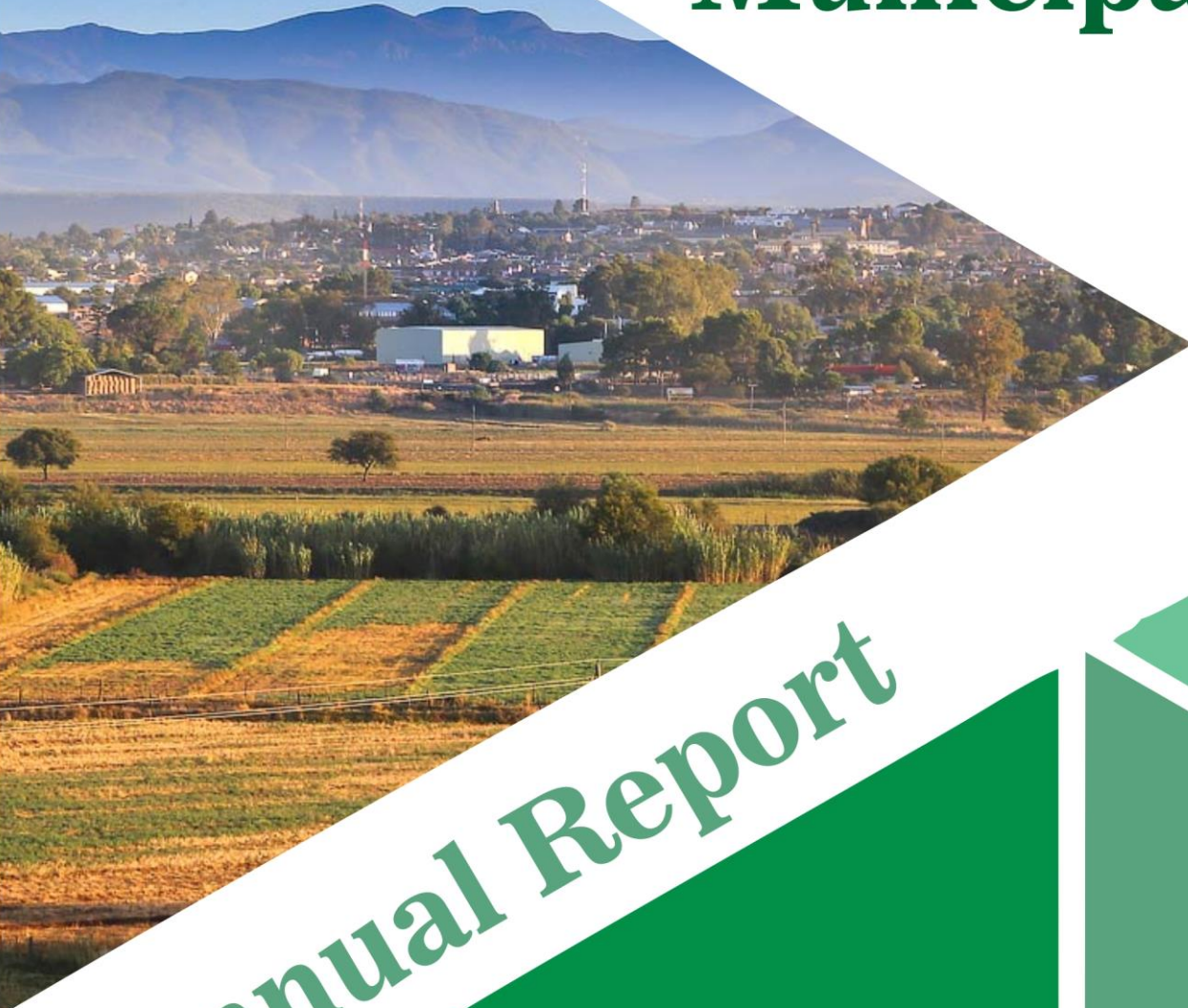


# Oudtshoorn Municipality



## Annual Report

2022/23



# Annual Report

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# Annual Report

## CHAPTER 1

### MAYOR'S FOREWORD



In my capacity as the Executive Mayor, it is a great pleasure to present the Annual Report of the Oudtshoorn Municipality for the 2022/23 financial year. As previously reported, it is our primary mandate to serve the residents within the Oudtshoorn Municipal Area. I am very excited to share with you the progress made as well as the future plans for the greater Oudtshoorn. Serving a community has its challenges due to various circumstances. Despite these challenges we always strive towards the achievement of our strategic objective as defined in the Integrated Development Plan.

As the Executive Mayor, I remain committed to the vision and mission of the Municipality by striving towards a safe town to work, learn, play and prosper. Our mission is to provide, maintain equitable, sustainable municipal services, valued economic and social infrastructure which focus is to ensure an accountable government and infrastructure for local economic development and growth within all municipal wards.

During the previous financial year, I reported on the progress of the Dysselsdorp Housing Project. The Municipality successfully delivered on the housing needs of the community as 522 Residential erven were serviced and 459 houses were completed in July 2023.

Further to the above, I wish to enlighten the community on a few achievements in particular basic service delivery highlights made during the financial year which resulted to the upgrading of the water infrastructure of the Oudtshoorn Municipality. These highlights are mentioned below:

#### **Blossoms Emergency Water Supply**

Three exploration boreholes were linked with the distribution network by a 23km long 315mm pipeline and will supply 48 litres per second (172 800 litres per hour) of potable water to the Greater Oudtshoorn.

#### **Network upgrading**

The program to replace old asbestos cement (AC) pipes continued and approximately 16km of pipes between 75 and 350mm in diameter were replaced in the Bridgton area.

#### **Supply water to rural areas**

The first phase of installing water network in some of the rural areas currently serviced by water tankers were completed with 2.5km of pipe network being installed in the Schoemanshoek Valley.

#### **Emergency Power Supply to the KKRWS**

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The first phase of supplying emergency power to the KKRWS kicked off with a 300 Kva generator at the WTW and inverters with batteries were installed at 2 of the 8 boreholes.

In addition to the above, the table below provides a summary of progress in relation to projects implemented during the 2022/23 financial year.

Project ID	Project Name	MIG Approved budget	Total Exp. Previous FYs (30 June 2022)	Balance on registered MIG funding (30 June 2022)	2022/23			Physical progress on 2022/23 projects
					budget	expenditure		
Rand Value (R)								
161122	De Jager Sport Complex: Rehabilitate Sport Field Lighting	8 000 000	5 924 710	2 075 290	2 075 290	2 008 157	96.77%	
400082	Upgrade of Asbestos Water Pipe Infrastructure Ph1	37 988 301	11 263 256	0.00	24 068 255	24 068 255	100%	
397810	Upgrade Gravel Roads, Stormwater & Sidewalks Ph1	11 847 085	5 881 881	5 965 204	5 965 204	5 965 204	100%	
PMU/045 /2223	Oudtshoorn: PMU 2022/23	1 216 250	0.00	0.00	1 216 250	1 216 250	100%	
<b>Total</b>					<b>33 325 000</b>	<b>33 257 866</b>	<b>99.8%</b>	

## Clean audit

I would like to express my gratitude towards the senior management, all dedicated officials as well as councillors who tirelessly contributed throughout the year to make this achievement possible. "This is truly a unique opportunity to attain a clean audit and to make this milestone a reality."

A clean audit provides several benefits to a municipality:

**Financial Credibility:** A spotless audit raises the municipality's financial standing. It sends a message to all parties involved—taxpayers, investors, and creditors—that the municipality handles its money sensibly and openly.

**Public Trust:** Achieving a clean audit builds and reinforces public trust. When residents and businesses see that the municipality is effectively managing funds, it builds trust in the municipality's capacity to deliver necessary services and make wise financial decisions.

**Access to Funding:** Municipalities with clean audits may find it easier to access funding from external sources. Lenders, grant providers, and other financial institutions often consider a clean audit as an indicator of financial stability and responsible governance when making decisions about extending credit or grants.

# Annual Report

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**Attracting Investment:** A clean audit can attract private investment to the municipality. Investors are more likely to consider locations with a strong financial management record, as it reduces the perceived risks associated with potential economic and financial challenges.

**Compliance with Regulations:** A clean audit ensures that the municipality complies with financial regulations and standards. This helps avoid legal issues, penalties, or sanctions that could arise from non-compliance.

**Improved Operational Efficiency:** The process of achieving and maintaining a clean audit often involves improving financial and operational processes. This can lead to increased efficiency in resource allocation, better project management, and overall improved governance.

The Municipality still has financial records for the last 20 years and could not find any unqualified audit opinion without findings during the mentioned periods. A clean audit is not just a technical accomplishment; it has far-reaching implications for the financial, operational, and reputational aspects of a municipality, ultimately contributing to its sustainable development and success. Securing a clean audit highlights the municipality's unwavering dedication to responsible financial leadership as well as political stability.

I would like to extend words of appreciation to the residents of the greater Oudtshoorn, Speaker, Members of the Executive Mayoral Committee, Councillors, Municipal Manager and Senior Management and lastly to all staff members who positively contributed to the success of the municipality. Let us continue to serve the local community with dignity and pride.

**ALDM C MACPHERSON**

**EXECUTIVE MAYOR**

# Annual Report

## EXECUTIVE SUMMARY

### 1.1 Municipal Manager's Overview

The Annual Report serves as a mechanism to assist with information and progress made on service delivery throughout the financial year. In order to promote accountability, transparency, and oversight, the annual report must be aligned with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. Management reported throughout the financial year on the financial and non-financial performances of the organisation. We have constantly monitored and evaluated the performance through mechanisms



such as our governance structures. Other mechanisms such as our internal monitoring tools like the SDBIP and OPCAR were effectively utilised to ensure the achievement of the Municipality's strategic goals and objectives. This was not an easy task as we met on a weekly, monthly, and quarterly basis to deliberate on the progress made and to discuss the various challenges. In doing so, action plans were formulated to overcome these challenges.

Management worked extremely hard to entrench the principles of good governance within the Oudtshoorn Municipality. We have continuously strived towards the fulfilment of the Constitutional mandate which is inter alia the following:

- 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; and
- e) to encourage the involvement of communities and community organisations in local government matters.

Council approved the new organisational structure in line with the Municipal Staff Regulations 890 and Guidelines 891 promulgated on 20 September 2021 and finalised the placement of staff. The said regulations are mandatory and applicable to all municipal staff. The human resource related policies have been amended and developed in line with Municipal Staff Regulations. We have made significant progress regarding the implementation of the Municipal Staff Regulations. The Annual Report also details the progress in respect of such mandatory implementation.

The post of Director of Community Services has been filled. However, the post of Director of Planning and Development is still vacant due to institutional reasons. The overall purpose is to ensure administrative stability and to enhance service delivery in the Oudtshoorn municipal area.

# Annual Report

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It is evident that the Municipality made significant financial-related progress over the last three years in maintaining a positive cash balance, but there was a nett decrease in cash and cash equivalents of R14.8 million as of 30 June 2023 compared to an increase of R61.8 million in the previous financial year. The decrease is directly linked to a decrease in outstanding creditors that leads to a cash outflow and was necessitated due to major grant-funded capital projects that were completed and formed part of the cash balance in the previous year. The liquidity position remains under strain and is just within the norm with minor movement noticed in the current year. Management and Council deliberated and concluded that the financial recovery plan activities will be continued and combined with the revenue enhancement strategy and implementation of a cost-reflective tariff structure will help to ensure financial sustainability on revenue streams of the Municipality over the medium and long term.

In light of the above, the Municipality's performance on capital spending increased from the previous financial year. Capital spending as of year-end was above target at 96%. In previous years it was quite a challenge to spend the capital funding due to various reasons and challenges including the Covid19 pandemic. Unspent only relates to National Disaster Recovery Grant Funding that has been committed as a multi-year project. Due to the extensive nature of this project and the late transfer of Disaster Recovery Grant Funds from the government, this project is to be carried over and intended for completion during the 2023/24 financial year. Appropriate corrective measures have been implemented to ensure the successful completion of the aforementioned project.

The Oudtshoorn Municipality regards risk management as a priority and as such it is a standing item on the agenda of the weekly senior management meetings. The municipality remains committed to enhancing effective risk management through risk identification, assessment, and the implementation of mitigation action plans. Below are the top ten strategic risks of the Municipality:

- Inappropriate/insufficient municipal infrastructure to meet expected community needs.
- Inadequate budget to achieve municipal strategic and functional objectives as outlined in the IDP.
- Failure to ensure effective execution of municipal capital investment projects within set targets.
- Ineffective/Lack of integrated supply chain management.
- Failure of the Municipality as a strategic enabler to promote economic development within the municipal area.
- Non-alignment of integrated development planning and institutional performance management in accordance with prescribed legislation.
- Failure/ Inability of the Municipality to attract, build, nurture and retain scarce/critical skills.
- Non-compliance with key municipal laws and regulations
- Failure to meet increased demands on human settlements.
- Ineffective response to severe storms and fire disasters.

# Annual Report

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Apart from the ten strategic risks, we have identified the root causes for each risk and formulated risk mitigation action plans and strategies. The top ten strategic risks, root causes and mitigation plans and strategies will be reviewed and amended based on the current risk environment within the Oudtshoorn Municipality.

The Oudtshoorn Municipality received a clean audit for the financial year 2022/23 for the first time in two decades. This remarkable accomplishment reflects the Municipality's dedication to financial transparency and responsible governance.

The Municipality has demonstrated substantial improvement, transitioning from a previous audit outcome categorized as "unqualified with findings" to a pristine "unqualified without findings" audit outcome. This shift signifies a commendable milestone in the Municipality's commitment to accountability and effective financial management.

In simpler terms, an "unqualified with findings" audit outcome indicates that while the financial statements are accurate, there are specific issues or discrepancies noted during the audit process. On the other hand, achieving an "unqualified without findings" audit outcome signifies a flawless assessment, indicating that the financial statements are not only accurate but also free from any material misstatements or concerns.

When auditing a municipality, the Auditor-General of South Africa, mandated by law to audit and report on government spending, thoroughly examines the Municipality's financial statements and all matters relevant to financial management. This includes scrutinizing expenses related to various projects and ensuring that allocated funds are used for their intended purposes. The Auditor-General also conducts on-site checks to verify the completion of projects, ensuring that taxpayer money is spent appropriately and in line with government allocations. They went further this time and had conversations with residents on service delivery issues.

Lastly, I wish to thank the Executive Mayor, members of the Executive Mayoral Committee, Councillors and all staff members. Obtaining a clean audit was good but sustaining it year on year is the ultimate goal. Therefore, we rely on the continued support and assistance from all the relevant role-players.

**W HENDRICKS**

**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 2022/23 Annual Report reflects on the performance of the Municipality for the period 1 July 2022 to 30 June 2023. 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.

# Annual Report

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

Description		2011	2018	2022
<b>Population</b>		95 933	98 026	90 085
<b>Households</b>		21 910	23 362	23 094
<b>People per Household</b>		4.4	4.2	4.4
<b>Sex Ratio</b>		91.8	92.3	88.6
<b>Gender Breakdown</b>	<b>Males</b>	45 913 (47.9%)	47 720 (48.7%)	47%
	<b>Females</b>	50 021 (52.1%)	50 261 (51.3%)	53%
<b>Age Breakdown</b>	<b>0 - 14</b>	28.7%	27.7%	n/a
	<b>15 - 64</b>	64.2%	65.1%	n/a
	<b>65+</b>	7.2%	7.2%	n/a

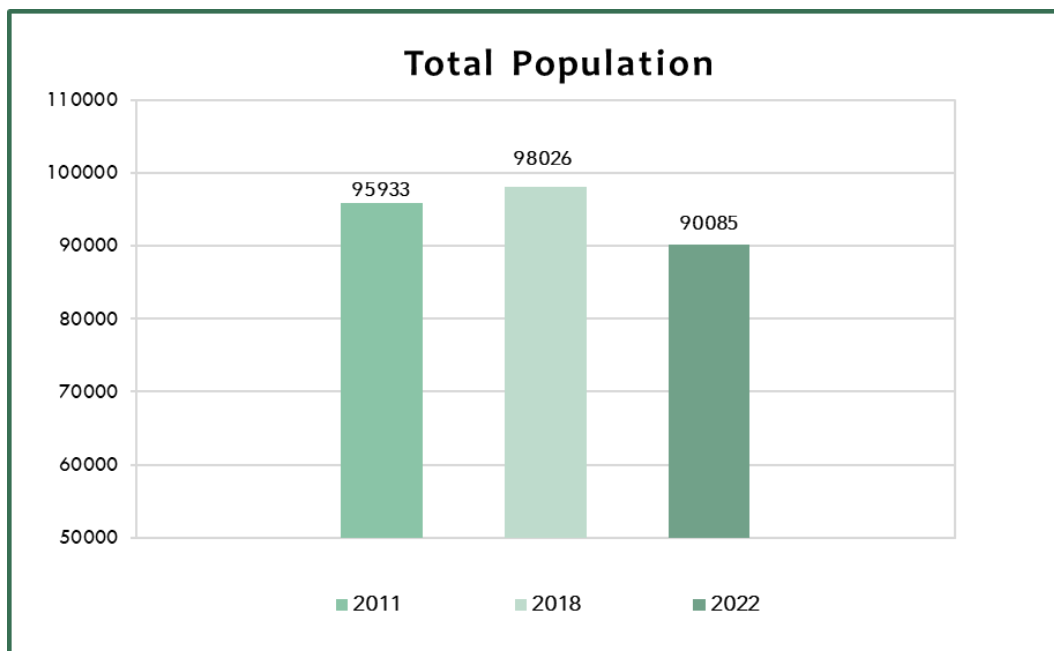
*Source: Community Survey 2016; 2021/22 IDP ; 2022 Socio-Economic Profile*

Table 1: Demographic Profile

## Total Population

As of 2022, 14.2 per cent of the Garden Route's population resides in the Oudtshoorn municipal area. The population of the municipal area totals 90 085 persons in 2022 and is estimated to decrease to 88 203 persons by 2026. This equates to an estimated average annual decline in the population of 0.5 per cent for the period.

The estimated population growth in the Oudtshoorn municipal area is significantly below the district growth rate of 1.0 per cent. This is an indication of outmigration.



Graph 1.: Total Population

# Annual Report

## Gender Distribution

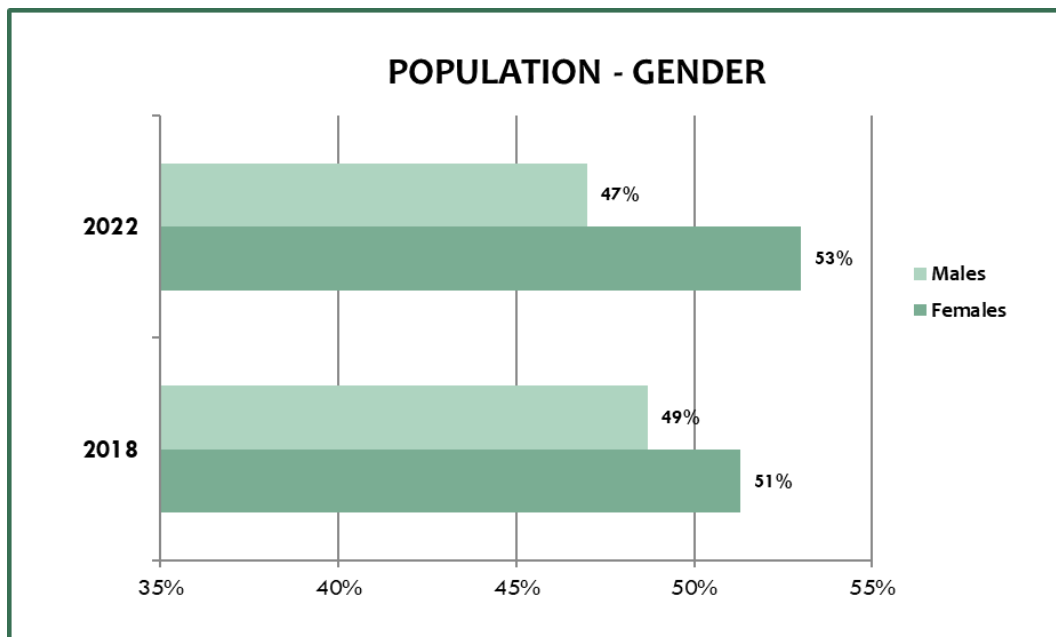
The overall sex ratio (SR) depicts the number of males per 100 females in the population. The data indicates that as of 2022, there are more females than males in the Oudtshoorn municipal area with a ratio of 53.0 per cent (females) to 47.0 per cent (males). The sex ratio is therefore 89.2 meaning that for every 100 women there are 89 men. The ratio will remain stagnant towards 2026. The high percentage of females compared to the males reflects a potential outflow of working males from the municipal area or higher male mortality rates.

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

Gender	2018	2022
Males	48.7%	47%
Females	51.3%	53%

Source: Community Survey 2016 /2022 Socio-Economic Profile

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



Graph 2.: Gender Distribution

# Annual Report

## Population Groups

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

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

Source: Census 2011

Table 3: Demographic Information of the Municipal Area

## 1.3.2 Demographic Information

### 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, Dysselsdorp, 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.

# Annual Report

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

## Wards

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

Ward	Areas
1	West side of town: SANDF, Oudtshoorn Hospital, Zeelandsnek, Palm Village
2	Part of town and rural areas: Volmoed, Kliplokasie, Eiland, De Jager Sport Complex
3	North, East and South of Town
4	Part of Bridgton, 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

# Annual Report

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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.

