe, and prioritization of audit coverage taking into account the outputs of the risk assessments performed.
3. Reviewed executive summaries of all internal audit reports issued.
4. Reviewed the reporting by internal audit on performance management and performance information.
5. Issued reports and recommendations to Council on performance management and performance information.
6. Reviewed the annual financial statements at 30 June 2021, the Report of the Auditor-General (hereinafter referred to as the A-G) on the Annual Financial Statements and the findings of the A-G on predetermined objectives and compliance with certain laws and regulations, and their detailed Final Management Letter.
7. Attended the mid-year and final Performance Assessments of the Section 56 appointees
8. Performed assessments on the effectiveness of the Committee for review and comment by the Municipal Manager and for presentation to the Council.
9. Considered other matters as deemed appropriate.

Meeting dates:

1. 31 August 2021,
2. 29 September 2021,
3. 6 December 2021,
4. 25 March 2022 and
5. 28 June 2022.

Based on internal audit reports tabled at APAC meetings and with engagements with management at meetings the committee summarize the following for each oversight.

Council must bear in mind that internal audit activities are the main source for oversight conclusions and to ultimately advice Council. As the Auditor General stipulates in their report the fact that internal audit is not properly capacitated to provide full and sufficient assurance on various aspects.

OVERSIGHT: FINANCIAL ISSUES AND REPORTING

2020/21 EXTERNAL AUDIT PROCESS

The municipality received an unqualified with findings audit opinion for the 2020/21 financial year. An unqualified audit outcome means that the financial statements contain material misstatements and no material issues on compliance and performance management. The previous financial year (2019/20) the municipality also received an unqualified audit outcome.

The APAC must respond to Council on the issues raised [refer to MFMA 166(2) (c)].

The Committee can report that recommendations made by the Auditor General have been successfully rectified or implemented; at year end progress as reported is 98.77%. The outstanding issues relates to year end corrections and matters to correct which is longer in nature.

FINANCIAL POSITION OF THE MUNICIPALITY

The financial position of the municipality as at May 2022 remain stable compared to the previous financial year.

The municipality will however have to keep practising good financial management disciplines which include daily expenditure monitoring, effective debt collection and protecting its income base. Decisions made by Council and management must always meet the principle of affordability.

OVERSIGHT: PRE-DETERMINED OBJECTIVES/PERFORMANCE INFORMATION

Performance management is a process which seeks to measure the implementation of the municipality's organizational strategy. It is also a management tool designed to plan, monitor, measure and review the performance of the various departments and directorates, and it provides the mechanism to measure whether the strategic goals and objectives of the municipality have been met.

The Committee distinguishes between:

- (a) Organisational performance, which is monitored and evaluated via the SBDIP and
 - (b) Individual performance management, which monitors and evaluates the performance of the municipal manager, managers reporting to the municipal manager, and other employees.
- The Committee unequivocally endorses the priority implementation of all recommendations made by the Internal and External Auditors.
 - Increased investment in time and financial and human resources are required to implement the recommendations suggested by this Committee, and Internal Audit, so that the system may continue to mature and the individual employees of the Municipality benefit from its introduction.
 - The Committee would like to see that the performance requirements contained in the performance agreements of the Sect 56 employees be modified, so that every director is held directly responsible and accountable for the overall performance of his/her staff.
 - Performance management and measurement should be extended to include all levels of staff.

OVERSIGHT: RISK MANAGEMENT

Risk Management is a logical and systematic process of identifying opportunities and mitigating losses. As such, it requires the commitment of the administrative, political and governance agencies of a local authority.

Risk management, by implication, is a management function, and at the Oudshoorn Municipality, the Municipal Manager as accounting officer is primarily responsible for Risk Management of the Municipality. In addition, the various departments and directorates, as well as individual employees, should all be committed to and actively be involved in this critical aspect of municipal administration.

Internal audit has issued a number of reports covering risk management including amongst others the Risk Assessment update and Review of risk treatment plans.

The Audit Committee records its concerns regarding the following matters highlighted in these reports:

- a) The need for ongoing monitoring and management of identified risks in a more rigorous and structured manner to reduce risks of financial loss and reputational damage to the Municipality;
- b) The potential impact of risks highlighted that are associated with lack of skills and funding; and
- c) Control deficiencies with regard to Human Resource issues like staff appointments, leave management and overtime management.

OVERSIGHT: GOVERNANCE AND ETHICS

The APAC considered one internal audit report for this period. Specific issues were raised in the report regarding the status of, inter alia:

1. The system of delegations to be updated;
2. The different codes of conduct to be applied vigorously.

The Ethics Committee, which was established during the previous year, did not meet as at year-end, it is expected to add value to the good governance culture which needs to be applied throughout the municipality. The governance culture should include that the municipal directors remain accountable to ensure that the municipality complies with applicable laws and adhere to non-binding rules, codes and standards.

OVERSIGHT: COMPLIANCE

The Committee considered one report issued by Internal Audit with regard to the Division of Revenue Act (DoRA) and compliance with other legislation and regulations is part of other assignments. APAC recommend that Departments must ensure adherence with grant conditions and compliance with legislation which will support a clean external audit outcome.

OVERSIGHT: INTERNAL CONTROLS AND IT

The APAC considered various reports issued by Internal Audit. The municipality, as a regulated organization, has adequate controls in place but controls might not be efficient, effective or not applied. Control deficiencies as identified by internal audit are being monitored via audit finding registers to ensure recommendations are implemented. Management do implement recommendations but there are also circumstances which prevent timeous implementation.

Although the AC found the existence of controls, the committee recommend and encourage more sufficient and effective controls for these systems, procedures. Up to date **standard operating procedures, policies and job descriptions is in certain instances work in progress**, this is a must and remain necessary to establish the control environment.

With regard to information technology, internal audit did issue a report on general access controls and the importance of good control evaluations in future of all IT activities. Information technology auditing will be more important in future which will require skills from the internal audit activity.

SPECIAL INVESTIGATIONS

Special investigations conducted by internal audit are not material and have been tabled at APAC meetings.

OTHER RELEVANT ISSUES THAT MAY ENHANCE GOVERNANCE AND ACCOUNTABILITY

INTERNAL AUDIT

Internal audit is an important assurance provider and the need to allocate more resources to this unit will ensure more assurance.

APAC requested that the increase of the funding of the global assurance functions be considered by Council to ensure the maintenance/improvement of assurance.

APAC is of the view that the internal audit unit is functioning independent but more resources is required to ensure conformance with the IIA standards and to balance the principle of sufficient resources to do assurance and on the other hand to ensure quality or conformance with the standards.

An external assessment was conducted and Internal Audit submitted a report to Council.

APAC RECOMMENDATIONS OR CONSIDERATIONS

The Municipal Finance Management Act, Act 56 of 2003 section 166 stipulates that APAC is an advisory body which must advice; the committee highlight the following aspects:

- Continuity in leadership on both the political and managerial levels;

- Infrastructure spending.
- Retain skills to provide services
- Monitor finance
- Set the example for productivity and performance

CONCLUSION

The committee acknowledges that the environment within which management is operating is difficult given the economic down turn and the implications of COVID on the municipality in general.

The committee extends its congratulations to management for their efforts and achievements under difficult circumstances. The municipality is still on a road of recovery in aspects including the administration, stable leadership and management.

LOUIS FOURIE - CHAIRPERSON

DATE