# Annual Report

## 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

# Annual Report

## 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	Three exploration boreholes were linked with the distribution network by a 23km long 315mm pipeline and will supply 48liter per second (172800liter per hour) of potable water to the Greater Oudtshoorn
Network Upgrade	The programme to replace old asbestos cement (AC) pipes continued and approximately 16km of pipes between 75 and 350mm in diameter were replaced in the Bridgton area
Supply of Water to Rural Areas	The first phase of installing water network in some of the rural areas currently serviced by water tankers were completed. 2.5km of pipe network were installed in the Schoemanshoek Valley
Water Masterplan and Water Services Delivery Plan (WSDP)	The outdated Water Masterplan and WSDP were updated with a grant received from the Development Bank of Southern Africa (DBSA)
Emergency Power Supply to the KKRWS	The first phase of supplying emergency power to the KKRWS kicked off with a 300 kVa generator at the WTW and inverters with batteries were installed at 2 of the 8 boreholes
Refurbishment of Mechanical installations at WWTW	Refurbishments of mechanical gear continued at the various WWTW's
Sewer Masterplan and Water Services Delivery Plan (WSDP)	The outdated Sewer Masterplan and WSDP were updated with a grant received form DBSA
Fencing at Oudtshoorn WWTW	The second of three phases of replacing the security fence at the Oudtshoorn WWTW were undertaken. A total of 800m has now been replace and about 350m is still outstanding
Dysselsdorp Electrification Project (Phase 4 of 4)	167 Electrical connections were completed to provide electricity to the community of Dysselsdorp
Upgrading of traffic lights to LED lights with UPS	To ensure traffic safety during loadshedding the following intersections were upgraded to LED lights with UPS: Voortrekker/High Street, Voortrekker/Addereley Street, Vooktrekker/Jan Van Riebeeck Street
High mast light installation - Spieskamp	Provide safety lighting for the community of Spieskamp
Network Efficiency- and Safety Improvement at Schoemanshoek Area	Installation of new auto reclosers for Schoemanshoek Area for minimisation of down time on the network and substation improvements
Funding was received from National Government to have two projects running simultaneously. This assisted with the illegal dumping problem experienced in the Greater Oudtshoorn, including the rural area of Volmoed	The Municipal Infrastructure Support Agent (MISA) Project started in December 2022 and employed about 200 unemployed youth in the Greater Oudtshoorn working in open spaces and also doing door-to-door education campaigns.  The Greening and Cleaning Project started on 9 January 2023 and 63 unemployed persons were employed in the Parks Section and Waste Management and Pollution Control Section. These projects were again extended as from July 2023 for another six months

Table 7: Basic Service Delivery Highlights



# Annual Report

## 1.4.2 Basic Service Delivery Challenges

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

Description	Actions to address
Ageing infrastructure leading to constant pipe breakages	The water reticulation network is ageing, and a program was launched to systematically replace old infrastructure. This program is now in its fourth year
Supply of potable water	The Klein Karoo is a water scarce area and frequent droughts occur. Additional water sources need to be found to augment the current supply. A pipeline supplying water from De Rust and Vrede to Dysselsdorp and a storage dam in the vicinity of the Kombuis Farm is envisaged
Water supply interruptions due to load shedding	Although the town of Oudtshoorn is supplied via gravity mains, Dysselsdorp and portions of the KKRWSS are supplied with water from boreholes. During the higher stages of load shedding the demand cannot be met and emergency power sources are needed to supply water. This must then be augmented by water delivery with trucks which is not a viable solution
Water delivery to rural areas	Many inhabitants on farms in the rural areas are not in reach of the water supply system and tankers are utilized to supply water to almost a 100 delivery points. This is not a viable solution and other alternatives need to be investigated
Vandalism of infrastructure	Constant vandalism and theft of infrastructure is costing the Municipality millions and have a negative effect on service delivery
Ageing infrastructure and sewer blockages	The sewer network is ageing and needs to be replaced in many areas. This coupled with root intrusions and vandalism (dumping of objects into the sewer network) causes constant blockages in certain areas
Staff recruitment	More competent staff to be employed since the skills required are not available in-house to cater for all the needs in the various areas of supply. New staff regulations are cumbersome and is subjected to tedious processes, which further prolong service delivery challenges. Restructuring to be done in Electrical Services Department to improve the need of the service delivery. Successive planning is key to ensure capacity is build in-house
Vandalism and theft	Vandalism and cable theft lead to overtime work due to continuous unplanned events
Increase of illegal dumping	Vigorous campaigns are conducted in conjunction with the Garden Route District Municipality (GRDM) to address the problem. GRDM are also in the process of drafting an illegal dumping strategy for the district. Every Friday we have a clean-up campaign as well as door-to-door education programs and we are also including our schools in this
Non-adherence to the approved refuse collection scheduled	The refuse collection schedule will again be communicated by means of media and social media to specify the scheduled days for refuse removal in their specific areas. Finance will also be requested to include the schedule with the distribution of rates and taxes bills

Table 8: Basic Service Delivery Challenges

# Annual Report

## 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	2021/22	2022/23
Electricity service connections	17 174	16 907
Water - Piped water inside dwelling	15 375	18 002
Sanitation - Households with at least VIP service	15 833	17 532
Waste collection - kerbside collection once a week	14 687	15 116

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	2021/22	2022/23
Financial viability measured in terms of the municipality's ability to meet it's 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	13.58%	14.74%
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)	16%	23%
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	2.05	1.95

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

# Annual Report

## 1.5.3 Financial Overview

Details	2021/22	2022/23		
		Original budget	Adjustment Budget	Actual
R'000				
<b>Income</b>				
Grants	143 843	171 840	211 205	183 845
Taxes, Levies and Tariffs	508 319	554 771	527 174	525 369
Other	48 019	47 966	59 877	70 792
<b>Sub Total</b>	<b>700 181</b>	<b>774 578</b>	<b>798 257</b>	<b>780 006</b>
<b>Less Expenditure</b>	<b>(678 495)</b>	<b>(735 144)</b>	<b>(788 230)</b>	<b>(714 817)</b>
Reversal of impairment loss/(Impairment Loss) on Receivables	(2 614)	n/a	n/a	(12 510)
Reversal of Impairment loss/(Impairment Loss) on Fixed Assets	5 772	n/a	n/a	20 980
Gains/(loss) on Sale of Fixed Assets	(4 358)	n/a	n/a	(1 371)
<b>Net surplus/(deficit)</b>	<b>20 486</b>	<b>39 600</b>	<b>10 381</b>	<b>72 289</b>

Table 11: Financial Overview

## 1.5.5 Total Capital Expenditure

Detail	2021/22	2022/23
	R'000	
Original Budget	51 387	92 047
Adjustment Budget	121 982	116 615
Actual	77 455	111 469

Table 12: Total Capital Expenditure

# Annual Report

## 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
Implementation of Municipal Staff Regulation (Regulation 890)	Implementation of Performance Management and Development System to the lowest level of the workforce
Approval of Budget 2023/24	Council approved the Medium Term Revenue and Expenditure 2023/24, Special Council Meeting, 29 May 2023
Approval of IDP 2023/24	Council approved the IDP, Special Council meeting, 29 May 2023
Filling of Municipal Managers post	Council approved the filling of the MM post, Special Council meeting, 3 May 2023

Table 13: Municipal Transformation and Organisational Development Highlights

### 1.6.2 Municipal Transformation and Organisational Development Challenges

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

Challenge	Actions to address
Lack of cooperation with implementation of municipal staff regulations	To provide more communication and awareness on the municipal staff regulation

Table 14: Municipal Transformation and Organisational Development Challenges

## 1.7 Auditor-General Report

### 1.7.1 Audited Outcomes

Year	2020/21	2021/22	2022/23
<b>Opinion received</b>	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion

Table 15: Audit Outcomes

# Annual Report

## 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
	2021/22	2022/23
The percentage of the municipal capital budget spent on capital projects as at 30 June 2023 $\{(\text{Actual amount spent on capital projects} / \text{Total amount budgeted for capital projects}) \times 100\}$	63.60%	96%

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.

Council Members	Capacity	Political Party	Ward representing or proportional
JJ Allers	Speaker	VFP	Proportional
CD MacPherson	Executive Mayor	Democratic Alliance	Proportional
VM Donson	Executive Deputy Mayor	ICOSA	Proportional
V Michaels	Chairperson: Community Services	SAAMSTAAN	Proportional
RR Wildschut	Chairperson: Corporate Services	Democratic Alliance	Ward 12

# Annual Report

Council Members	Capacity	Political Party	Ward representing or proportional
Jl du Preez	Chairperson: Finance Portfolio	Democratic Alliance	Ward 3
BV Owen	Chairperson: Planning & Development	ICOSA	Proportional
DJ Fourie	Chairperson: Infrastructure Services	Democratic Alliance	Ward 1
JN Duvenage	Councillor	VFP	Ward 2
NM Jaxa	Councillor	African National Congress	Ward 4
A Tiemie	Councillor	African National Congress	Ward 5
DV Moos	Councillor	African National Congress	Ward 6
A Berry	Councillor	Democratic Alliance	Ward 7
MZ Tyatya	Councillor	African National Congress	Ward 8
C Louw	Councillor	African National Congress	Ward 9
LSS van Rooyen	Councillor	African National Congress	Ward 10
J van der Ross	Councillor	African National Congress	Ward 11
JR Canary	Councillor	African National Congress	Ward 13
SA Jansen	Councillor	Patriotic Alliance	Proportional
L Campher	Councillor	ADVIES	Proportional
CF Sylvester	Councillor	OGI	Proportional
C Muller	Councillor	VFP	Proportional
RJ April	Councillor	Democratic Alliance	Proportional
JC Lambaatjeen	Councillor	Democratic Alliance	Proportional
SN Bentley	Councillor	GOOD	Proportional

Table 17: Council

Below is a table which indicates the Council meeting attendance for the 2022/23 financial year:

Meeting dates	Meeting	Council Meetings Attendance	Apologies for non-attendance
06 July 2022	Special Council Meeting	25	0
28 July 2022	Ordinary Council Meeting	23	2
10 August 2022	Special Council Meeting	21	4
19 August 2022	Special Council Meeting	22	3
25 August 2022	Special Council Meeting	22	3
29 August 2022	Ordinary Council Meeting	24	1
06 September 2022	Special Council Meeting	24	1
29 September 2022	Ordinary Council Meeting	23	2
19 October 2022	Special Council Meeting	23	2

# Annual Report

Meeting dates	Meeting	Council Meetings Attendance	Apologies for non-attendance
31 October 2022	Ordinary Council Meeting	23	2
24 November 2022	Special Council Meeting	23	2
30 November 2022	Ordinary Council Meeting	24	0
19 January 2023	Special Council Meeting	24	1
31 January 2023	Special Council Meeting	24	1
28 February 2023	Special Council Meeting	24	1
24 March 2023	Ordinary Council Meeting	22	2
29 March 2023	Ordinary Council Meeting	21	2
25 April 2023	Special Council Meeting	24	1
29 May 2023	Special Council Meeting	24	1
21 June 2023	Ordinary Council Meeting	25	0

Table 18: Council Meetings

## Executive Mayoral Committee

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

The name and portfolio of each Member of the Executive Committee is listed in the table below:

Name of member	Capacity
CD MacPherson	Executive Mayor
Jl du Preez	Chairperson: Financial Services
BV Owen	Chairperson: Planning & Development
RR Wildschut	Chairperson: Corporate Services
DJ Fourie	Chairperson: Infrastructure Services
V Michaels	Chairperson: Community Services
C Muller	Chairperson: Human Settlements

Table 19: Mayoral Committee Members

# Annual Report

## 2.2.2 Administrative Governance Structure

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

Name of Official	Position
WF Hendricks	Municipal Manager
GP De Jager	Director: Financial Services
RK Smit	Director: Corporate Services
N van Stade	Director: Community Services
L Lesch	Director: Infrastructure Services
LA Coetzee	Senior Manager: Planning & Development

Table 20: Administrative Governance Structure

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3 Intergovernmental Relations

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

#### 2.3.1 Intergovernmental Structures

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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
<b>National Structures</b>		
Municipal Managers Forum	SALGA, Municipal Managers	Management and best practice on municipal structures & systems
SALGA Working Groups	SALGA, Mayors, Councillors, Directors, Officials	Working groups on economic, community services, financial services, basic infrastructure
<b>Provincial Structures</b>		
MINMAY	Ministers, Mayors, Premier, MM's	Best practice, strategic focus areas
MINMAY-TECH	MM's, Head of Departments, Officials	Discuss technical aspects on service delivery
PCF	MM's, Head of Departments, Officials	Discuss technical aspects on service delivery
Provincial CFO Forum	CFOs of all municipalities, Provincial Treasury	Financial aspects & budget coordination



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Name of Structure	Members	Outcomes of Engagements/Topics Discussed
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"> <li>• Support to IDP alignment processes.</li> <li>• Best Practice for public engagement.</li> <li>• Support to sector departments engagements</li> <li>• Support to IDP representative forum meetings</li> <li>• Support for legal compliance</li> <li>• Hands on support on Section 26 of MSA.</li> <li>• Support for IDP planning processes</li> </ul>
LED District Forum	LED Managers, Provincial Dept. Economic Development, WESGRO	Economic development and investment opportunities
District Infrastructure Forum	Managers Infrastructure, Technical Officials	Roads, water, electricity, basic infrastructure, sanitation etc.
District Disaster Management Forum	Managers responsible for disaster management, fire services	Disaster Management, Fire Services
Provincial IDP Managers Forum	Managers responsible for IDP in local municipalities and District	<ul style="list-style-type: none"> <li>• To prepare Municipalities for the next five-year term of office</li> <li>• To serve as a platform for sharing good planning practices</li> <li>• To provide support to municipalities in ensuring legally compliant IDP's</li> <li>• To provide relevant information in terms of planning and drafting of IDP's</li> </ul>

Table 21: Intergovernmental Structures

# Annual Report

## 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 22: Joint Projects and Functions with Sector Departments

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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

# Annual Report

## 2.4 Public Meetings

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

Ward	Ward	Number of Participating Municipal Councillors	Number of Community members attending
<b>Mayoral Imbizo's</b>			
1	Public Participation IDP Meeting	1	43 - These 3 meetings were held together
2	Public Participation IDP Meeting	1	
3	Public Participation IDP Meeting	1	
4	Public Participation IDP Meeting	1	38
5	Public Participation IDP Meeting	1	47
6	Public Participation IDP Meeting	1	86
7	Public Participation IDP Meeting	1	25
8	Public Participation IDP Meeting	1	50
9	Public Participation IDP Meeting	1	21
10	Public Participation IDP Meeting	1	27
11	Public Participation IDP Meeting	1	57
12	Public Participation IDP Meeting	1	Meeting did not take place due to poor attendance
13	Public Participation IDP Meeting	1	25
2	Public Participation IDP Meeting (Lategansvlei)	1	20
9	Public Participation IDP Meeting (Roodewal)	1	28
11	Public Participation IDP Meeting (Vlakteplaas)	1	39
12	Public Participation IDP Meeting (Welbedacht)	1	26
2	Public Participation IDP Meeting (Volmoed)	1	55
11	Public Participation IDP Meeting (Grootkraal)	1	Meeting did not take place due to heavy rain
12	Public Participation IDP Meeting (Klipdrift)	1	Meeting did not take place

Table 23: Public Meetings

# Annual Report

## 2.4.1 Representative Forums

### Labour Forum

The table below specifies the members of the Labour Forum for the 2022/23 financial year:

Name of representative	Capacity
VM Donson	Deputy Executive Mayor
Jl Du Preez	Chairperson: Financial Services
RR Wildschut	Chairperson: Corporate Services
LSS Van Rooyen	Employer Representative
DJ Fourie	Chairperson: Infrastructure Services
WF Hendricks	Municipal Manager
GP de Jager	Chief Financial Officer
N van Stade	Director: Community Services
J Lesch	Director: Infrastructure Services
RK Smit	Director: Corporate Services
SAMWU Representatives	5 Representatives
IMATU Representatives	5 Representatives

Table 24: Labour Forum

## 2.4.2 Ward Committees

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

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

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

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

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

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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	
M Schutte	
F Labuschagne	06 September 2022
N Smith	01 November 2022
N Sili	16 January 2023
L Lotter	01 March 2023
P Marè	02 May 2023
E Marè	

Table 25: 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	
B Human	
C Horn	
J Swart	05 September 2022
J Vorster	02 November 2022
E Claassen	17 January 2023
E Jacobs	02 March 2023
J Terblanche	03 May 2023
I Oktober	
G Juthe	

Table 26: Ward 2 Committee Meetings

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

Name of representative	Dates of meetings held during the year
J Gerber	
J Davel	
I Coetzee	
J Cloete	06 September 2022
G Snyman	03 November 2022
G Deelman	18 January 2022
P Mc Duling	06 March 2023
M Roos	04 May 2023
J Meyer	

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

Table 27: 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	
I Fielies	
L Tenge	
S Lucas	07 September 2022
S Marthinus	07 November 2022
Z Dangazele	19 January 2023
P Sambo	07 March 2023
B Nakasayi	08 May 2023
H Kumutu	
S Williams	

Table 28: Ward 4 Committee Meetings

## Ward 5: Part of Bridgton, Smartie Town

Name of representative	Dates of meetings held during the year
H Barends	
B Prins	
M Baartman	
J Kamfer	08 September 2022
P Saterdag	08 November 2022
M Minnies	23 January 2023
A Britz	08 March 2023
L Stuurman	09 May 2023
J Martins	
M Kiewiets	

Table 29: 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	12 September 2022
S Visagie	09 November 2022
F Thomas	24 January 2023

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Name of representative	Dates of meetings held during the year
V George	09 March 2023
L Rhodes	10 May 2023
P Koopman	
R Le Roux	

Table 30: Ward 6 Committee Meetings

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

Name of representative	Dates of meetings held during the year
D Ruiters	
R Titus	
J Pietersen	13 September 2022
S Williams	10 November 2022
C Van Der Nest	25 January 2023
D Everts	13 March 2023
G Tait	11 May 2023
J Vaas	
J Jonck	

Table 31: Ward 7 Committee Meetings

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

Name of representative	Dates of meetings held during the year
F Bergh	
K Lewendal	
A Damans	
G Van Wyk	14 September 2022
K Le Roux	14 November 2022
J Figeland	26 January 2023
P Olyn	14 March 2023
F Kleynhans	15 May 2023
R Witbooi	
X Ngalo	

Table 32: Ward 8 Committee Meetings

# Annual Report

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

Name of representative	Dates of meetings held during the year
A Solomons	
A Maart	
S Plaatjies	
P Van Rooyen	15 September 2022
S Damons	15 November 2022
S Lewis	30 January 2023
J Olivier	15 March 2023
K Du Plessis	16 May 2023
M Samson	
B Jantjies	

Table 33: 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	
S Buys	
C Makier	
T Rala	19 September 2022
F Prins	16 November 2022
L Afrika	31 January 2023
E Arends	16 March 2023
J Marnewick	17 May 2023
D Herman	
G Oktober	

Table 34: Ward 10 Committee Meetings

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

Name of representative	Dates of meetings held during the year
S Bakkies	
B Le Roux	
C Smit	20 September 2022
D Boesak	17 November 2022
J Wolwerans	01 February 2023
L Januarie	20 March 2023
D Titus	18 May 2023



# Annual Report

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

Table 35: 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		
D Meyer		
S Meiring		
J Koegelenberg		21 September 2022
N Hufke		21 November 2022
J Ockers		02 February 2023
L Booyesen		22 March 2023
S Delport		22 May 2023
D Maart		
E Stuurman		

Table 36: 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		22 September 2022
C Jansen		22 November 2022
M Marnewil		06 February 2023
D Gysman		23 March 2023
C Jacobs		23 May 2023
F Stoffels		
J Plaatjies		

Table 37: Ward 13 Committee Meetings

# Annual Report

## 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	26 August 2022
D Block	Member	23 September 2022
P Hayward	Member	9 December 2022
D Mooney	Member	28 March 2023
A Dippenaar	Member	22 June 2023

Table 38: Audit Committee

# Annual Report

## 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 2022/23 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	By- Law administration
7	Consequence management
8	Security Services
9	New housing beneficiary list
10	Traffic fines
11	Cango Caves (follow-up)
12	Billing system
13	Material losses

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No.	Internal Audit Reports issued
14	Cash inspections
15	Emergency material
16	Ad-hoc requests

Table 39: Internal Audit Reports Issued

## 2.7 Supply Chain Management

### 2.7.1 Competitive Bids in Excess of R200 000

#### **Bid Committee Meetings**

The following table details the number of bid committee meetings held for the 2022/23 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
35	42	28

Table 40: Bid Committee Meetings

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

Member (Capacity)	Percentage attendance
Manager: Fire and Disaster Management	100
Manager: Fleet	100
Senior Manager: Electrical Services	100
Senior Manager: Street and Stormwater	100
SCM Manager	100
Manager Security and Law Enforcement Services	100
Acting Director: Community Services	100
Acting Manager: Traffic	100
Senior Accountant: Accounting	100
Senior Clerk: Asset	100
Acting Manager: Housing	100
Manager: Job Creation	100
Snr SCM Practitioner: Tenders	100
Snr SCM Practitioner: Logistics	100
Manager: Revenue	100
Manager ICT	100
Acting Operational Manager: Cango Cave	100
Logistics Coordinator	100
Superintendent KKLWS	100

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Member (Capacity)	Percentage attendance
Logistics Operator Cango Caves	100
Senior Manager Electro Technical Services	100
Manager Parks	100
Chief Internal Audit	100
Technical Services: Snr Engineering Tech	100
Distribution: Engineering Technician	100
Electricity: Snr Engineering Technician	100
Manager Legal Services	100
SCM Practitioner: Contract Admin	100
Snr Manager Water	100
Fleet Superintendent	100
Acting Fleet Manager	100
Manager Solid Waste	100
Snr Manager Accounting Services	100
SCM Practitioner: Tenders	100
LED Manager	100
Snr Manager Strategic Services	100
Manager Town Planning	100
OHS Officer	100
Snr Communications Officer	100

Table 41: 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	100
Manager: Job Creation	100
Acting Manager: Housing	100
SCM: Buyer	100
SCM Practitioner (1): tenders	100
Manager: Fire and Disaster Management	100
Traffic Officer	100
Acting Manager: Parks	100
Chief: Fire	100
Manager: Technical Services	100
Manager: Fleet	100

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

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Table 42: Attendance of Members of Bid Evaluation Committee

Legal Services provides input if requested.

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

Member	Percentage attendance
Chief Financial Officer	100
Director Corporate Services	100
Director Technical Services	100
Director Community Services	100
Senior Manager Strategic Services	100
SCM Manager	100

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

Table 43: Attendance of Members of Bid Adjudication Committee

## Awards Made by the Bid Adjudication Committee

The bid adjudication committee awarded 50 bids with an estimated value of R79 945 620.66 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 11/02/2022	Blossoms emergency bulk water supply scheme - Phase 2	Technical	De Jagers Loodgieter Kontrakteurs Edms Bpk	R31 580 170.94
TD 07/04/2022	Refurbishment of the athletics track at the De Jager Sports Complex	Community	MARTIN & EAST (PTY) LTD	R9 710 000.00

Table 44: 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:

<b>Bid number</b>	<b>Title of bid</b>	<b>Directorate and section</b>	<b>Value of bid awarded (inclusive of all costs)</b>
TD 11/02/2022	Blossoms emergency bulk water supply scheme - Phase 2	Technical	31 580 170.94

Table 45: Awards Made by Accounting Officer

## **Appeals Lodged by Aggrieved Bidders**

10 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 2022/23:

<b>Type of deviation</b>	<b>Number of deviations</b>	<b>Value of deviations</b>	<b>Percentage of total deviations value</b>
Sole Provider	3	1 520 513.60	62
Impractical / Exceptional	2	194 375.50	8
Emergency	3	717 679.80	30

Table 46: 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 2022/23.



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## 2.7.3 Logistics Management

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The system of logistics management must ensure the following:

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

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

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

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

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

## 2.7.4 Disposal Management

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The system of disposal management must ensure the following:

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

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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	2021/22	2022/23
Ensure that tenders are successfully finalised and awarded within the validity period of the tender to enhance effective delivery of services	91%	95%
Provide administrative support to the bid and adjudication committees to ensure fast and effective SCM processes	100%	100%
Compliance with the SCM Act measured by the limitation of successful appeals against the Municipality	94%	95%

Table 47: SCM Performance Indicators

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## 2.8 Communication

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

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

### 2.8.1 Communication Activities

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

Table 48: Communication Activities

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## 2.8.2 Newsletters

Type of Newsletter	Issues distributed	Circulation number	Frequency
External newsletter	12	17 600	Monthly

Table 49: Newsletters

## 2.8.3 Additional Communication Channels Utilised

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

Table 50: Communication Activities

## 2.9 Website

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

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

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

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

Description of information and/or document	Yes/No
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Draft Budget 2022/23	Yes
Adjusted Budget 2022/23	Yes

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Description of information and/or document	Yes/No
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
SDBIP 2022/23	Yes
<b>IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2022/23	Yes
IDP Process Plan for 2023/24	Yes
<b>Supply Chain Management (Sections 14(2), 33, 37 &amp; 75(1)(e) &amp; (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
Long term borrowing contracts	Yes
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	Yes
Public invitations for formal price quotations	Yes
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the Municipal Finance Management Act)</b>	
Annual Report of 2021/22	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly Budget Statement	Yes
<b>Local Economic Development (Section 26(c) of the Municipal Systems Act)</b>	
Local Economic Development Strategy	Yes
Economic Profile	Yes
<b>Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)</b>	
Performance agreements for employees appointed as per S57 of Municipal Systems Act	Yes

Table 51: Website Checklist

## CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2022/23 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

### 3.1 Overview of Performance within the Organisation

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

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

#### 3.1.1 Legislative Requirements

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

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

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

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

## 3.1.2 Performance Management

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

## 3.1.3 Organisational Performance

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

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

The organisational performance is monitored and evaluated via the Top Layer SDBIP. The Top Layer SDBIP for 2022/23 was approved by the Mayor on 1 July 2022.

## 3.1.4 Individual Performance:

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### ***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 2022/23 financial year was signed by 31 July 2022.

The formal appraisal of the actual performance takes place twice per annum as regulated. The final evaluation of the 2021/22 financial year (1 January 2022 to 30 June 2022) and the mid-year performance of 2022/23 (1 July 2022 to 31 December 2023) took place on 18 April 2023.

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## All Staff

The Municipal Staff Regulations 890 and Guidelines 891 promulgated on 20 September 2021 Chapter 4, Performance Management and Development System Section 32 (1) states that the performance management and development system applies to all staff members of a municipality with the exclusion of certain staff members as stated by the subsections (a) - (d). However due to various issues raised by Municipalities across the country COGTA on 17 June 2022 provided Municipalities with Circular 12 which provided Municipalities with an extension for implementation on 1 July 2023 in terms of Chapter 2 and 4 of these Regulations.

In terms of this extension provided to the Municipality, the Municipality has therefore developed/started the following process in order to ensure implementation:

Process of cascading Performance Management Development System	Dates
The Senior HR Officer post were added to the organogram and filled	3 October 2022
Council approved the Performance Management Development System/ Policy	31 October 2022
Council approved the amendment on TD 01/06/2020 contract to add the individual performance modules to the system	31 January 2023
A Councillors Policy Workshop was held, and the Rewards and Recognition Policy were on the agenda. The Policy were not workshop	24 -25 January 2023
Procurement of an Automated Performance Management System for a period of 3 years up to 30 June 2026 were advertised	16 March 2023
Performance Agreement training were provided by Ignite. Ignite also had one-on-one sessions with Senior staff to draft their performance agreements	12 -14 April 2023
Service provider appointed for Performance Management Development System	6 June 2023
Submission of all Performance Agreement. Snr HR Officer assist the departments with amendment and writing of performance agreements	8 June 2023
A Councillors Policy Workshop was held, and the Rewards and Recognition Policy were workshop	13 June 2023
The Departmental Performance Moderation Committee has been approved by the Municipal Manager	20 June 2023
The Municipal Performance Moderation Committee has been approved by Council	21 June 2023
Training provided on how to create a scorecard/performance agreement on the system	10 July 2023 - 14 July 2023
Individual Performance Module have been loaded on the system	17 July 2023
Deadline for the creation of signed performance agreements	31 July 2023

Table 52: Process of cascading Performance Management Development System

## Training sessions (Group Sessions)

Development of KPI's and targets linked to job KPA's, performance standards and identification of potential portfolio of evidence training was conducted from Wednesday, 12 April to Friday 14 April.



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In the training, key elements pertaining to Regulations was discussed relevant to the development of performance agreements and the steps to take to draft a KPI. The aim was specifically for staff to obtain the necessary skills to draft their own agreements and to assist staff in the development of KPI's and agreements.

## **Drafting of KPI's for specific users (One-on-One Sessions)**

Development of kpi's and targets linked to job KPA's, performance standards and identification of potential portfolio of evidence. The municipality selected 63 staff members to attend one on one session scheduled from Wednesday, 12 April to Friday 14 April.

One hour was allocated for each session during which the staff members were informed of the purpose of the session and all the fields required in terms of the Regulation for the performance agreement. The facilitator utilised the relevant job description (JD) of the staff member to extract the KPA's ranging between 5-7 KPA's. The staff member in collaboration with the facilitator identified the relevant KPI's, targets, performance standard and source of evidence in order to measure the performance of the KPA.

User also received system training in order to draft their Performance Agreements as part of the implementation process for the 2023/24 financial year.

## **3.1.5 The IDP and the Budget**

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Both the IDP and budget for 2022/23 were reviewed and approved on 6 June 2022. 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 29 March 2023.

## **3.1.6 Actual Performance**

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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.

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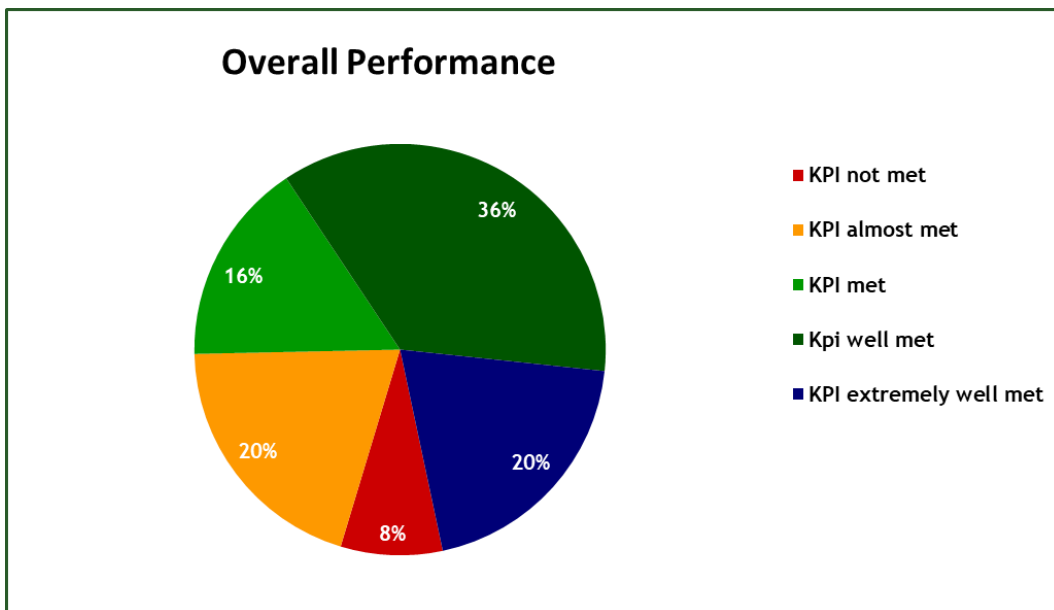
## 3.2 Strategic Service Delivery Budget Implementation Plan

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 2022/23 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:

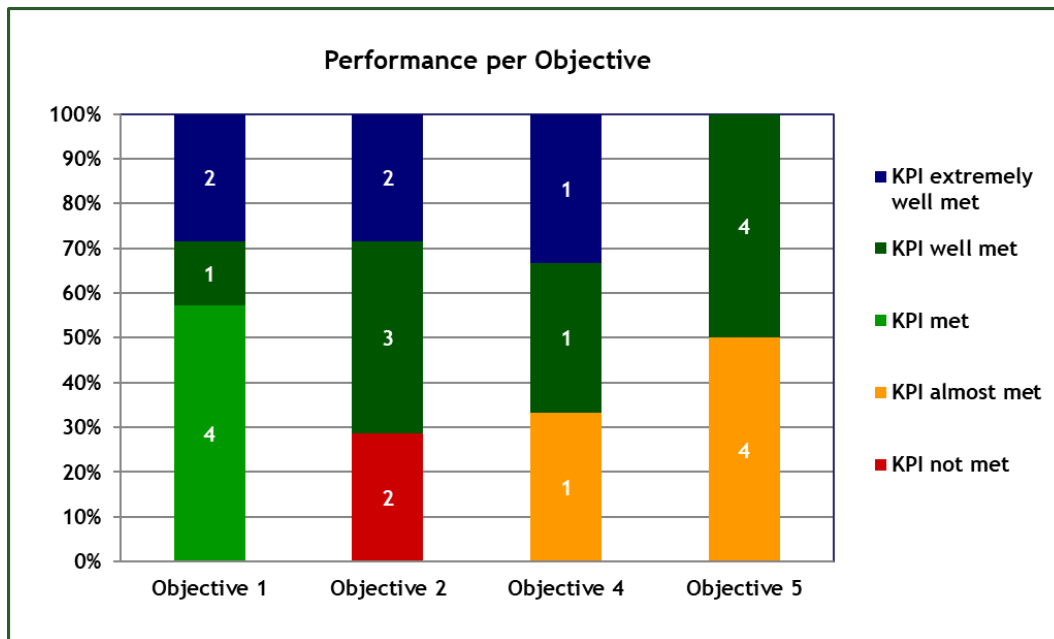
Category	Colour	Explanation
KPI Not Yet Measured	Grey	KPI's with no targets or actuals in the selected period
KPI Not Met	Red	0% > = Actual/Target < 75%
KPI Almost Met	Orange	75% > = Actual/Target < 100%
KPI Met	Light Green	Actual/Target = 100%
KPI Well Met	Dark Green	100% > Actual/Target < 150%
KPI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

Table 53: SDBIP Measurement Criteria



Graph 4.: Overall Performance

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Graph 5.: Performance per Strategic Objective

Measurement Category	Objective 1	Objective 2	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 promote social, rural and spatial economic development	
KPI Not Met	0	2	0	0	2
KPI Almost Met	0	0	1	4	5
KPI Met	4	0	0	0	4
KPI Well Met	1	3	1	4	9
KPI Extremely Well Met	2	2	1	0	5
<b>Total</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>25</b>

Table 54: 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:

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## 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 2022/23						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
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	8.83%	0%	0%	0%	13%	<b>13%</b>	<b>5.5%</b>	B
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	13.16%	20%	20%	20%	20%	<b>20%</b>	<b>10.44%</b>	B
TL21	Submit the draft IDP to Council by 31 March 2023 to ensure compliance with legislation	IDP submitted to Council	All	1	0	0	1	0	<b>1</b>	<b>1</b>	G
TL22	Submit the EE plan to Department of Labour by 15 January	EE plan submitted	All	1	0	0	1	0	<b>1</b>	<b>1</b>	G
TL23	Annually submit Workplace Skills Plan by 30 April to LGSETA	Workplace Skills Plan submitted	All	1	0	0	1	0	<b>1</b>	<b>1</b>	G
TL24	Submit a request for amendments of records to Provincial Archives by 30 November	Number of requests submitted	All	New KPI for 2022/23	0	1	0	0	<b>1</b>	<b>1</b>	G
TL25	Implement 80% of the Audit findings issued.	% Audit findings addressed	All	98.00%	0%	0%	40%	80%	<b>80%</b>	<b>100%</b>	G2

Table 55: 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	4
G2	KPI Well Met	1
B	KPI Extremely Well Met	2
<b>Total KPIs</b>		<b>7</b>

Table 56: Summary of Results: An ethical and transparent local government that is responsive to the needs of the community and encourage public participation

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## 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 2022/23						Actual	
					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 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	13.66%	0%	0%	0%	14%	<b>14%</b>	<b>12.62%</b>	B	
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	16%	0%	0%	0%	11.8%	<b>11.8%</b>	<b>23%</b>	R	
<b>Corrective Measure</b>		Improved and increase monthly debt collection measures to decrease outstanding debt on a monthly basis. A revenue enhancement workshop will be conducted on 23 August 2023, to identify potential new revenue streams, and to enhance current revenue streams										
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 fixed operating expenditure with available cash	All	2.1	0	0	0	1.9	<b>1.9</b>	<b>2</b>	G 2	
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	95.8%	93%	93%	93%	93%	<b>93%</b>	<b>93.7%</b>	G 2	
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	63.6%	10%	35%	60%	95%	<b>95%</b>	<b>96%</b>	G 2	
TL17	Number of people from employment equity target	Number of people employed in the	All	1	0	0	0	1	<b>1</b>	<b>6</b>	B	

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2022/23						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	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	three highest levels of management									
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	0.39%	0%	0%	0%	0.30%	<b>0.3%</b>	<b>0.1%</b>	R
<b>Corrective Measure</b>		Increase budget for training or alternatively review expenditure target of KPI									

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

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	0
G2	KPI Well Met	3
B	KPI Extremely Well Met	2
<b>Total KPIs</b>		<b>7</b>

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

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

Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2022/23						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
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	12.1%	0%	0%	0%	25%	<b>25%</b>	<b>13.88%</b>	B
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	103	30	60	90	150	<b>150</b>	<b>194</b>	G2
TL20	The percentage of budget allocation actually spent on implementing social	% budget spent	All	88%	20%	30%	60%	90%	<b>90%</b>	<b>75%</b>	O

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2022/23						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	development programs, youth & social										
<b>Corrective Measure</b>		KPI was amended following the approval of the Adjustment Budget in February 2023 and as such the Sport component had been excluded as a result of restructuring. The Sport function reallocated from Planning and Development to Community Services therefor the sport budget was not taken into consideration									

Table 59: 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
<b>Total KPIs</b>		<b>3</b>

Table 60: 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 2022/23						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
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	7 615	7 300	7 300	7 100	7 100	<b>7 100</b>	<b>7 040</b>	O
<b>Corrective Measure</b>		Regular advertisement to encourage consumers to apply for the indigent subsidy, consumer which qualify for this benefit									
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	7 324	7 100	7 100	7 000	7 000	<b>7 000</b>	<b>7 193</b>	G2
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	7 399	7 100	7 100	6 900	6 900	<b>6 900</b>	<b>6 819</b>	O

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Ref	KPI	Unit of Measurement	Ward	Previous year actuals	Overall performance for 2022/23						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
<b>Corrective Measure</b>		Regular advertisement to encourage consumers to apply for the indigent subsidy, consumer which qualify for this benefit									
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	7 398	7 100	7 100	6 870	6 900	<b>6 900</b>	<b>6 819</b>	○
<b>Corrective Measure</b>		Regular advertisement to encourage consumers to apply for the indigent subsidy, consumer which qualify for this benefit									
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	14 687	14 200	14 200	14 200	14 200	<b>14 200</b>	<b>15 116</b>	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 2023	Number of residential properties that receive piped water as per the Promun Financial System as at 30 June 2023	All	15 232	15 000	15 000	15 000	15 000	<b>15 000</b>	<b>15 842</b>	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 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	17 174	17 000	17 000	17 000	17 000	<b>17 000</b>	<b>16 907</b>	○
<b>Corrective Measure</b>		Infrastructure Services made funding available to do electricity connections in addition to the 177 houses electrified in Dysselsdorp. Integrated approach will be followed in order to enhance the readiness in so far it relates to implementation for the upcoming financial year									
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	14 911	15 000	15 000	15 000	15 000	<b>15 000</b>	<b>15 337</b>	G2

Table 61: 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	4
G	KPI Met	0
G2	KPI Well Met	4
B	KPI Extremely Well Met	0
Total KPIs		8

Table 62: 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
<b>Constitution Schedule 4, Part B functions:</b>	
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
<b>Constitution Schedule 5, Part B functions:</b>	
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 63: 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). As a first phase, 3 exploration boreholes were recently linked with the distribution network and will supply 1.5 million m<sup>3</sup>/a.

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 in the Kammanassie Mountains. The Vermaak's 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 m<sup>3</sup>/a (cubic metres per annum) and operates at 1.1 million m<sup>3</sup>/a.
- The Calitzdorp WTW (West) is designed for 0.9 million m<sup>3</sup>/a, but operates at only 0.1 million m<sup>3</sup>/a.

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

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## b) Highlights: Water Services

The table below specifies the highlights for the year:

Highlights	Description
Blossoms Emergency Water supply	Three exploration boreholes were linked with the distribution network by a 23km long 315mm pipeline and will supply 48liter per second (172800liter per hour) of potable water to the Greater Oudtshoorn
Network Upgrade	The programme to replace old asbestos cement (AC) pipes continued and approximately 16km of pipes between 75 and 350mm in diameter were replaced in the Bridgton area
Supply of Water to Rural Areas	The first phase of installing water network in some of the rural areas currently serviced by water tankers were completed. 2.5km of pipe network were installed in the Schoemanshoek Valley
Water Masterplan and Water Services Delivery Plan (WSDP)	The outdated Water Masterplan and WSDP were updated with a grant received from the Development Bank of Southern Africa (DBSA)
Emergency Power Supply to the KKRWSS	The first phase of supplying emergency power to the KKRWS kicked off with a 300 kVa generator at the WTW and inverters with batteries were installed at 2 of the 8 boreholes

Table 64: Water Services Highlights

## c) Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
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 fourth year
Supply of potable water	The Klein Karoo is a water scarce area and frequent droughts occur. Additional water sources need to be found to augment the current supply. A pipeline supplying water from De Rust and Vrede to Dysselsdorp and a storage dam in the vicinity of the Kombuis Farm is envisaged
Water supply interruptions due to load shedding	Although the town of Oudtshoorn is supplied via gravity mains, Dysselsdorp and portions of the KKRWSS are supplied with water from boreholes. During the higher stages of load shedding the demand cannot be met and emergency power sources are needed to supply water. This must then be augmented by water delivery with trucks which is not a viable solution
Water delivery to rural areas	Many inhabitants on farms in the rural areas are not in reach of the water supply system and tankers are utilized to supply water to almost a 100 delivery points. This is not a viable solution and other alternatives need to be investigated
Vandalism of infrastructure	Constant vandalism and theft of infrastructure is costing the Municipality millions and have a negative effect on service delivery

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Table 65: Water Services Challenges

## d) Service Delivery Levels

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

Households		
Description	2021/22	2022/23
	Actual	Actual
	No.	No.
<b>Water: (above min level)</b>		
Piped water inside dwelling	15 232	15 842
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	143	2 160
Other water supply (within 200m)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>15 375</b>	<b>18 002</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>
<b>Water: (below min level)</b>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households</b>	<b>15 375</b>	<b>18 002</b>
<b>Include informal settlements</b>		

Table 66: 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
2021/22	143	100%	7 615
2022/23	2 160	100%	7 040
<b>6,000 litres of potable water supplied per formal connection per month</b>			

Table 67: 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	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Employees and post numbers are as at 30 June

Table 68: Employees: Office of the Director Technical Services

Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	86	62	24	27.91
4 - 6	50	29	21	42
7 - 9	6	4	2	33.33
10 - 12	14	12	2	14.29
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>158</b>	<b>109</b>	<b>49</b>	<b>31</b>

Employees and post numbers are as at 30 June

Table 69: Employees: Water & Sewerage (Purification, KKRSWSS, Networks, Sewerage)

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Employees: Capital Projects				
Job Level	2022/23			
	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	1	1	0	0
10 - 12	3	1	2	66.6
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>42.86</b>

Employees and post numbers are as at 30 June

Table 70: Employees: Capital Projects

## f) Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2022/23: Water Services				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Blossoms Pipeline	0	1 403 400	1 403 400	0
Pipe Replacement	0	431 500	351 016	80 484
Digger Loader	1 300 000	1 529 000	1 554 782	(25 782)
Rehabilitate asbestos/cement water pipes	10 430 600	20 928 900	20 928 918	(18)
Refurbishment and replacement of control valves	0	181 900	0	181 900
KKRWSS: Meter replacement	1 000 000	1 215 500	1 215 075	425
Honey sucker		1 322 000	1 322 033	(33)
Blossoms pipeline	31 869 600	32 200 500	32 200 500	0
KKRWSS: Supply of water to remote areas	3 500 000	3 500 000	3 350 934	149 066
Blossoms pipeline	0	3 096 600	678 848	2 417 512
Equipment	0	4 056 500	4 148 450	(91 950)
<b>Total</b>	<b>48 100 200</b>	<b>69 865 800</b>	<b>67 153 956</b>	<b>2 711 844</b>

Table 71: Capital Expenditure: Water Services

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## 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 Mechanical installations at WWTW	Refurbishments of mechanical gear continued at the various WWTW's
Sewer Masterplan and Water Services Delivery Plan (WSDP)	The outdated Sewer Masterplan and WSDP were updated with a grant received form DBSA
Fencing at Oudtshoorn WWTW	The second of three phases of replacing the security fence at the Oudtshoorn WWTW were undertaken. A total of 800m has now been replace and about 350m is still outstanding

Table 72: Waste Water (Sanitation) Provision Highlights

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

The table below specifies the challenges for the year:

Description	Actions to address
Ageing infrastructure and sewer blockages	The sewer network is ageing and needs to be replaced in many areas. This coupled with root intrusions and vandalism (dumping of objects into the sewer network) causes constant blockages in certain areas
Vandalism of infrastructure	Constant vandalism and theft of infrastructure is costing the Municipality millions and have a negative effect on service delivery

Table 73: Waste Water (Sanitation) Provision Challenge



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## d) Service Delivery Levels

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

Households		
Description	2021/22	2022/23
	Outcome	Actual
	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	14 911	15 337
Flush toilet (with septic tank)	0	0
Chemical toilet	887	2 160
Pit toilet (ventilated)	35	35
Other toilet provisions (above minimum service level)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>15 833</b>	<b>17 532</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>
<b>Sanitation/sewerage: (below minimum level)</b>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>
<b>Total households</b>	<b>15 833</b>	<b>17 532</b>
<b>Including informal settlements</b>		

Table 74: Waste Water (Sanitation) Provision Service Delivery Levels

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

The following table indicates the staff composition for this division:

Waste Water (Sanitation) Provision				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	66	45	21	31.82
4 - 6	49	28	21	42.86
7 - 9	3	2	1	33.33
10 - 12	9	7	2	22.22
13 - 15	0	0	0	0

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Waste Water (Sanitation) Provision				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>127</b>	<b>82</b>	<b>45</b>	<b>26.16</b>

Employees and post numbers are as at 30 June

Table 75: Employees Waste Water (Sanitation) Provision

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

The following table indicates the capital expenditure for this division:

Capital Expenditure 2022/23: Waste Water (Sanitation)				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Refurbishment of plant equipment	500 000	500 000	316 436	183 564
Refurbishment of sewage pump stations	250 000	250 000	185 483	64 517
Security fencing ODN WWTW	500 000	500 000	499 993	7
<b>Total</b>	<b>1 250 000</b>	<b>1 250 000</b>	<b>1 001 912</b>	<b>248 088</b>

Table 76: 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.

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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 5.50%, in 2022/23.

The Electro-Technical Services Department is responsible for:

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

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

The table below specifies the highlights for the year:

Highlights	Description
Dysselsdorp Electrification Project (Phase 4 of 4)	167 Electrical connections were completed to provide electricity to the community of Dysselsdorp
Upgrading of traffic lights to LED lights with UPS	To ensure traffic safety during loadshedding the following intersections were upgraded to LED lights with UPS: Voortrekker/High Street, Voortrekker/Addereley Street, Vooktrekker/Jan Van Riebeeck Street
High mast light installation - Spieskamp	Provide safety lighting for the community of Spieskamp
Network Efficiency- and Safety Improvement at Schoemanshoek Area	Installation of new auto reclosers for Schoemanshoek Area for minimisation of down time on the network and substation improvements

Table 77: Electro Technical Services Highlights

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## c) Challenges: Electro Technical Services

The table below specifies the challenges for the year:

Description	Actions to address
Staff recruitment	More competent staff to be employed since the skills required are not available in-house to cater for all the needs in the various areas of supply. New staff regulations are cumbersome and is subjected to tedious processes, which further prolong service delivery challenges. Restructuring to be done in Electrical Services Department to improve the need of the service delivery. Successive planning is key to ensure capacity is build in-house
Vacant positions	More than 40% of positions in department are vacant and unfunded
Budget constrains	Budget provision not aligned to the minimum requirements standards and will lead to unsafe and unreliable network
Vandalism and theft	Vandalism and cable theft lead to overtime work due to continuous unplanned events
Customer Complaints Centre	Customer Care Centre not operational

Table 78: Electro Technical Services Challenges

## d) Service Delivery Levels

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

Description	Households	
	2021/22	2022/23
	Actual	Actual
	No.	No.
<b><u>Energy: (above minimum level)</u></b>		
Electricity (at least minimum service level)	2 134	1 847
Electricity - prepaid (minimum service level)	15 040	15 060
<b>Minimum Service Level and Above sub-total</b>	<b>17 174</b>	<b>16 907</b>
<b>Minimum Service Level and Above Percentage</b>	<b>91.4%</b>	<b>86.6%</b>
<b><u>Energy: (below minimum level)</u></b>		
Electricity (< minimum service level)	1 610	1 610
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	1 000
<b>Below Minimum Service Level sub-total</b>	<b>1 610</b>	<b>2 610</b>
<b>Below Minimum Service Level Percentage</b>	<b>8.6%</b>	<b>13.4%</b>
<b>Total number of households</b>	<b>18 784</b>	<b>19 517</b>

Table 79: Electro Technical Service Delivery Levels

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## e) Employees: Electro Technical Services

The following table indicates the staff composition for this division:

Employees: Electro Technical Services				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	19	8	11	57.89
4 - 6	28	13	15	53.57
7 - 9	1	1	0	0
10 - 12	13	9	4	30.77
13 - 15	1	1	0	0
16 - 18	2	1	1	50
19 - 20	0	0	0	0
<b>Total</b>	<b>64</b>	<b>33</b>	<b>31</b>	<b>48.43</b>

Employees and post numbers are as at 30 June

Table 80: Employees: Electro Technical Services

## f) Capital: Electro Technical Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2022/23: Electricity				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Emergency transformer	450 000	206 000	127 900	78 100
Equipment	300 000	300 000	186 400	113 600
Dysselsdorp bulk infrastructure	0	2 695 700	1 622 713	1 072 987
Substation switch gear ward 2	800 000	800 000	286 835	513 165
Fencing Bridgton substation	300 000	300 000	297 927	2 073
Upgrading 11 KV	2 500 000	3 954 100	3 792 170	161 930
Electricity bulk meter replacement	0	938 800	918 001	20 799
Web Based Power Quality Monitoring / Management System	500 000	500 000	332 779	167 221
Traffic lights	500 000	744 000	1 200 044	(456 044)
Electricity networks	500 000	500 000	464 200	35 800
Electricity networks	400 000	400 000	394 797	5 203
High mast light	0	217 400	217 400	0

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Capital Expenditure 2022/23: Electricity				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
<b>Total</b>	<b>6 250 000</b>	<b>11 556 000</b>	<b>9 841 166</b>	<b>1 714 834</b>

Table 81: 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 specifies the highlights for the year:

Highlights	Description
Funding was received from National Government to have two projects running simultaneously. This assisted with the illegal dumping problem experienced in the Greater Oudtshoorn, including the rural area of Volmoed.	<p>The Municipal Infrastructure Support Agent (MISA) Project started in December 2022 and employed about 200 unemployed youth in the Greater Oudtshoorn working in open spaces and also doing door-to-door education campaigns.</p> <p>The Greening and Cleaning Project started on 9 January 2023 and 63 unemployed persons were employed in the Parks Section and Waste Management and Pollution Control Section. These projects were again extended as from July 2023 for another six months.</p> <p>63 People were employed on 1 March 2023 on a six month contract basis in Waste Management and Pollution Control Section</p>

Table 82: Waste Management Highlights

### c) Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Increase of illegal dumping	Vigorous campaigns are conducted in conjunction with the Garden Route District Municipality (GRDM) to address the

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Description	Actions to address
	problem. GRDM are also in the process of drafting an illegal dumping strategy for the district. Every Friday we have a clean-up campaign as well as door-to-door education programs and we are also including our schools in this
Non-adherence to the approved refuse collection scheduled	The refuse collection schedule will again be communicated by means of media and social media to specify the scheduled days for refuse removal in their specific areas. Finance will also be requested to include the schedule with the distribution of rates and taxes bills

Table 83: Waste Management Challenges

## d) Service Delivery Levels

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

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Refuse Removal: (Minimum level)</b>		
Removed at least once a week	14 687	15 116
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>87.24%</b>
<b>Refuse Removal: (Below minimum level)</b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	2 160
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>0</b>	<b>2 160</b>
<b>Below Minimum Service Level percentage</b>	<b>0%</b>	<b>12.46%</b>
<b>Total number of households</b>	<b>14 687</b>	<b>17 326</b>

Table 84: Waste Management Service Delivery Levels

## e) Employees: Cleansing Services

The following table indicates the staff composition for this division:

Employees: Cleansing Services				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	84	60	24	28.57

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Employees: Cleansing Services				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - 6	18	11	7	38.89
7 - 9	3	2	1	33.34
10 - 12	2	0	0	0
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>109</b>	<b>75</b>	<b>32</b>	<b>29.35</b>
Employees and post numbers are as at 30 June				

Table 85: Employees: Cleansing Services

## 3.3.5 Human Settlements

### a) Introduction to Human Settlements

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.
- Dysseisdorp UISP (534) -Sites were serviced and thus far 422 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.



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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
- Disabled person (applicant or dependent)

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

## **Informal Settlements:**

There are 24 informal settlement areas (legal and illegal) where 2 160 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 965 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 Dysseisdorp in the relocation of structures, of which work comprised of taking down structures, building new structures and transporting material and furniture, etc. in a coordinated way. Also ensuring that toilets and other services are available.

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

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

With respect to new housing, the Dysseisdorp 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.

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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 handed over to the rightful beneficiaries who had approved subsidies. Although the target was 150 houses for that financial year, the target could not be reached due to sub-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.

69 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. Ninety one (91) Individual Subsidies (for people’s household income of less than R3 500 p.m.) were applied for; 15 were approved, 20 declined and 56 pending. The operating budget was spent, well with the small overtime budget controlled well.

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## b) Highlights: Human Settlements

The table below specifies the highlights for the year:

Highlights	Description
House handover for disabled person(s)	18 Beneficiaries received keys to their houses. They include wheelchair bound, walking aid and deaf applicants. They were part of the Dysselsdorp 522 housing project
Aged applicant receiving house keys	The eldest beneficiary in the Dysselsdorp Project is 87 years of age
Registration of title deeds for first time homeowners	About 69 houses were registered into homeowner's name and are now title holders of their properties
Approval of funds for emergency kits by the Province Department	An amount of R2 329 401 was approved for emergency kits
Approval of grant funding for Rosevalley Phase 4 project	An amount of R13 000 000 was approved for finalisation of Rosevalley phase 4 projects

Table 86: Housing Highlights

## c) Challenges: Human Settlements

The table below specifies the challenges for the year:

Description	Actions to address
Land Invasion	A Land Invasion Unit must be established. Currently there are no dedicated officials to handle the issue. The Municipality must strengthen their resolve to fight land invasion for future housing projects
Response to emergencies in the event of fires, flooding, and storms	With climate change, the weather patterns are unpredictable, and funding is limited to assist only a few. Applications for grant funding for emergency kits were submitted to the provincial department and approved to procure emergency kits
Demand of basic services	Provide chemical toilets, including paraplegic facilities at the informal settlements
Unrest due to demand of houses, especially in the informal settlements	Application to be submitted to the provincial department for the approval of project ready housing projects. This will include Oudtshoorn Central 600 (GG Kamp, Kannal and Black Joint) and Bongolethu Consolidation Project

Table 87: Housing Challenges

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## d) Employees: Human Settlements

The following table indicates the staff composition for this division:

Employees: New Housing				
Job Level	2022/23			
	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	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
Employees and post numbers are as at 30 June				

Table 88: Employees: New Housing

Employees: Social Housing (Rental)				
Job Level	2022/23			
	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	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
Employees and post numbers are as at 30 June				

Table 89: Employees: Social Housing (Rental)

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Employees: Informal Settlements				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	3	3	0	0
4 - 6	1	1	0	0
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
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>

Employees and post numbers are as at 30 June

Table 90: Employees: Informal Settlements

Employees: Administration				
Job Level	2022/23			
	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	1	1	0	0
10 - 12	1	1	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>14.3</b>

Employees and post numbers are as at 30 June

Table 91: Employees: Administration

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## d) Capital: Human Settlements

The following table indicates the capital expenditure for this division:

Capital Expenditure 2022/23: Human Settlements				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Projector	50 000	50 000	0	50 000
<b>Total</b>	<b>50 000</b>	<b>50 000</b>	<b>0</b>	<b>50 000</b>

Table 92: Capital Expenditure: Human Settlements

## 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 **R4 000** per month receive the allocated free basic services as prescribed by national policy.

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2021/22	15 232	7 324	48.08	7 615	49.99	7 399	48.58	7 398	48.57
2022/23	15 842	7 193	45.40	7 040	44.43	6 819	43.04	6 819	43.04

Table 93: 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
2021/22	7 324	50	9 465	9 850	0	0	221	50	218
2022/23	7 193	50	8 163	9 714	0	0	254	50	275

Table 94: Free Basic Electricity Services to Indigent Households

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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
2021/22	7 615	6kl	15 956	7 617	0	0
2022/23	7 040	6kl	15 217	8 802	0	0

Table 95: 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)
2021/22	7 399	1 859	11 886	7 755	0	0
2022/23	6 819	2 586	21 160	8 518	0	0

Table 96: 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)
2021/22	7 398	2 025	12 931	7 289	0	0
2022/23	6 819	1 972	16 136	8 297	0	0

Table 97: 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) 2021, the Oudtshoorn Municipal Area consists of approximately 200.3km of paved roads (asphalt/seal) and approximately 21.4 km of block paved roads with the network having a total replacement value of approximately R1 333 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'

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time, but however will have been reduced by more than 50%. The rehabilitation and maintenance needs are more than R190 Million Rands and that means the Municipality needs to invest R19 000 000 per year.

The present overall condition of the road network is good with a Visual Condition Index of 73.022. If nothing is done with regards to maintaining the network, in the next seven (7) years, the network will reach a poor state. If the “do nothing” practice continues to be adopted the network will reach a state of collapse in over thirteen and a half (13.5) years.

## Public Transport

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

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

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

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

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

The minimum content of a LITP is as follows:

- 1) Introduction
  - Responsibility
  - Status of plan
- 2) Transport status quo
  - Summarised assessment of status quo in terms of problems and causes of problems
- 3) Transport needs assessment
  - Problem areas
  - Objectives
  - Strategies



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- 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.

The Municipality is still developing the new ITP and will make reference to the old ITP as the new one is still on survey and consultation stage.

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 Dysselsdorp 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, Dysselsdorp and De Rust.

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

- Volume 1: Oudtshoorn Municipality - Oudtshoorn Stormwater Master Plan

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

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

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

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

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

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

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

- Increase stormwater pipe diameter size

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- 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	R7 745 250	R 2 879 550
Dysselsdorp and De Rust	R8 834 215	R3 267 450

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.

There are upgrades that will be done under the Disaster Grant but there are going to be Capital Grant applications from MIG and other Government institutions for the upgrade and Rehabilitation.

## b) **Highlights: Roads and Stormwater**

The table below specifies the highlights for the year:

Highlights	Description
Road Repair Programme	The programme to repair the backlog of road defects from the past and effects of the heavy rains
Procurement of vacuum truck for Stormwater Management	Service providers demonstrate the new technology to obtain the buy in of Council and Management. The procurement plan was completed and budget has been allocated to procure the vacuum truck

Table 98: Roads and Stormwater Highlights

## c) **Challenges: Roads and Stormwater**

The table below specify the challenge for the year:

Description	Action to address
Road repairs in wards 2,3 and 7	The Road Repair Programme commenced with repairing of roads in severely affected wards
Re-gravelling of gravel roads in wards 4,5, 6, 8 to 13	Gravel roads severely affected by heavy rains must be re-gravelled with the municipal grader

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Description	Action to address
Cleaning of stormwater pipes in all wards	The cleaning of the stormwater systems with the municipal hydro blast in order to reduce the effects of floods
Cleaning of stormwater channels	The cleaning of channels to reduce erosion and to ensure stormwater is channelled to outfalls and reduce flood damage

Table 99: 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
2021/22	192	0	8	0	17
2022/23	200.3	1	0	0	0

Table 100: 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
2021/22	29.3	0	0	6
2022/23	21.4	0	0	1

Table 101: Gravel Roads

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

Financial year	New and Replacements	Resealed	Maintained
	R'000		
2021/22	60 000	4 500	2 000
2022/23	60 000	9 000	6 000

Table 102: Cost of Construction/Maintenance of Roads

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

The following table indicates the staff composition for this division:

Employees: Roads and Stormwater				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	45	31	14	31.11
4 - 6	17	11	6	35.29
7 - 9	9	5	4	44.44
10 - 12	1	1	0	0
13 - 15	1	0	1	100
16 - 18	1	1	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>74</b>	<b>49</b>	<b>25</b>	<b>33.78</b>

Employees and post numbers are as at 30 June

Table 103: Employees: Roads and Stormwater

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

The following table indicates the capital expenditure for this division:

Capital Expenditure 2022/23: Roads and Stormwater				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Paving of streets	6 989 800	5 187 100	5 187 100	0
Rehab streets and stormwater: Oudtshoorn	5 500 000	5 500 000	5 499 444	556
Speedhumps		50 000	0	50 000
Equipment	250 000	400 000	362 032	37 968
Paving of streets	0	1 285 600	1 575 203	(289 603)
<b>Total</b>	<b>12 739 800</b>	<b>12 422 700</b>	<b>12 623 779</b>	<b>(201 079)</b>

Table 104: Capital Expenditure: Roads and Stormwater

## 3.5 Component C: Planning and Local Economic Development

### 3.5.1 Land Use Management and Spatial Planning

#### a) *Introduction to Land Use Management and Spatial Planning*

*Division Land Use Management and Spatial Planning comprises of three sections:*

- Town Planning
- Environmental Management
- Admin Support

*Purpose of Division Land Use Management and Spatial Planning:*

- To manage the process of change in the living and natural environment by guiding and directing the orderly, functional, integrated, and sustainable development of the built environment
- To deliver outcomes that address the plight of the poor and broaden development objectives

*Functions of Division Land Use Management and Spatial Planning:*

- Render land use management and spatial services (policies, spatial development framework including urban and rural development planning)
- Perform environmental management through related plans and strategies that will ensure the integrity and preservation of the natural and cultural environment
- Provide administrative support regarding land use administration and spatial planning
- Administer just processing of all planning applications and related processes in terms of statutory requirements and standard operating procedures
- Coordinate the utilisation of municipal properties and assets for the economic and social benefit of the community

*The mission of Division Land Use Management and Spatial Planning:*

- 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

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## **Section Town Planning:**

Section Town Planning's main purpose is to render land use management and spatial services (policies, spatial development framework including urban and rural development planning), by performing the following functions:

- Develop and implement the Spatial Development Framework and ensure compliance with town planning scheme and land use legislation / by-laws
- Develop and implement land use management system to regulate the use and development of land
- Formulation of spatial strategies, policies and plans
- Provide information and advice to decision makers on strategic spatial planning issues
- Provide land use legislation advisory service and ensure compliance and consistency of land use application processes with national and provincial legislation
- Comment on applications for development of council land/ properties and tender process
- Maintain zoning scheme, map and register
- Manage land use rights, development outcomes and the provisioning of effective land use management services
- Develop, implement and maintain integrated transport plan and related policies
- Obtain, process, research and manage development information in support of development planning and management.

## **Town Planning consist of two academic disciplines, namely:**

- Land Use Management
- Spatial Planning

## **Land Use Management:**

Land Use Management is the system of legal requirements and regulations that apply to land in order to achieve desirable and harmonious development of the built environment. Every property in the Greater Oudtshoorn Municipal Area, has a set of regulations to control development. These regulations are determined by the zoning of the property.

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.

The Oudtshoorn Integrated Zoning Scheme By-Law was adopted by Council and promulgated on 16 February 2021. Upon the adoption of the final Oudtshoorn Integrated Zoning Scheme Bylaw (2020), it replaced all outdated Zoning Scheme Regulations, which included the following:

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- 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).

## **Spatial Planning:**

Spatial planning is largely a public sector function to influence the future spatial distribution of activities. It aims to create a more rational territorial organization of land uses and the linkages between them, to balance demands for development with the need to protect the environment, and to achieve social and economic objectives. Spatial planning comprises measures to coordinate and improve the spatial impacts of other sectoral policies, to achieve a more even distribution of economic development within a given territory than would otherwise be created by market forces.

Spatial planning is therefore an important lever for promoting sustainable development and improving the quality of life. Municipal Spatial Development Frameworks (MSDF's) are crucial in managing Municipality's growth in a sustainable and organised manner. A MSDF sets the vision for land uses in an area, determines what a Municipal Area could look like in future, what activities could happen on land parcels or erven, though as such to promote sustainable functional and integrated human settlements, maximise resource efficiency, and enhance regional identity and unique character of a place..

The Oudtshoorn Municipality has a credible Spatial Development Framework, known as the Oudtshoorn Spatial Development Framework, 2020 (OSDF 2020), with a Capital Expenditure Framework (CEF) Technical Report as an addendum.

The OSDF 2020:

- 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.

Oudtshoorn Municipality has developed a Capital Expenditure Framework (CEF) as part of the OSDF 2020. Although the OSDF 2020 itself did not need to be reviewed / amended due to changing circumstances within the municipal space (a review / amendment process of the OSDF 2020 will be done during the 2023/24 financial year, which should be finalised by May 2024), a CEF Technical Report was concluded in 2022, that has been adopted by the Council as an amendment to the OSDF 2020 and an as a core component of the IDP. This CEF Technical Report (2022), and the prioritized portfolio of capital investments, directly inform the capital budget of the Municipality, and the OSDF 2020 Review should be able to measure progress in respect of this. CEF Technical Report (2022) contains a baselined and



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prioritized portfolio of capital investments for the Municipality over a ten-year period and should also be used to guide annual budgeting, and to ensure that the budget is plan-led. The municipal Budget Steering Committee is to be requested to use the CEF Technical Report (2022) and the prioritized portfolio of capital investments, as a key informant when allocating budget in each financial year. The tabled budget should explicitly refer to and draw from the CEF Technical Report (2022).

## **Section Environmental Management:**

Section Environmental Management is committed to perform environmental management through related plans and strategies that will ensure the integrity and preservation of the natural and cultural environment, by performing the following functions:

- Promote public Evaluate environmental impact assessments, development proposals, municipal capital projects and rezoning applications which are submitted to the municipality in terms of the relevant legislation i.e. National Environmental Management Act (NEMA), Land Use Planning Ordinance.
- Attend to and investigate environment heritage related complaints which emanates from council, management and the general public.
- Facilitate the development of Integrated Environmental Management Systems Framework for the municipality.
- Establish environmental policies i.e. bio-diversity policy and programs and manage environmental awareness of environmental issues and form networking relationships with relevant government departments, community organizations, schools and conservancies
- Ensure the preservation, promotion of awareness and management of the heritage resources in terms of statutory requirements and related by-laws, policies and guidelines

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 and regular heritage meetings, to ensure compliance and efficient and effective service delivery. In terms of Heritage the Municipality also attends Heritage Permit meetings on a 2 weekly basis to assist in considering applications in respect of buildings older than 60years and to make recommendations to Western Cape Heritage.

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## b) Highlights: Land Use Management and Spatial Planning

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><b>Pepperwood Estate:</b></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 has been advertised and no objections were received. The application has also been distributed to relevant Provincial Departments and the interdepartmental Town Planning Services Committee meeting, whose comments were communicated to the applicant. Feedback has been received on the latter comments from the applicant and the application was consequently approved. The project has already commenced and four units are currently being erected</p>
Oudtshoorn Spatial Development Framework (2020)	<p>The Municipality has developed a Capital Expenditure Framework (CEF) as part of the OSDF 2020. Although the OSDF 2020 itself did not need to be reviewed / amended due to changing circumstances within the municipal space (a review / amendment process of the OSDF 2020 will be done during the 2023/24 financial year, which should be finalised by May 2024), a CEF Technical Report was concluded in 2022, that has been adopted by the Council as an amendment to the OSDF 2020 and an as a core component of the IDP</p>
<b>Environmental Health and Heritage</b>	
Responses to Pre-Directives and Directives in terms of the National Environmental Management Act (NEMA)	<p>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</p>
Intergovernmental Relationship with the Department of Environmental Affairs and Development Planning.	<p>The Oudtshoorn 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 ongoing greening campaigns in Oudtshoorn</p>
Air Quality Management	<ul style="list-style-type: none"> <li>• The Oudtshoorn Municipality adopted its 2nd generation Air Quality Management Plan which is currently being implemented.</li> <li>• The Municipality designated an Air Quality Officer who is responsible for Air Quality Management in the Greater Oudtshoorn Area.</li> </ul>

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Highlights	Description
	<ul style="list-style-type: none"> <li>• The Municipality recently procured a mobile Air Quality Monitoring Station, which will allow for air pollution monitoring in the municipal area.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Air Pollution inspections and investigations are conducted on an ad hoc basis</li> </ul>
Cleaning and Greening	<ul style="list-style-type: none"> <li>• The Municipality has initiated several cleaning and greening campaigns within the Greater Oudtshoorn.</li> <li>• Cleaning and Greening campaigns have been implemented at several schools and more schools will be visited in the coming months.</li> <li>• 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.</li> </ul> <p>Oudtshoorn Municipality will green our social housing developments, starting with Rose Valley in July -August 2022</p>
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 Ouidtshoorn 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 105: Land Use Management and Spatial Planning Highlights

## c) Challenges: Land Use Management and Spatial Planning

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 has been completed and in process of being submitted to the Department of Environmental Affairs and Development planning (DEADP).</p> <p>Environmental approval should be obtained in the new financial year</p>

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Description	Actions to address
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"> <li>• Section 8 Scheme Regulations, 1988 (made in terms of Section 8 of the Land Use Planning Ordinance, 1985);</li> <li>• Oudtshoorn Town Planning Scheme, 1968; and</li> <li>• Bongolethu Town Planning Scheme, 1988 (made in terms of the Black Communities Development Act, 1984).</li> </ul> <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)</p>
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	<p>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</p>
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> <p>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.</p> <p>Funding is required for awareness and education</p>

Table 106: Land Use Management and Spatial Planning Challenges

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## d) Service Delivery Levels

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

Type of service	2021/22	2022/23
Building plan applications processed	450	443
Total surface (m <sup>2</sup> )(Value)	1 296 482	80 194
Approximate value of building work in (Rand)	348 630 000 (46 484 m <sup>2</sup> )	641 552 000
Approximate value (Rand)	176	164
Land use applications processed	748 410	429 889
Complaint handling and responses to directives (Building Control)	0	55

Table 107: Additional Performance Land Use Management and Spatial Planning

## e) Employees: Land Use Management and Spatial Planning

The following table indicates the staff composition for this division:

Employees: Planning and Development				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	23	19	4	17.39
4 - 6	20	18	2	10
7 - 9	7	7	0	0
10 - 12	32	24	8	25
13 - 15	9	7	2	22.22
16 - 18	0	0	0	0
19 - 20	0	0	0	0
N/S	1	1	0	0
<b>Total</b>	<b>92</b>	<b>76</b>	<b>16</b>	<b>17.39</b>
<b>Employees and post numbers are as at 30 June</b>				

Table 108: Employees: Land Use Management and Spatial Planning

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## f) Capital: Land Use Management and Spatial Planning

The following table indicates the capital expenditure for this division:

Capital Expenditure 2022/23: Planning and Development				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Air conditioners	100 000	100 000	0	100 000
<b>Total</b>	<b>100 000</b>	<b>100 000</b>	<b>0</b>	<b>100 000</b>

Table 109: Capital Expenditure: Land Use Management and Spatial Planning

### 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:

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

## a) **Highlights: LED**

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

Highlights	Description
Memorandum of Understanding with University of Stellenbosch	Council signed an agreement with the University of Stellenbosch in 2019 to cooperate on various projects / initiatives
UNISA, South Cape College and Teacher Training	In partnership with UNISA / South Cape College, the introduction of Foundation Phase Teacher Training on a full and part time basis in Oudtshoorn, George and Mossel Bay. This partnership with UNISA and South Cape College came to an end in 2022 after the last Bachelor of Education (BEd) Foundation Phase students graduated
ABSA Entrepreneurs Program	In partnership with ABSA and the Local Youth Café Office, 60 young business men were identified and trained on various aspects of running their own business
Partnership with the Provincial Department of Public Works and Transport on old hostel facilities and adjacent vacant land.	The building used to be a teacher's hostel that was gradually vandalized. The old hostel used to host the Southern Youth Film Festival (SUFF) Youth Academy and Access Learning Computer centre. The only tenants in this building are the Community Learning Centre and Community Works Program (CWP). New fences were erected in 2018 to stop further vandalism and this building is earmarked for a Government Precinct Centre in partnership with National Public Works
Bridgton Business Centre	Estimate R 44 million project started with the construction phase in October 2022 and will have a mini market centre like: Steers, furniture shop, Shoprite etc. Completion date is estimated for July 2023 with official opening in September/October 2023
Thusong Business Hub	Council applied for R2 million for the erection of a container hub from the Booster Fund and in partnership with Department Economic Development and SEDA. The installation and erection of the containers was completed in June 2023 and thereafter services were installed by the Municipality. The purpose of the project will be to establish a business HIVE linked with trading spaces for informal traders.

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Highlights	Description
	The facility will provide trading space for SMME's and entrepreneurs from the area currently in dire need of trading space given the limited affordable space available. Fourteen sharing small businesses has been identified to be part of this project. The project is projected to commence in September 2023
Exhibition attendance	Artists and entrepreneurs attending exhibitions with contributions from LED
Tour Company established	Tour guide established his own company
Filming	Various film company visited the area for scouting and a film that was shot in the municipal area
Events	Support for various events (art and culture and sport events) that took place in the Greater Oudtshoorn area
Drama Festival	Collaboration with Department of Cultural Affairs and Sport (DCAS) for the Eden Drama Festival
KKNK	Platforms for artists and crafters to exhibit at the KKNK

Table 110: 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 funding as seed capital to assist upcoming entrepreneurs to start their business.	Support and develop entrepreneurship and small business development
Lack of trading space for informal traders and funding needed for the upgrade of the central business District Renewable Program, especially hawkers trading stalls	Partner with the 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
Lack of space	Lack of space for manufacturing purposes especially light industry warehouses

Table 111: Challenges LED



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## 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 112: LED Strategic Areas

## d) Tourism and Marketing

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

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

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

## e) Employees: LED

The following table indicates the staff composition for this division:

Employees: LED				
Job Level	2022/23			
	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	2	2	0	0
13 - 15	1	1	0	0

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Employees: LED				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>

Employees and post numbers are as at 30 June

Table 113: Employees: LED

## f) Capital: LED

Capital Expenditure 2022/23: LED				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Upgrading of informal trading areas	0	1 626 400	1 626 400	0
Upgrade of SMME infrastructure	0	476 000	291 646	184 354
<b>Total</b>	<b>0</b>	<b>2 102 400</b>	<b>1 918 046</b>	<b>184 354</b>

Table 114: 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
- Dysseisdorp Library
- Rosevalley Library

# Annual Report

## ○ Volmoed Mini Library

Our Goal:

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

Our Purpose:

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

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

### **b) Highlights: Libraries**

The table below specify the highlight for the year:

Highlight	Description
Inaugurations of new library building	Official opening by Member of the Executive Council (MEC) Anroux Marais, Executive Mayor Christiaan Macpherson and Pierre Blaauw (ASLA Foundation) on 26 July 2022

Table 115: Libraries Highlights

### **c) Challenges: Libraries**

The table below specifies the challenges for the year:

Description	Actions to address
Budget constraints	Additional funding is required as the Conditional Grant from Provincial Library Services is not enough to carry the costs of library services
The library system - SLIMS is off-line since 15 November 2022	The Provincial Library Services is doing everything in their power to get the system going. Possible date for the system to go live is August 2023
The expansion of Oudtshoorn and the need for access to information has revealed the need for library services closer to their communities	Wheelie wagons and the appointment of staff can address this challenge

Table 116: Libraries Challenges

# Annual Report

## d) Service Delivery Levels

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

Type of service	2021/22	2022/23
Library members	228 476	159 832 (SLIMS system crashed in November 2022 - limited data available)
Books circulated	112 142	103 938 (SLIMS system crashed in November 2022 - limited data available)
Exhibitions held	100	120
Internet users	7 510	15 694
Children programmes	41	86
Visits by school groups	20	29

Table 117: 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	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	175	135	40	22.86
4 - 6	140	101	39	27.86
7 - 9	35	22	13	37.14
10 - 12	37	24	13	35.14
13 - 15	6	6	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>394</b>	<b>289</b>	<b>105</b>	<b>26.65</b>
<b>Employees and post numbers are as at 30 June</b>				

Table 118: 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	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	6	4	2	33.33
4 - 6	20	14	6	30
7 - 9	4	1	3	75
10 - 12	4	2	2	50
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>35</b>	<b>22</b>	<b>13</b>	<b>37.14</b>

Employees and post numbers are as at 30 June

Table 119: Employees: Libraries

## f) **Capital: Libraries**

The following table indicate the capital expenditure for this division:

Capital Expenditure 2022/23: Libraries				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Office furniture equipment	150 000	150 000	135 307	14 693
Upgrading library offices	250 000	250 000	150 650	99 350
New library (Rosevalley)	166 000	404 600	106 724	297 876
New library (Rosevalley)	750 000	750 000	652 174	97 826
<b>Total</b>	<b>1 316 000</b>	<b>1 554 600</b>	<b>1 044 855</b>	<b>509 745</b>

Table 120: Capital Expenditure: Libraries

# Annual Report

## 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	Our main function in the cemeteries is to provide graves and the limited staff we have in our ever-growing cemetery space hardly get to the cleaning of cemeteries

Table 121: 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 was in the process of investigating the extension of existing cemeteries
Informal settlement occupies (invasion) possible extension space	This issue is currently being investigated by top management and the Legal Department
Limited staff	Budgetary provision must be made to address the filling of vacant posts
Theft of boundary fencing and vandalism	Incidents are reported to the South African Police Services (SAPS) 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 122: Cemeteries Challenges

### d) Services Delivery Levels

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

Type of service	2021/22	2022/23
Burials	836	733

Table 123: Services Delivery Level for Cemeteries

## 3.6.3 Social Development

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### 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

# Annual Report

## b) Highlights: Social Development

The table below specify the highlight for the year:

Highlight	Description
Nutritional Programme: Organic Food Garden Project	A programme aimed at sustainable food with an economic spin-off in all wards
Youth Month Activities	Wards 6, 8 and 11 were targeted. Young people along with Oudtshoorn Youth Council and other roll-players were the driving forces
Men for Change Programme	The programme with various stakeholders were rolled out. The focus was on young men and boys to have a change of mindset in their attitude towards women and the broader community. The programme touches on social ills like substance abuse, gender based violence, bullying behaviour and other unacceptable behaviour in society which threatens the moral fibre of our communities
Oudtshoorn Got Talent Competition	A talent identification competition rolled out in all wards in an effort to create a platform for upcoming artists. It is also an opportunity to showcase their talent with a broader vision of introducing them to the national and hopefully the international platforms

Table 124: Social Development Highlights

## c) Challenges: Social Development

The table below specifies the challenges for the year:

Description	Actions to address
Shortages of personnel	The issue was addressed by employing young people from EPWP
Lack of sufficient budget	Partnering with various stakeholders which include government departments and NGO's

Table 125: Social Development Challenges

## d) Employees: Social Development

Employees: Social Development				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	4	3	1	25
4 - 6	2	1	1	50
7 - 9	1	1	0	0
10 - 12	3	2	1	33.33
13 - 15	1	1	0	0



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Employees: Social Development				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>27.27</b>

Employees and post numbers are as at 30 June

Table 126: 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 highlight for the year:

Highlight	Description
Acquiring of generator for service delivery	100 KVA generator was procured to deliver services

Table 127: Traffic Services Highlights

#### b) Challenges: Traffic Services

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Shortage of personnel due to fraud and corruption investigation	Examiners for driving licences should be trained
Inadequate office space	Extend the current infrastructure to create a conducive workplace for all employees and to improve service delivery

Table 128: Traffic Services Challenges

# Annual Report

## c) Services Delivery Levels

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

Details	2021/22	2022/23
Motor vehicle licenses processed	27 704	27 143
Learner driver licenses processed	2 506	4 677
Driver licenses processed	2 747	1 867
Driver licenses issued	1 171	937
Fines issued for traffic offenses	9 383 (including camera fines)	11 874 (including camera fines)
R-value of fines collected	4 633 350	5 418 150
Roadblocks held	75	200
Complaints attended to by Traffic Officers	89	70
Number of officers in the field on an average day	5	5
Number of officers on duty on an average day	5	5

Table 129: 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	2022/23			
	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	6	1	5	83.33
10 - 12	16	12	4	25
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>23</b>	<b>14</b>	<b>9</b>	<b>39.13</b>
<b>Employees and post numbers are as at 30 June</b>				

Table 130: Employees: Traffic Services

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Employees: Traffic Administration				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	16	11	5	31.25
7 - 9	4	3	1	25
10 - 12	5	4	1	20
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>26</b>	<b>19</b>	<b>7</b>	<b>28</b>

Employees and post numbers are as at 30 June

Table 131: Employees: Traffic Administration

Employees: Law Enforcement				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	17	16	1	5.88
7 - 9	3	3	0	0
10 - 12	1	0	1	100
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>22</b>	<b>20</b>	<b>2</b>	<b>9.09</b>

Employees and post numbers are as at 30 June

Table 132: Employees: Law Enforcement

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## e) Capital: Traffic Services

The following table indicate the capital expenditure for this division:

Capital Expenditure 2022/23: Traffic Services				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Replacement of break testing machine	40 000	40 000	74 925	(34 925)
Equipment	228 000	308 000	271 997	36 003
Security cameras (cashier area, building)	0	104 300	104 348	(48)
<b>Total</b>	<b>268 000</b>	<b>452 300</b>	<b>451 270</b>	<b>1 030</b>

Table 133: 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 600 calls per month are successfully and efficiently attended to.

### b) Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Self-contained breathing apparatus	Procurement of 9 complete state of the art self-contained breathing apparatus to ensure compliance with the Occupational Health and Safety Act
Newly built fire station - project	Financial assistance was secured from the Western Cape Provincial Government Fire and Rescue Services to build a purpose-built fire station in Oudtshoorn. The proposed building plan was approved by the building department and the tender was awarded. Construction of the building will start in August 2023 with a project timeline of 10 months
Disaster Management Plan	The Disaster Management Plan was submitted to Council for approval of the final review and drawing up of the plan. The plan was officially approved by Council

Table 134: Fire Services and Disaster Management Highlights

# Annual Report

## c) Challenges: Fire Services and Disaster Management

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Limited Vehicles and non-compliance with regulations	Budgetary provision must be made to procure more vehicles and to refurbish the old vehicles to ensure compliance with regulations
Lack of permanent firefighters and no growth within the department	Budgetary provision must be made to fill all critical vacancies
Lack of essential equipment	Funding must be secured to procure additional equipment
Lack of sub-stations in Dysselsdorp, De Rust and Volmoed	Funding must be secured for the establishment of sub-stations for these areas
Disaster management personnel	Budgetary provision must be made to fill critical vacancies
Disaster management equipment	Funding must be secured to procure additional equipment

Table 135: Fire Services and Disaster Management Challenges

## d) Services Delivery Levels

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

Details	2021/22	2022/23
Total fires handled in the year	463	679
Total Rescue incidents in the year	7	9
Total Animal Rescues in the year	10	161
Total Fire Prevention Inspections	48	96
Reservists and volunteers trained	0	0
Awareness Initiatives on Fire Safety	0	8

Table 136: Services Delivery Levels for Fire Services and Disaster Management

## e) Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	25	22	3	12
7 - 9	4	1	3	75
10 - 12	4	1	3	75
13 - 15	1	1	0	0

# Annual Report

Employees: Fire Services and Disaster Management				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>35</b>	<b>26</b>	<b>9</b>	<b>25.71</b>

Employees and Posts numbers are as at 30 June

Table 137: 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 2022/23: Fire Services and Disaster Management				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
SCBA set	250 000	170 000	74 370	95 630
Building alternations - Fire Brigade	800 000	800 000	174 795	625 205
<b>Total</b>	<b>1 050 000</b>	<b>970 000</b>	<b>249 166</b>	<b>720 834</b>

Table 138: 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.

# Annual Report

## 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 is 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. Budgetary provision to be made to address the issue
Limited staff and vacant positions	Budgetary provision must be made to fill vacant positions on the organogram
Upgrade of open spaces, e.g. middle islands	Budgetary provision must be made to change the current landscape of open spaces

Table 139: Parks and Recreation Challenges

## b) Parks and Recreation Service Statistics

Type of service	2021/22	2022/23
<b>Community parks</b>		
Number of parks with play park equipment	12	11
Number of wards with community parks	7	7
<b>Swimming pools</b>		
Number of swimming pools	5	5
Number of visitors at swimming pools	5 000	80 636
R-value collected from entrance fees	80 856	228 594
<b>Sport fields</b>		
Number of wards with sport fields	7	7
Number of sport grounds or fields	12	12
Number of events hosted	98	380
R-value collected from utilisation of sport fields	65 370	167 024
<b>Sport halls</b>		
Number of wards with sport halls	1	1
Number of sport associations utilising sport halls	11	7
R-value collected from rental of sport halls	117 149	41 987
<b>Stadiums</b>		
Number of stadiums	4	4
Number of events hosted in stadiums	98	277

Table 140: Service Statistics Parks and Recreation

# Annual Report

## c) **Employees: Parks and Recreation**

The following table indicates the staff composition for this division:

Employees: Parks and Recreation				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	55	46	9	16.36
4 - 6	42	25	17	40.48
7 - 9	5	5	0	0
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	106	80	26	24.52

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

Table 141: *Employees: Parks and Recreation*

## d) **Capital: Sport and Recreation**

The following table indicates the capital expenditure for this division:

Capital Expenditure 2022/23: Sport and Recreation				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Upgrading Bridgton Resort swimming pool	2 000 000	2 869 200	4 133 495	(1 264 295)
Upgrading sport facility-Bongolethu Sports Ground	8 695 600	0	0	0
Rehab of sports field lighting	1 804 600	1 804 600	1 746 223	58 377
Rehab athletic tracks	6 000 000	8 656 100	8 663 930	(7 830)
3 Ton truck - Replacement of tractors	1 000 000	1 000 000	842 309	157 691
<b>Total</b>	<b>19 500 200</b>	<b>14 329 900</b>	<b>15 385 956</b>	<b>(1 056 056)</b>

Table 142: *Capital Expenditure: Sport and Recreation*



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## 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 2023	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
Replacement of stolen and vandalised fences	Toekomsrus/Navada/Dysselsdorp vandalised and stolen fences were replaced
New Council Chamber	Council has successfully move to the new council chamber in the new council building

Table 143: Community Halls and Buildings Highlights

### b) Challenges: Community Halls and Buildings

The table below specifies the challenges for the year:

Description	Actions to address
Banquet Hall Auditorium - kitchen facilities out of order, roof leaking	Replace old / depilated kitchen facilities and fix roof at Civic Centre. Kitchen needs new stoves, refrigerators, fryers and sink must be replaced. Budgetary provision must be made for the required upgrades and maintenance
Dysselsdorp/Navada /Toekomsrus Hall - kitchen facilities out of order, roof leaking	Kitchen facilities out of order, fix leaking roof, replace old worn out and broken cupboards. The kitchen needs new stoves, refrigerators. Budgetary provision must be made for the required upgrades and maintenance
Geysers and air conditioners out of order at Dysselsdorp/Navada/Toekomsrus Hall	Budgetary provision must be made for the required upgrades and maintenance
Blomnek Community Hall -hall has been used by creche	Creche is still occupying the premises and kitchen facilities out of order, fix leaking roof, replace old worn out and broken cupboards kitchen needs new stoves, refrigerators. Budgetary provision must be made for the required upgrades and maintenance
Building at back of auditorium is moving slightly away from main building	Structural maintenance to be done

Table 144: Community Halls and Buildings Challenges

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## c) Community Halls and Buildings Service Statistics

Type of service	2021/22	2022/23
Number of community halls	6	6
Number events hosted	350	360

Table 145: 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	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	20	17	3	15
4 - 6	2	2	0	0
7 - 9	5	4	1	20
10 - 12	2	2	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>29</b>	<b>25</b>	<b>4</b>	<b>13.79</b>

Employees and post numbers are as at 30 June

Table 146: Employees: Community Halls and Buildings

## e) Capital: Community Halls and Buildings

The following table indicate the capital expenditure for this division:

Capital Expenditure 2022/23: Community Halls and Buildings				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Air conditioners	450 000.00	450 000	350 145	99 855
Replacement of kitchen equipment	50 000.00	50 000	1 737	48 263
<b>Total</b>	<b>500 000</b>	<b>500 000</b>	<b>351 883</b>	<b>148 117</b>

Table 147: Capital Expenditure: Community Halls and Buildings

# Annual Report

## 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.

### b) Highlights: Cango Caves

The table below specifies the highlights for the year:

Highlights	Description
Operations: Project	<u>Structural Maintenance of Caves Building</u> Infrastructure Department assist Cango Caves is this project. A structural consulting engineer compiled a report on how to address the structural challenges. It was estimated that the project would cost R3.4 million
Operations: Procurement	<u>Curio Shop</u> A tender was advertised for retails space to operate a curio shop in the Cave Building. It was awarded to Tourvest Retail. <u>Transport of Cango Cave Staff</u> A tender was advertised for to transport Cango Caves staff on a daily basis. It was awarded to Roberto Transport. <u>Upgrading of ticketing system</u> A tender was advertised for a user-friendly, efficient and cost-effective ticketing system. The tender will be awarded in August 2023. <u>Radon Protection Specialist (RPS)</u> All staff that work inside the cave, are deemed radon workers by the National Nuclear Regulator (NNR). A tender process commenced to appoint an RPS to the ascertain the radon levels inside the cave and prepare annual reports for the NNR. The tender was awarded in July 2023
Marketing: Events	<u>Dryland Traverse</u> The traverse commences with a prologue race at Cango Caves to set off the 300+ athletes participating in this annual event. <u>Cango Marathon</u> The start of the race commenced at Cango Caves after an absence of 3 years

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Highlights	Description
<p>Marketing: Site Inspections / Educational / Familiarisation Excursion</p>	<p>Tour operators and travel agents that promote and “sell” Garden Route and Klein Karoo itineraries, do site inspections/ educational/ familiarization trips on a regular basis to re-acquaint themselves with product. Cango Caves is featured on many these programs.</p> <p>Abang Africa - Germany  Africa Incoming - India  Africa Travel Concept - South Africa  Africa Zovet Tours - South Africa  Berg Und Meer - Germany  Calculus Holidays - India  Chandelier Game Farm - South Africa  De Zeekoe Guest Lodge - South Africa  Edu Africa - South Africa  Erm Tours - United States  Garden Route &amp; Klein Karoo District Fam Trip - South Africa  Go Tourism - France  Green Earth International - South Africa  Hotel Possible -South Africa  Hotspots 2 C - South Africa  Kamaroutes - South Africa  Karoo Soul - South Africa  Knysna Hollow - South Africa  New Frontiers - United Kingdom  One Above - India  Pearl Tourism &amp; Leisure - India  Queens Hotel -South Africa  Sense Of Africa - South Africa  Springbok Atlas - Hungary  Sun Voyager - India  Sydafrikaresor - Sweden  Thomas Cook - India  Thompsons Africa - Russia  Thompsons Africa - South Africa  Travelpeople - South Africa  Uar Tours - Russia  V2travel - India  Vs Travel - South Africa Working On Fire - South Africa  Zebra Adventure - South Africa</p>
<p>Marketing: Tourism Exhibitions</p>	<p><u>Utrecht Vakantiebeurs and Swiss Road Show</u>  Vakantiebeurs is one of the biggest consumers shows on the global tourism calendar and creates the platform to communicate directly to the exhibitors. The exhibition is held annually in The Netherlands and showcases international destinations to the Dutch traveller, i.e. international tourism boards, tour operators, travel agents and consumables.</p>

# Annual Report

Highlights	Description
	<p>The Oudtshoorn contingent met with Swiss trade in St. Gallen, Baden, Zurich, Stäfa, Allschwil, Liestaland and Lucerne. We were also afforded the opportunity to showcase our town and region at a special event to an influential group of Swiss travel enthusiasts.</p> <p><u>Caravan and Camp Show</u></p> <p>The exhibition is held annually in Johannesburg and has become one of the most popular exhibitions in South Africa. It attracts over 22,000 visitors who come to seek inspiration for their next holiday, take advantage of the great show specials on offer and make purchases from the over 200 travel, outdoor and adventure brands the show has to offer.</p> <p><u>WTM Africa</u></p> <p>WTM Africa is the leading travel and tourism event in the region and has become a true global marketplace for companies across the industry</p>
Marketing: Workshops	<p><u>Launch: Destination Marketing Organization (DMO)</u></p> <p>WESGRO entered into a 3-year partnership agreement with Garden Route District Municipality (GRDM), SATSA and FEDHASA to accelerate the region's economic growth, investment, trade and tourism.</p> <p><u>South African Tourism Speed Marketing - Tsitsikamma</u></p> <p>Cango Caves were one of 20 selected tourism properties that presented to tour operators and agents from Gauteng and the Eastern Cape.</p> <p><u>National Department of Tourism</u></p> <p>The department presented various Recovery Incentive Schemes to assist tourism enterprises still in the recovery stages after the pandemic</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><a href="https://www.instagram.com/cango_caves/">https://www.instagram.com/cango_caves/</a></p> <p><a href="https://www.facebook.com/cangocaves">https://www.facebook.com/cangocaves</a></p> <p><a href="https://twitter.com/Cango_Caves">https://twitter.com/Cango_Caves</a></p> <p><a href="https://www.cango-caves.co.za/">https://www.cango-caves.co.za/</a></p>
Marketing: Networking	<p>Cango Caves is a board member of the Oudtshoorn Tourism Executive Committee. Meetings are held monthly.</p> <p>Oudtshoorn Tourism Bureau held its Annual General Members Meeting. James Hassan (Thompsons Africa Account Manager - Middle East, South East Asia &amp; Russia) was invited as guest speaker.</p> <p>Quarterly Oudtshoorn Tourism Network Event at Wes-Handelshuis</p>
Marketing: Sponsorships	<p><u>Fundraiser Events</u></p> <p>Glenwood House School</p> <p>Dropout MCC</p> <p>Red Cross Children's Hospital - Brian Daniels</p> <p>Little Bo-Peep</p>

# Annual Report

Highlights	Description
	<p>Busy Bees</p> <p><u>Community Outreach</u></p> <p>Beaufort West Museum</p> <p>SAPD Youth Forum</p> <p><u>Prize-giving Events</u></p> <p>AlberttMyburgh High School (Zibi's Seven)</p> <p>Radio Tygeberg Destination Prize</p> <p>Mossel Bay SAPD - Women's Day Celebration</p> <p>Buffelsdrift Ladies Golf Day</p> <p>Eden Street Mile</p> <p>Boggoms Bay Golf Day</p> <p>National Institute for the Deaf</p> <p>Breërivier Agri</p> <p>Living Corners Golf Day</p> <p>Gill Klub 50</p> <p>Timbercity Cycle Tour</p> <p>Herold Primary School</p> <p>Oudtshoorn UCC</p> <p>Highgate Biathlon</p> <p>Blood Buddy Run</p>
Marketing / Promotional: Film Crews	<p><u>Film Fixers - Holland</u></p> <p>The production - 'Wie Is De Mol' - is the biggest show on Dutch TV. WESGRO assisted with the logistics of this production.</p> <p><u>Urbridge Malaysia - Malaysia</u></p> <p>The program is shot in South Africa over 40 days, and focuses on tourism, food, lifestyle, culture, heritage and history. This is a 13-episode travelogue for Malaysian TV and international distribution.</p> <p><u>Homegrown Tastes</u></p> <p>Views get to meet some of South Africa's most intriguing personalities and food producers, taste the unique, ingredients coming from these small towns, and watch how the presenter brings it all together as she cooks up storm in celebration of all things Homegrown.</p> <p><u>Travel Battle - Russia</u></p> <p>Two hosts of this travel show are traveling around the world and doing two different itineraries in each country. Social media views decide which one they like most and vote for that itinerary.</p> <p><u>Top Africa TV - South African Tourism</u></p> <p>South African tourism is working on producing immersive dome 360 content that will be live on the SAT library for future use in partnership with WWP Group agency. Cango Caves was identified as one of five visitor attractions selling the Western Cape as a destination with further amplification of each experience:</p> <ul style="list-style-type: none"> <li>• Table Mountain Cable way</li> <li>• Sunset Picnic Signal Hill</li> <li>• Robben Island</li> <li>• Cango Caves</li> </ul>

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Highlights	Description
	<ul style="list-style-type: none"> <li>The Wolfberg Trail &amp; Arch</li> </ul>

Table 148: *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.

The impact of Covid-19 on tourism globally has been destructive - every new variant discovered and the impact thereof, pushed our core markets (USA/UK/ Europe) to impose regular travel restrictions on Southern Africa. Forward bookings shifted to the 2023/24 season. Russia, Ukraine, UAE and Eastern European countries (Estonia, Czech Republic and Latvia) showed major interest in South Africa. Bookings from German and Dutch operators slowly trickled in albeit on a small scale.

During Year 2021/22, Cango Caves were very dependent on domestic tourism.

It is evident, no more than ever, that prospective visitors are making shrewd decisions and building their travel aspirations on what is most affordable and value for money. A struggling South African economy and other external factors that has had a negative impact on our domestic visitation the last 6 years and will continue to do so.

Cango Caves have always been a mainstay on all Garden Route and Klein Karoo travel packages/itineraries which makes it easy to sell to the international wholesalers. That being said, our rates have to be competitive and affordable to ensure long-term business.

Limitations on visitor numbers were imposed during the pandemic but is back to normal capacity:

- Heritage Tours - 100 per tour.
- Adventure Tours - 50 per tour.

The table below specifies the challenges for the year:

Description	Actions to address
Spekboom Restaurant	Spekboom Restaurant re-opened during August 2022, offering limited foodstuffs and beverages. On 1 March 2023, a full-service restaurant began operating offering a bigger variety of menu items
Structural maintenance of Caves Building	Infrastructure Department assist Cango Caves in this project. A structural consulting engineer compiled a report on how to address the structural challenges. It was estimated that the project would cost R3.4 million
Staff / Organogram / Vacant Positions	<ul style="list-style-type: none"> <li>Vacant and budgeted positions are in process of being filled.</li> </ul>

# Annual Report

Description	Actions to address
<ul style="list-style-type: none"> <li>Our staff consists of 34 permanent employees that comprises of guides, cashiers, maintenance and managerial staff.</li> <li>The current organogram does not speak to the needs of a major tourist attraction such as Cango Caves.</li> <li>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.</li> </ul> <p>Some positions have been vacant since 2008</p>	<ul style="list-style-type: none"> <li>The critical positions of Conservation Officer and Interpretive Centre might be filled during year 2024-2025</li> </ul>

Table 149: Challenges: Cango Caves

## d) Employees: Cango Caves

The following table indicates the staff composition for this division:

Employees: Cango Caves				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	9	9	0	0
4 - 6	6	6	0	0
7 - 9	3	3	0	0
10 - 12	18	16	2	11.11
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>38</b>	<b>36</b>	<b>2</b>	<b>5.2</b>
Employees and post numbers are as at 30 June				

Table 150: Employees: Cango Caves



# Annual Report

## 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 2023/24	Council approved the Medium Term Revenue and Expenditure 2023/24, Special Council Meeting, 29 May 2023
Approval of IDP 2023/24	Council approved the IDP, Special Council meeting, 29 May 2023
Filling of Municipal Managers post	Council approved the filling of the MM post, Special Council meeting, 3 May 2023

Table 151: Executive and Council Highlights

#### b) Employees: Office of the MM

The following table indicates the staff composition for this division:

Employees: Office of the MM				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	2	2	0	0
4 - 6	15	13	2	13.33
7 - 9	4	1	3	75
10 - 12	8	5	3	37.5
13 - 15	6	5	1	16.66
16 - 18	1	1	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>37</b>	<b>28</b>	<b>9</b>	<b>24.32</b>

Employees and post numbers are as at 30 June

Table 152: Employees: Office of the MM

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Employees: Internal Audit				
Job Level	2022/23			
	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	0	2	100
10 - 12	1	0	1	100
13 - 15	1	1	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>60</b>

Employees and post numbers are as at 30 June

Table 153: Employees: Internal Audit

Employees: Risk Management				
Job Level	2022/23			
	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	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50</b>

Employees and post numbers are as at 30 June

Table 154: Employees: Risk Management

Employees: Performance, Monitoring & Evaluation				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0

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Employees: Performance, Monitoring & Evaluation				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
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	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50</b>

Employees and post numbers are as at 30 June

Table 155: Employees: Performance, Monitoring & Evaluation

Employees: Political Office (Office of the Executive Mayor)				
Job Level	2022/23			
	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	1	1	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	100
<b>Total</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>25</b>

Employees and post numbers are as at 30 June

Table 156: Employees: Political Office: Office of the Executive Mayor

Employees: Political Office (Office of the Deputy Mayor)				
Job Level	2022/23			
	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

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Employees: Political Office (Office of the Deputy Mayor)				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>
Employees and post numbers are as at 30 June				

Table 157: Employees: Political Office: Office of the Deputy Mayor

Employees: Political Office (Office of the Speaker)				
Job Level	2022/23			
	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	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>
Employees and post numbers are as at 30 June				

Table 158: Employees: Political Office: Office of the Speaker

## 3.9.2 Strategic Services

### a) Introduction to Strategic Services

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

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## b) Highlights: Strategic Services

The table below specifies the highlights for the year:

Highlights	Description
Construction of Business HIVE	The department secured funding from the Department of Economic Development to construct container HIVE to provide trading spaces for SMME's. During the period in review the department finalized the construction of the facility
Municipal Newsletters	The department developed 12 monthly newsletters issued to all residents as means to improve communication
Integrated Development Plan	Review and approval of the Integrated Development Plan in compliance with legislation
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
Town Planning and Building Control	Finalizing evaluation of building plans and town planning applications within the time as per legislative framework
National Arts Festival and hosting of events	The department contributed and supported the hosting of local, and national events in the municipal area contributing significantly towards the tourism sector

Table 159: 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 160: Challenges: Strategic Services

## d) Employees: Strategic Services

The following table indicates the staff composition for this division:

Employees: Director Strategic Services				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	23	19	4	17.39

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Employees: Director Strategic Services				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - 6	20	18	2	10
7 - 9	7	7	0	0
10 - 12	32	24	8	25
13 - 15	9	7	2	22.22
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>92</b>	<b>76</b>	<b>16</b>	<b>17.39</b>

Employees and post numbers are as at 30 June

Table 161: Employees: Director Strategic Services

Employees: Communication, IGR & Public Participation				
Job Level	2022/23			
	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	1	1	50
10 - 12	4	3	1	25
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25</b>

Employees and post numbers are as at 30 June

Table 162: Employees: Communication, IGR & Public Participation

Employees: Integrated Development Planning				
Job Level	2022/23			
	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

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Employees: Integrated Development Planning				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	1	1	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>33.33</b>

Employees and post numbers are as at 30 June

Table 163: Employees: Integrated Development Planning

## 3.9.3 Financial Services

### a) Introduction to Financial Services

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

Key Performance Areas of this section include:

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

The Financial Services Directorate is split into five sections:

- Revenue
- Expenditure
- Budget and Treasury Office

# Annual Report

- ICT
- SCM

## b) **Highlights: Financial Services**

- The table below specifies the highlights for the year:

Highlights	Description
93.7% Payment rate achieved	Within the difficult economic conditions the municipality was still able to get 93.7% payment rate
Number of months it takes to cover fix operating expenditure with available cash	The Municipality have improved the number of months to 2 months and strives to achieve the acceptable norm of around 3 months
Operating surplus	Despite the economic challenges, through efficient and good budget control the Municipality manage obtain an operating surplus

Table 164: Financial Services Highlights

## c) **Challenges: Financial Services**

- The table below specifies the challenges for the year:

Description	Actions to address
Movement of assets	Municipal staff and councillors should adhere to Asset Management Policy and complete asset movement for all assets to minimise the risk of assets misplacement of not to be found
Employees are over indebted	Accounting Officer to issue a directive/memo to stop direct payroll deductions from new service providers
Increase number of indigent consumers	Municipality to develop means and strategies to stimulate the local economy so that the latter can employ more people

Table 165: Financial Services Challenges

## c) **Employees: Financial Services**

The following table indicates the staff composition for this division:

Employees: Office of the CFO				
Job Level	2022/23			
	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



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Employees: Office of the CFO				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Employees and post numbers are as at 30 June

Table 166: Employees: Office of the CFO

Employees: Revenue				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	24	23	1	7.69
7 - 9	7	7	0	0
10 - 12	5	4	1	20
13 - 15	3	2	1	33.33
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>39</b>	<b>36</b>	<b>3</b>	<b>7.69</b>

Employees and post numbers are as at 30 June

Table 167: Employees: Revenue

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Employees: Expenditure				
Job Level	2022/23			
	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	6	6	0	0
10 - 12	1	1	0	0
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>

Employees and post numbers are as at 30 June

Table 168: Employees: Expenditure

Employees: Financial Accounting				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	1	1	0	0
10 - 12	3	1	2	66.66
13 - 15	2	2	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25</b>

Employees and post numbers are as at 30 June

Table 169: Employees: Financial Accounting

Employees: Supply Chain Management				
Job Level	2022/23			
	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	3	0	100

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Employees: Supply Chain Management				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	6	3	3	50
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>15</b>	<b>11</b>	<b>4</b>	<b>26.67</b>

Employees and post numbers are as at 30 June

Table 170: Employees: Supply Chain Management

## d) Capital: Financial Services

The following table indicate the capital expenditure for this division:

Capital Expenditure 2022/23: Financial Services				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Meter reading handheld devices	40 000	40 000	33 856	6 144
Computer and software	550 000	878 000	917 116	(39 116)
Upgrading of building - Church Street stores	250 000	310 000	273 370	36 630
Office furniture	35 000	35 000	36 795	(1 795)
<b>Total</b>	<b>875 000</b>	<b>1 263 000</b>	<b>1 261 138</b>	<b>1 862</b>

Table 171: Capital Expenditure: Financial Services

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## 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 addresses both skills development and all other related administrative functions.

### b) Highlights: Human Resource Services

The table below specify the highlight for the year:

Highlight	Description
Implementation of Municipal Staff Regulation (Regulation 890)	Implementation of Performance Management and Development System to the lowest level of the workforce

Table 172: Human Resource Services Highlights

### c) Challenges: Human Resource Services

The table below specify the challenge for the year:

Description	Actions to address
Lack of cooperation with implementation of municipal staff regulations	To provide more communication and awareness on the municipal staff regulation

Table 173: 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	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
NS	1	1	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Employees and post numbers are as at 30 June

Table 174: Employees: Office of the Director Corporate Services

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Employees: Administration				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	10	6	4	40
7 - 9	4	2	2	50
10 - 12	2	2	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>17</b>	<b>11</b>	<b>6</b>	<b>35.29</b>

Employees and post numbers are as at 30 June

Table 175: Employees: Administration

Employees: Human Resources Management				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	3	1	2	66.66
7 - 9	4	3	1	25
10 - 12	6	6	0	0
13 - 15	3	3	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>16</b>	<b>13</b>	<b>3</b>	<b>18.75</b>

Employees and post numbers are as at 30 June

Table 176: Employees: Human Resources Management

Employees: Committee Services				
Job Level	2022/23			
	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	2	2	0	0

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Employees: Committee Services				
Job Level	2022/23			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>14.29</b>

Employees and post numbers are as at 30 June

Table 177: Employees: Committee Services

## e) Capital: Human Resource Services

The following table indicate the capital expenditure for this division:

Capital Expenditure 2022/23: Human Resource Services				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Air conditioners	48 000	48 000	42 039	5 961
Office furniture equipment	0	150 000	143 747	6 253
<b>Total</b>	<b>48 000</b>	<b>198 000</b>	<b>185 786</b>	<b>12 214</b>

Table 178: Capital Expenditure: Human Resource Services

## 3.9.5 Information and Communication Technology (ICT) Services

### a) Introduction to ICT Services

This section forms part of the Finance Directorate and manage, install, repair and support all aspects of information and communication technology in the Municipality. This includes computer hardware and software, network infrastructure and wireless communication. Currently the section has 5 staff members to deliver the services. We manage high sites, wireless clients (remote offices), desktops, laptops, printers and Voice Over Internet Protocol (VOIP) communications. There are 352 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.

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## b) Challenges: ICT Services

The challenge that was experienced is as follow:

Description	Actions to address
Load shedding	Budget for generator for 23/24 financial year

Table 179: Challenges: ICT Services

## c) Service Delivery Levels

Details	2021/22	2022/23
Provide ICT support to all municipal departments by attending to requests within 4 working days	100%	100%
Total number of support requests and enquiries	3 410	1 344
Total number of support requests and enquiries solved within 4 days	3 410	1 344

Table 180: Service Data for ICT Services

## d) Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services				
Job Level	2022/23			
	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	4	0	0
13 - 15	1	0	1	100
16 - 18	1	1	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>14.29</b>
<b>Employees and post numbers are as at 30 June</b>				

Table 181: Employees: ICT Services

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## 3.9.6 Legal Services

### a) Introduction to Legal Services

The Department Contracts and Legal Services currently comprises of the Legal Manager, a Legal Advisor and a temporary administrative assistant.

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 of Legal Adviser	The position had been vacant for some time and created challenges in the department was filled
Prosecution of by-laws and traffic offence violations	Our legal advisor obtained delegations to prosecute by-law and traffic related offences from the National Prosecuting Authority (NPA) and this has had a positive impact on curbing these transgressions

Table 182: Highlights: Legal Services

### c) Challenges: Legal Services

Challenges that are experienced includes the following:

Description	Actions to address
Lack of co-operation in respect of contracts management	Many line departments seem to draft and manage their contracts without inputs from Legal Services
Legal section not consulted when there are breaches of contract	Line departments seem to handle this function on their own without inputs from Legal Services



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Description	Actions to address
Lack of access to Windeed or other deeds search programmes	Applications must be submitted to obtain access
Contracts administrative official not located in the department	Because of an unfortunate history of events, this person has not been able to be deployed in Legal Services despite the position existing on the organogram

Table 183: Challenges: Legal Services

## d) Service Delivery Levels

Details	2021/22	2022/23
Attending to requests for information applications made by members of the public is a form of service delivery	Yes	Yes

Table 184: 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
10 - 12	2	1	1	50
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>33.33</b>
Employees and post numbers are as at 30 June				

Table 185: Employees: Contracts and Legal Services

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## 3.9.7 Procurement Services

### a) Introduction to Procurement Services

In this 2022/23 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 2022/23 financial year end

### b) Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
90% of tenders that expired were awarded before expiry	Better progress in terms of prior financial year
Better planning in terms of deviating from SCM process	2021/22 total deviations were 26 2022/23 total deviations were only 8

Table 186: Procurement Services Highlights

### c) Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Lack of training for SCM officials	Apply for skills/training courses
Continuous change in regulations/legislation	Implement new legislation
Incompetent BEC members	Appoint competent and adequate BEC members. Also, send members for committee training

Table 187: 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	5 167	430.59	14.16
Orders processed	5 167	430.59	14.16
Requests cancelled or referred back	573	47.75	1.57
Extensions	2	0.17	0.01
Bids received (number of documents)	230	19.17	0.63

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Description	Total	Monthly Average	Daily Average
Bids awarded	54	4.5	0.15
Bids awarded ≤ R200 000	42	3.5	0.12
Appeals registered	12	1	0.04
Successful appeals	2	0.17	0.01

Table 188: 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 (%)
	2021/22		2022/23	
Clause 36(1)(a)(i)- Emergency	936 667	52	717 680	30
Clause 36(1)(a)(ii)- Sole Supplier	338 347	19	1 520 514	62
Clause 36(1)(a)(v)- Impractical /impossible	523 244	29	194 376	8

Table 189: Statistics of Deviations from the SCM Policy

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## 3.10 Component I: Service Delivery Priorities for 2023/24

The main development and service delivery priorities for 2023/24 forms part of the Municipality's Top Layer SDBIP for 2023/24 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
TL10	Submit the draft IDP to Council by 31 March 2024 to ensure compliance with legislation	IDP submitted to Council	All	<b>1</b>
TL12	Limit unaccounted electricity to less than 13% by 30 June 2024 $\{( \text{Number of Electricity Units Purchased and/or Generated} - \text{Number of Electricity Units Sold (incl Free basic electricity)} ) / \text{Number of Electricity Units Purchased and/or Generated} ) \times 100\}$	% unaccounted electricity by 30 June 2024	All	<b>13%</b>
TL20	Limit vacancy rate to less than 20% of budgeted post by 30 June 2024 $\{ (\text{Number of funded posts vacant} / \text{number of funded posts}) \times 100 \}$	% Vacancy rate	All	<b>20%</b>
TL22	Submit the EE plan to Department of Labour by 15 January	EE plan submitted	All	<b>1</b>
TL23	Annually submit Workplace Skills Plan by 30 April to LGSETA	Workplace Skills Plan submitted	All	<b>1</b>
TL24	Submit a request for amendments of records to Provincial Archives by 30 November	Number of requests submitted	All	<b>1</b>
TL25	Implement 80% of the Audit findings issued.	% Audit findings addressed	All	<b>80%</b>

Table 190: 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 2024 $\{ (\text{Short Term Borrowing} + \text{Bank Overdraft} + \text{Short Term Lease} + \text{Long Term Borrowing} + \text{Long Term Lease}) / \text{Total Operating Revenue} - \text{Operating Conditional Grant} \}$	% of debt coverage	All	<b>20%</b>
TL6	Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 $\{ (\text{Total outstanding service debtors} / \text{revenue received for services}) \times 100 \}$	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	All	<b>23%</b>

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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 2024 ((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	<b>1.7</b>
TL8	Achieve a debtor payment percentage of 93% as at 30 June 2024 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	% debtor payment achieved	All	<b>93%</b>
TL9	The percentage of the municipal capital budget spent on capital projects as at 30 June 2024 {(Actual amount spent on capital projects / Total amount budgeted for capital projects)X100}	% the capital budget spent on capital projects as at 30 June 2024	All	<b>95%</b>
TL18	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 2023/24 financial year	Number of people employed in the three highest levels of management	All	<b>1</b>
TL19	Spend 0,3% of a municipality's personnel budget on implementing its workplace skills plan by 30 June 2024 [(Actual total training expenditure divided by total personnel budget) x100]	% of the budget spent	All	<b>0.3%</b>

Table 191: 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
TL13	Limit unaccounted water to less than 25% by 30 June 2024 {(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 2024	All	<b>25%</b>
TL14	Create temporary jobs - FTE's in terms of EPWP by 30 June 2024 (Person days / FTE (230 days))	Number of FTE's created by 30 June 2024	All	<b>150</b>
TL21	The percentage of budget allocation actually spent on implementing social development programs, youth & social	% budget spent	All	<b>90%</b>

Table 192: 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 2024	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	<b>7 200</b>
TL2	Provide subsidies for free basic electricity to indigent households (excluding ESKOM supply area) as at 30 June 2024	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	<b>7 000</b>
TL3	Provide subsidies for free basic sanitation to indigent households as at 30 June 2024	Number of indigent households receiving subsidies for free basic sanitation as per PROMUN financial system	All	<b>6 900</b>
TL4	Provide subsidies for free basic refuse removal to indigent households as at 30 June 2024	Number of indigent households receiving subsidies for free basic refuse removal as per PROMUN financial system	All	<b>6 900</b>
TL11	Provide refuse services to residential properties for which refuse is removed and billed for the service as at 30 June 2024	Number of residential properties which are billed for refuse removal as per the PROMUN financial system	All	<b>14 600</b>
TL15	Provide piped water to residential properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2024	Number of residential properties that receive piped water as per the Promun Financial System as at 30 June 2024	All	<b>15 200</b>
TL16	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 2024	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 2024. The Ontec management report is also used as unit of measurement	All	<b>17 150</b>
TL17	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 2024	Number of residential properties which are billed for sewerage in accordance with the Promun Financial System as at 30 June 2024	All	<b>15 200</b>

Table 193: To provide basic services to all residents in an environmentally sustainable manner

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

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL26	Submit the Human Settlements Beneficiary Selection in Ownership Policy to Council for approval by 31 December 2023	Policy submitted to Council	All	<b>1</b>
TL27	Upgrade 100 service sites in Oudtshoorn informal settlements (Rosevalley Phase 4) by 30 June 2024	Number of sites upgraded	All	<b>100</b>
TL28	Review the Emergency Housing Assistance Policy by 31 December 2023	Policy Reviewed by Council	All	<b>1</b>

Table 194: To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper

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## 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	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	1	6
The percentage of a Municipality's budget actually spent on implementing its workplace skills plan	0.39%	0.1%

Table 195: National KPIs- Municipal Transformation and Organisational Development

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

The Municipality currently employs 700 (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
288.78	161	No	346.09	470	Yes	5.28	0	No	114.61	69	No

Table 196: 2022/23 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
407.16	436	Yes	347.59	264	No	2.26	3	Yes

Table 197: 2022/23 EE Targets/Actual by Gender Classification

Description	African	Coloured	Indian	White	Total
Number for positions filled for the 2022/23 financial year	18	36	0	7	61
% for Positions filled	29.50	59.01	0	11.47	99.98

Table 198: EE Population 2022/23

## 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	5	0	0	0	0	0		5
Senior management	1	1	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	43	0	12	12	35	0	4	118
Semi-skilled and discretionary decision making	37	124	0	16	21	76	0	10	284
Unskilled and defined decision making	47	103	0	13	25	67	0	5	260
<b>Total permanent</b>	<b>100</b>	<b>289</b>	<b>0</b>	<b>47</b>	<b>61</b>	<b>181</b>	<b>0</b>	<b>22</b>	<b>700</b>

Table 199: 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	5	6	0	1	3	10	0	1	26
Corporate Services	2	10	0	0	4	12	0	0	28
Financial Services	4	13	0	11	3	28	0	8	67
Strategic & Social Development	9	25	0	2	10	26	0	4	76
Engineering Services	45	111	0	26	12	20	0	1	215
Community Services	36	126	0	7	28	83	0	8	288
<b>Total permanent</b>	<b>101</b>	<b>291</b>	<b>0</b>	<b>47</b>	<b>60</b>	<b>179</b>	<b>0</b>	<b>22</b>	<b>700</b>

Table 200: 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
	2021/22		2022/23	
SAMWU	314	40.41	256	36
IMATU	366	47.11	415	59
MATUSA	6	0.77	5	1
Non-members	91	11.71	28	4
Double membership	0	0	0	0
<b>Total</b>	<b>777</b>	<b>100</b>	<b>704</b>	<b>100</b>

Table 201: Trade Union Membership

## 4.2.2 Vacancy Rate

The approved organogram for the Municipality had 1 084 posts for the 2022/23 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 237 (Including temps) posts were vacant at the end of 2022/23, resulting in a vacancy rate of 21.86%.

However, the number of **funded** vacant posts were 90 as at 30 June 2023. Resulting in a total **funded** vacancy rate of 8.30% for the 2022/23 financial year.

Total number of funded posts vacant: 90

Total number of funded posts: 809

Percentage of funded post vacant  $(90/809) \times 100 = \mathbf{11.12\%}$

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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	6	0
Middle management	34	2
Professionals	8	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	108	11
Unskilled and defined decision making	261	94
Semi-skilled and defined decision making	285	41
Non- permanent employees	17	89
<b>Total</b>	<b>719</b>	<b>237</b>

Table 202: 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 decrease from 151.61% in 2021/22 to 68.85% in 2022/23.

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
2021/22	31	31	47	151.61%
2022/23	61	45	42	68.85%

Table 203: Turnover Rate

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## 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 an increase from 120 employees injured in the 2021/22 financial year against 69 employees in the 2022/23 financial year.

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

Directorates	2021/22	2022/23
Office of the Municipal Manager	10	0
Corporate Services	5	1
Financial Services	3	1
Strategic & Social Development	2	1
Community Services	62	47
Engineering Services	36	19
Human Settlements	2	0
<b>Total</b>	<b>120</b>	<b>69</b>

Table 204: Injuries

The table below indicates the incidence frequency rate for 2022/23:

Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Accumulative injury rate	1	8	11	7	4	4	0	7	2	2	3	2
Vehicle related incidents	0	2	4	0	1	0	0	4	4	0	3	0

Table 205: Incidence Frequency Rate

### 4.3.2 Sick Leave

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

The total number of employees that have taken sick leave during the 2021/22 financial year shows an increase when compared with the 2022/23 financial year. The new 3-year sick leave cycle started on 1 May 2022.

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

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Department	2021/22	2022/23		
		Sick Leave	Unpaid Leave	Total
Office of the Municipal Manager	47.5	433.37	19	452.37
Corporate Services	192	282	0	282
Financial Services	327	593.06	5	598.06
Community Services	1 900	2 323.81	209	2 532.81
Technical Services	1 080.25	2 250.25	189	2 439.25
Strategic and Social Services	102	195	0	195
<b>Total</b>	<b>3 648.75</b>	<b>6 077.49</b>	<b>422</b>	<b>6 499.49</b>

Table 206: Sick Leave

## 4.3.3 Disciplinary Measures

### a) Disciplinary Cases per Directorate

Directorate	Number of cases	
	2021/22	2022/23
Office of the Municipal Manager	1	3
Corporate Services	1	0
Financial Services	1	1
Community Services	27	10
Technical Services	12	17
<b>Total</b>	<b>42</b>	<b>31</b>

Table 207: Disciplinary Cases Per Directorate

### b) Outcome of Disciplinary Steps

Type of outcome	Number	
	2021/22	2022/23
Counselling	5	3
Final warning	2	2
Written warning	23	12
Not guilty	0	2
Dismissal	0	3
Withdrawn (During hearing)	1	1
10 Days with suspension	4	2
5 Days with suspension	0	1
Pending	0	0
Suspensions	8	4

Table 208: Outcome of Disciplinary Steps

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## c) Category of Disciplinary Offences per Charge

Category	Number	
	2021/22	2022/23
Absenteeism	9	12
Alcohol/drugs	26	5
Intimidation	0	2
Poor work performance	0	0
Dishonesty	3	1
Negligence	0	4
Poor conduct	5	5
Insubordination	0	2
<b>Total</b>	<b>43</b>	<b>31</b>

**Number of category of offences vary from number of disciplinary cases as in some instances some individuals received more than one charge**

Table 209: Category of Disciplinary Offences per Charge

## 4.4 Component C: Capacitating the Municipal Workforce

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

### 4.4.1 Skills Matrix

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

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	10	10
	Male	13	13
Associate professionals and technicians	Female	1	1
	Male	15	15
Professionals	Female	0	0
	Male	6	6
Clerks	Female	11	11
	Male	4	4

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Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Service and sales workers	Female	25	25
	Male	12	22
Craft and related trade workers	Female	0	0
	Male	5	1
Plant and machine operators and assemblers	Female	10	10
	Male	30	30
Elementary occupations	Female	20	21
	Male	40	40
Sub total	Female	77	78
	Male	125	131
Total		202	209

Table 210: 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	
Hazardous Chemical Training	10	7	0	2	16	22	0	7	64
She rep Training	5	11	0	6	13	19	0	5	59
First aid levels 1-3	3	7	0	1	1	5	0	1	18
Lifeguard refresher training	0	0	0	0	11	20	0	1	32
Cherry picker Training	1	0	0	0	5	12	0	2	20
Managing Your Contracts Effectively	0	1	0	0	0	1	0	0	2
Public Procurement: The Fundamentals	0	1	0	0	0	1	0	0	2
Municipal Minimum Competency Level Training	1	2	0	0	1	5	0	0	9
Coaching for Leadership Development	0	1	0	0	0	1	0	0	2
Plumbing Trade test	0	0	0	0	0	1	0	0	1
<b>Total</b>	<b>20</b>	<b>30</b>	<b>0</b>	<b>9</b>	<b>47</b>	<b>87</b>	<b>0</b>	<b>16</b>	<b>209</b>

Table 211: Training Interventions

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## 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. Furthermore, after the promulgation of the Staff Regulations, Reg. 890 ad Guidelines 890, Chapter 4 has placed emphasis on the development of skills, as performance and skills development now goes hand-in-hand.

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	10	10	10	10
	Male	0	0	13	13	13	13
Professionals	Female	0	0	0	0	0	0
	Male	0	0	6	6	6	6
Technicians and associate professionals	Female	0	0	1	1	1	1
	Male	5	5	10	10	15	15
Clerks	Female	11	11	0	0	11	11
	Male	4	4	0	0	4	4
Service and sales workers	Female	0	0	25	25	25	25
	Male	0	0	22	12	22	12
Craft and related trade workers	Female	0	0	0	0	0	0
	Male	0	0	1	5	1	5
Plant and machine operators and assemblers	Female	0	0	10	10	10	10
	Male	0	0	30	30	30	30
Elementary occupations	Female	0	0	21	20	21	20
	Male	0	0	40	40	40	40
<b>Sub total</b>	<b>Female</b>	<b>11</b>	<b>11</b>	<b>67</b>	<b>66</b>	<b>78</b>	<b>77</b>
	<b>Male</b>	<b>9</b>	<b>9</b>	<b>121</b>	<b>116</b>	<b>131</b>	<b>125</b>
<b>Total</b>		<b>20</b>	<b>20</b>	<b>188</b>	<b>182</b>	<b>209</b>	<b>202</b>

Table 212: Skills Development



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## 4.4.4 Skills Development - Budget Allocation

The table below indicates that a total amount of R 606 107 were allocated to the workplace skills plan and that 87% of the total allocated amount was spent in the 2022/23 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
2021/22	269 646 000	643 500	234 866.74	36.49%
2022/23	292 117 000	606 107	529 219.93	87%

Table 213: Budget Allocated and Spent for Skills Development

## 4.4.5 Municipal Minimum Competency Course Status

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

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No Municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

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

Description	Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	4	4	4	2
Any other financial officials	75	13	0	13
<b>Supply Chain Management Officials</b>				
Heads of supply chain management units	1	1	0	1

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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))
Supply chain management senior managers				
<b>Total</b>	<b>82</b>	<b>20</b>	<b>6</b>	<b>18</b>

Table 214: 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 at the top end of the national norm of between 25% to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2021/22	269 809	675 106	39%
2022/23	282 116	705 027	40%

Table 215: Personnel Expenditure

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

Financial year	2021/22		2022/23	
	Actual	Original Budget	Adjusted Budget	Actual
Description	R'000			
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	8 154	8 376	9 460	8 851
Pension Contributions	554	1 655	595	592
Medical Aid Contributions	151	31	126	129
Motor vehicle allowance	1 043	642	914	982

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Financial year	2021/22	2022/23		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Cell phone allowance	1048	1 232	841	822
<b>Sub Total</b>	<b>10 950</b>	<b>11 936</b>	<b>11 936</b>	<b>11 375</b>
<b>Senior Managers of the Municipality</b>				
Salary	3709	5850	3984	3988
Pension and UIF Contributions	461	318	354	614
Medical Aid Contributions	31	42	80	42
Overtime	0	0	0	0
Motor vehicle allowance	194	144	144	279
Cell phone allowance	271	327	227	299
Housing allowance	118	0	0	118
Performance Bonus	56	1036	636	356
Other benefits or allowances	312	79	91	558
Leave Payments	61	0	0	44
<b>Sub Total</b>	<b>5213</b>	<b>7796</b>	<b>5515</b>	<b>6298</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	158 858	173 348	174 458	163 553
Pension Contributions	34 643	33 876	31 530	35 732
Medical Aid Contributions	12 065	13 696	13 601	12 818
Motor vehicle allowance	3991	3 643	4 362	4 267
Cell phone allowance	1022	1 569	1 748	972
Housing allowance	1221	1 523	1 528	1 241
Overtime	15638	11 868	15 103	18 049
Leave Payments	2 059	97	0	(83 441)
Annual bonuses	12785	13 524	13 243	14 195
Other benefits or allowances	5986	12 052	12 008	6 052
Long service awards	2192	1 882	2 444	2 444
Post-retirement benefit obligations	14132	12 935	16 577	16 578
<b>Sub Total</b>	<b>264 593</b>	<b>280 013</b>	<b>286 602</b>	<b>275 817</b>
<b>Total Municipality</b>	<b>280 759</b>	<b>299 745</b>	<b>304 052</b>	<b>293 491</b>
<b>Total Managers and Staff</b>	<b>269 809</b>	<b>287 809</b>	<b>292 117</b>	<b>282 116</b>

Table 216: Personnel Expenditure

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## CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2022/23 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 2022/23 financial year:

Financial Summary						
R'000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	104 563	116 458	116 155	116 473	0.01	0.27
Service charges	403 757	438 314	411 020	408 896	-7.19	-0.52
Investment revenue	6 818	5 988	5 988	11 878	49.59	49.59
Transfers recognised - operational	96 933	102 682	130 046	103 865	1.14	-25.21
Other own revenue	47 707	41 978	53 889	79 172	46.98	31.93
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>659 777</b>	<b>705 420</b>	<b>717 098</b>	<b>720 285</b>	<b>2.06</b>	<b>0.44</b>
Employee costs	269 809	287 809	292 117	282 136	-2.01	-3.54
Remuneration of councillors	10 950	11 936	11 936	11 375	-4.92	-4.92
Depreciation & asset impairment	48 248	43 851	46 388	52 884	17.08	12.28
Finance charges	6 959	10 552	6 453	10 726	1.62	39.84
Materials and bulk purchases	231 194	254 743	281 665	229 272	-11.11	-22.85
Transfers & grants	3 402	3 092	2 992	3 003	-2.95	0.38
Other expenditure	114 906	123 162	146 730	139 301	11.59	-5.33
<b>Total Expenditure</b>	<b>685 468</b>	<b>735 144</b>	<b>788 280</b>	<b>728 698</b>	<b>-0.88</b>	<b>-8.18</b>
<b>Surplus/(Deficit)</b>	<b>(25 691)</b>	<b>(29 725)</b>	<b>(71 182)</b>	<b>(8 413)</b>	<b>-253.30</b>	<b>-746.06</b>
Transfers recognised - capital	45 911	69 159	81 159	79 980	13.53	-1.47
Contributed/Donated PPE	266	166	405	722	77.01	43.96
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>20 486</b>	<b>39 600</b>	<b>10 381</b>	<b>72 289</b>	<b>45.22</b>	<b>85.64</b>
Capital expenditure & funds sources						

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Financial Summary						
R'000						
Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Capital expenditure</b>						
Transfers recognised - capital	40 783	60 190	70 521	69 367	13.23	-1.66
District Municipality	0	0	104	104	100.00	0.05
Public contributions and donations	96	166	405	107	-55.54	-279.11
Borrowing	25 582	20 700	26 793	26 236	21.10	-2.12
Internally generated funds	11 091	10 991	18 793	15 655	29.79	-20.04
<b>Total sources of capital funds</b>	<b>77 551</b>	<b>92 047</b>	<b>116 615</b>	<b>111 469</b>	<b>17.42</b>	<b>-4.62</b>
<b>Financial position</b>						
Total current assets	232 885	163 783	141 320	228 811	28.42	38.24
Total non(current assets	1 111 401	1 106 074	1 154 507	1 167 671	5.28	1.13
Total current liabilities	156 770	109 536	115 130	140 438	22.00	18.02
Total non(current liabilities	216 372	201 414	224 664	212 610	5.27	-5.67
Community wealth/equity	971 144	958 907	956 033	1 043 433	8.10	8.38
<b>Cash flows</b>						
Net cash from (used) operating	93 060	36 340	24 136	87 550	58.49	72.43
Net cash from (used) investing	(70 239)	(100 788)	(115 964)	(104 738)	3.77	-10.72
Net cash from (used) financing	5 144	2 200	2 200	2 386	7.81	7.81
<b>Cash/cash equivalents at the year end</b>	<b>143 933</b>	<b>102 036</b>	<b>68 577</b>	<b>129 131</b>	<b>20.98</b>	<b>46.89</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	143 933	38 199	54 305	129 131	70.42	57.95
Application of cash & investments	56 828	(29 051)	2 925	65 727	144.20	95.55
<b>Balance ( surplus (shortfall)</b>	<b>200 761</b>	<b>67 250</b>	<b>51 380</b>	<b>194 858</b>	<b>65.49</b>	<b>73.63</b>
<b>Asset management</b>						
Asset register summary (WDV)	1 111 401	1 106 074	1 154 507	1 167 671	5.28	1.13
Depreciation and asset impairment	48 248	43 851	46 388	52 884	17.08	12.28
Renewal of existing assets	372	11 000	2 305	242	-4446.65	-852.55
Repairs and maintenance	16 617	21 827	50 221	22 961	4.94	-118.72
<b>Free services</b>						
Cost of free basic services provided	56 671	55 630	54 211	58 820	5.42	7.84
Revenue cost of free services provided	8 388	9 189	9 389	9 389	2.13	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 217: Financial Performance 2022/23

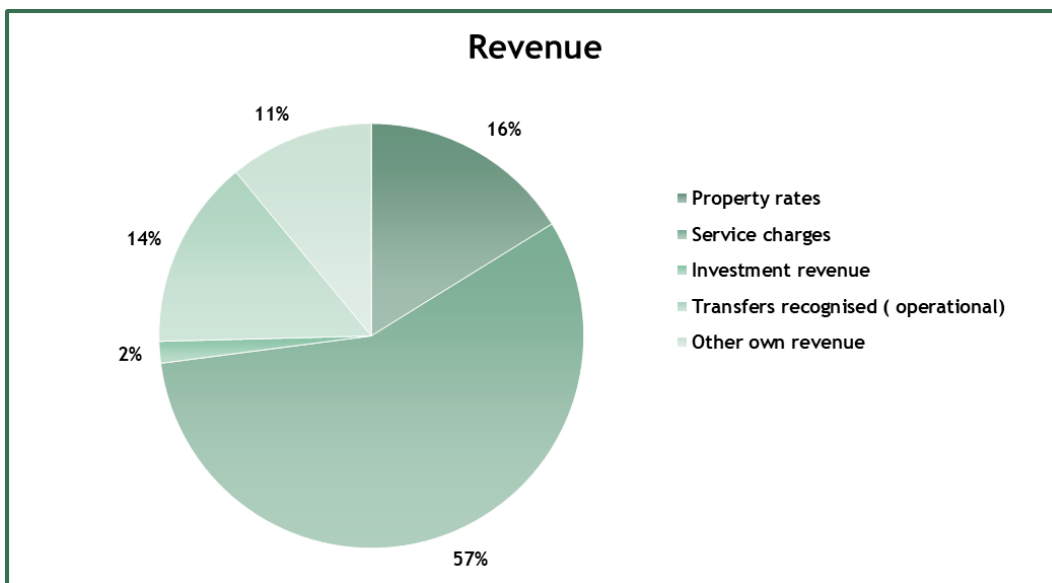
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The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Difference	%	Budget	Actual	Difference	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2021/22	730 837	705 954	(24 883)	-3	670 790	685 468	(14 678)	-2
2022/23	798 661	800 987	2 326	0	788 280	728 698	59 582	8

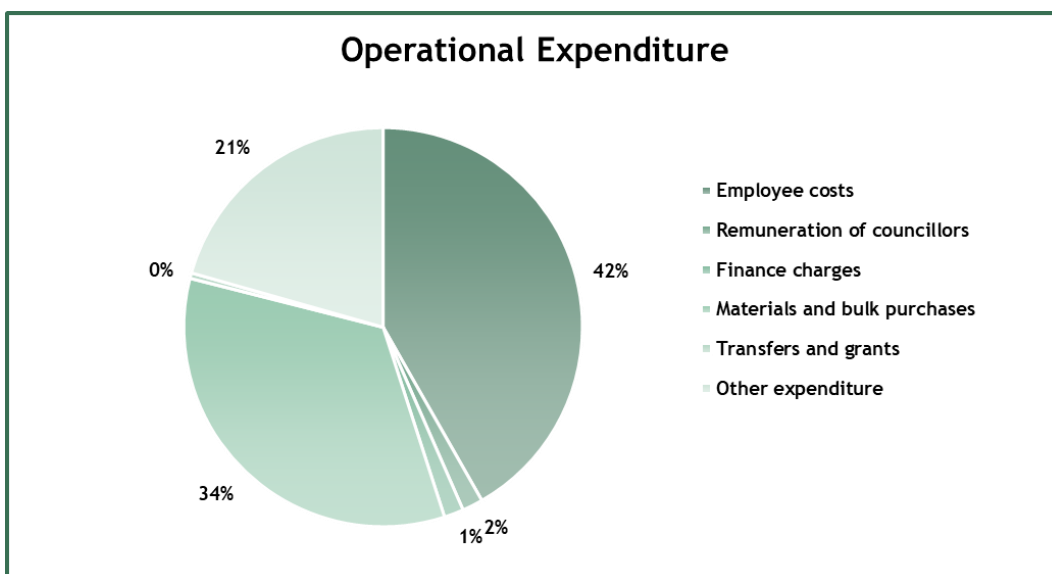
Table 218: Performance Against Budgets

The following graph indicates the various types of revenue items in the municipal budget for 2022/23



Graph 6.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2022/23



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	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive & Council	69 426	68 175	69 170	96 657	29.47	28.44
Vote 2 - Municipal Manager	7 134	8 810	15 963	15 094	41.64	-5.75
Vote 3 - Corporate Services	744	698	998	832	16.10	-19.96
Vote 4 - Financial Services	107 137	127 963	128 260	119 673	-6.93	-7.18
Vote 5 - Community and Public Safety	61 720	51 066	55 993	66 970	23.75	16.39
Vote 6 - Technical Services	458 375	518 033	526 408	499 891	-3.63	-5.30
Vote 7 - Human Settlement	1 288	0	0	0	0	0
Vote 8 - Strategic Services	130	0	1 870	1 870	100.00	0.00
<b>Total Revenue by Vote</b>	<b>705 954</b>	<b>774 745</b>	<b>798 661</b>	<b>800 987</b>	<b>3.28</b>	<b>0.29</b>

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

Table 219: Revenue Collection by Vote

## 5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2022/23 financial year:

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	104 563	116 458	116 155	116 473	0.01	0.27
Service Charges - electricity revenue	280 729	300 621	276 819	276 893	-8.57	0.03
Service Charges - water revenue	64 355	65 835	72 528	70 499	6.61	-2.88
Service Charges - sanitation revenue	37 693	48 443	36 190	35 771	-35.42	-1.17
Service Charges - refuse revenue	20 979	23 414	25 484	25 733	9.01	0.97
Rentals of facilities and equipment	2 120	1 669	2 368	3 191	47.70	25.78
Interest earned - external investments	6 818	5 988	5 988	11 878	49.59	49.59
Interest earned - outstanding debtors	6 478	6 389	8 641	848	27.79	2.33
Fines	9 507	4 389	4 393	15 032	70.80	70.78
Licences and permits	265	397	416	381	-4.08	-9.01

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Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Agency services	5 628	5 656	6 967	5 647	-0.15	-23.36
Transfers recognised - operational	96 933	102 682	130 046	103 865	1.14	-25.21
Other revenue	17 936	15 479	23 104	25 092	38.31	7.92
Gains on disposal of PPE	0	8 000	8 000	20 980	61.87	61.87
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>654 005</b>	<b>705 420</b>	<b>717 098</b>	<b>720 285</b>	<b>2.06</b>	<b>0.44</b>

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

Table 220: Revenue by Source

## 5.1.3 Operational Services Performance

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Operating Cost</b>						
Water	32 281	69 240	99 346	72 350	4.30	-37.31
Waste Water (Sanitation)	20 008	29 851	13 923	15 279	-95.37	8.88
Electricity	53 625	39 722	16 881	42 826	7.25	60.58
Waste Management	(257)	1 439	(359)	(278)	616.93	-29.09
Housing	(12 013)	(15 745)	(15 059)	(14 660)	-7.40	-2.72
<b>Component A: sub-total</b>	<b>93 645</b>	<b>124 506</b>	<b>114 731</b>	<b>115 516</b>	<b>-7.78</b>	<b>0.68</b>
Roads and Stormwater	(11 279)	(4 850)	(31 010)	(6 556)	26.02	-372.99
<b>Component B: sub-total</b>	<b>(11 279)</b>	<b>(4 850)</b>	<b>(31 010)</b>	<b>(6 556)</b>	<b>26.02</b>	<b>-372.99</b>
Planning and Development	(21 132)	(24 937)	(22 318)	(20 802)	-19.88	-7.28
<b>Component C: sub-total</b>	<b>(21 132)</b>	<b>(24 937)</b>	<b>(22 318)</b>	<b>(20 802)</b>	<b>-19.88</b>	<b>-7.28</b>
Community and Social Services	(7 876)	(17 201)	(16 952)	(16 615)	-3.52	-2.02
Public Safety	(30,850)	(27,371)	(25,705)	(14,844)	-84.39	-73.16
<b>Component D: sub-total</b>	<b>(38,726)</b>	<b>(44,572)</b>	<b>(42,656)</b>	<b>(31,460)</b>	<b>-41.68</b>	<b>-35.59</b>
Sport and Recreation	(35,310)	(40,557)	(37,282)	(36,715)	-10.46	-1.54
<b>Component E: sub-total</b>	<b>(35,310)</b>	<b>(40,557)</b>	<b>(37,282)</b>	<b>(36,715)</b>	<b>-10.46</b>	<b>-1.54</b>
Financial & Admin	34,206	25,675	24,939	32,911	21.99	24.22



# Annual Report

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Operating Cost</b>						
Executive and Council	1,594	7,049	6,729	22,146	68.17	69.62
Other	(2,510)	(2,713)	(2,751)	(2,750)	1.35	-0.03
<b>Component F: sub-total</b>	<b>33,289</b>	<b>30,010</b>	<b>28,917</b>	<b>52,306</b>	<b>42.63</b>	<b>44.72</b>
<b>Nett Surplus / (Deficit)</b>	<b>20,486</b>	<b>39,600</b>	<b>10,381</b>	<b>72,289</b>	<b>45.22</b>	<b>85.64</b>
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 221: Operational Services Performance

## 5.2 Financial Performance per Municipal Function

### 5.2.1 Water Services

Description	2021/22	2022/23			Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	89 010	114 462	155 215	128 645	11.03
<b>Expenditure:</b>					
Employees	21 060	21 322	21 367	20 800	-2.51
Repairs & Maintenance	3 513	3 884	3 884	3 414	-13.78
Other	32 156	20 016	30 617	32 083	37.61
<b>Total Operational Expenditure</b>	<b>56 729</b>	<b>45 222</b>	<b>55 869</b>	<b>56 296</b>	<b>19.67</b>
<b>Net Operational (Service) Expenditure</b>	<b>32 281</b>	<b>69 240</b>	<b>99 346</b>	<b>72 350</b>	<b>4.30</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual					

Table 222: Financial Performance: Water Services

# Annual Report

## 5.2.2 Waste Water (Sanitation)

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	47 501	57 933	45 859	46 297	-25.13
<b>Expenditure:</b>					
Employees	18 025	19 131	19 300	17 840	-7.24
Repairs & Maintenance	1 620	2 143	2 143	1 908	-12.30
Other	7 848	6 809	10 493	11 270	39.59
<b>Total Operational Expenditure</b>	<b>27 493</b>	<b>28 083</b>	<b>31 936</b>	<b>31 018</b>	<b>9.46</b>
<b>Net Operational (Service) Expenditure</b>	<b>20 008</b>	<b>29 851</b>	<b>13 923</b>	<b>15 279</b>	<b>-95.37</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 223: Financial Performance: Waste Water (Sanitation) Services

## 5.2.3 Electricity

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	297 348	310 879	290 575	290 380	-7.06
<b>Expenditure:</b>					
Employees	15 432	19 878	19 340	15 788	-25.91
Repairs & Maintenance	3 762	6 557	6 557	6 261	-4.72
Other	224 528	244 722	247 797	225 506	-8.52
<b>Total Operational Expenditure</b>	<b>243 722</b>	<b>271 156</b>	<b>273 694</b>	<b>247 554</b>	<b>-9.53</b>
<b>Net Operational (Service) Expenditure</b>	<b>53 625</b>	<b>39 722</b>	<b>16 881</b>	<b>42 826</b>	<b>7.25</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 224: Financial Performance: Electricity

# Annual Report

## 5.2.4 Waste Management

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	29 964	32 795	35 105	35 393	7.34
<b>Expenditure:</b>					
Employees	16 505	18 101	18 663	17 400	-4.03
Repairs & Maintenance	623	324	324	921	64.83
Other	13 093	12 930	16 477	17 351	25.48
<b>Total Operational Expenditure</b>	<b>30 221</b>	<b>31 355</b>	<b>35 464</b>	<b>35 671</b>	<b>12.10</b>
<b>Net Operational (Service) Expenditure</b>	<b>(257)</b>	<b>1 439</b>	<b>(359)</b>	<b>(278)</b>	<b>616.93</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 225: Financial Performance: Waste Management

## 5.2.5 Housing

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	1 288	0	0	0	0
<b>Expenditure:</b>					
Employees	5 243	5 254	5 241	5 357	1.92
Repairs & Maintenance	0	300	300	127	-136.00
Other	8 058	10 191	9 519	9 176	-11.07
<b>Total Operational Expenditure</b>	<b>13 301</b>	<b>15 745</b>	<b>15 059</b>	<b>14 660</b>	<b>-7.40</b>
<b>Net Operational (Service) Expenditure</b>	<b>(12 013)</b>	<b>(15 745)</b>	<b>(15 059)</b>	<b>(14 660)</b>	<b>-7.40</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 226: Financial Performance: Housing

# Annual Report

## 5.2.6 Roads and Stormwater

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	24 517	34 760	34 760	34 568	-0.56
<b>Expenditure:</b>					
Employees	20 059	21 905	21 295	20 341	-7.69
Repairs & Maintenance	2 402	5 342	31 756	4 759	-12.24
Other	13 335	12 363	12 719	16 024	22.85
<b>Total Operational Expenditure</b>	<b>35 796</b>	<b>39 610</b>	<b>65 770</b>	<b>41 124</b>	<b>3.68</b>
<b>Net Operational (Service) Expenditure</b>	<b>(11 279)</b>	<b>(4 850)</b>	<b>(31 010)</b>	<b>(6 556)</b>	<b>26.02</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 227: Financial Performance: Roads and Stormwater

## 5.2.7 Planning

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	130	0	1 870	1 870	100.00
<b>Expenditure:</b>					
Employees	17 230	17 685	18 585	17 669	-0.09
Repairs & Maintenance	1	154	154	568	72.87
Other	4 031	7 098	5 449	4 435	-60.05
<b>Total Operational Expenditure</b>	<b>21 262</b>	<b>24 937</b>	<b>24 188</b>	<b>22 673</b>	<b>-9.99</b>
<b>Net Operational (Service) Expenditure</b>	<b>(21 132)</b>	<b>(24 937)</b>	<b>(22 318)</b>	<b>(20 802)</b>	<b>-19.88</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 228: Financial Performance: Planning

# Annual Report

## 5.2.8 Community and Social Services

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	14 019	8 006	8 280	7 850	-1.99
<b>Expenditure:</b>					
Employees	18 386	19 773	19 656	18 661	-5.96
Repairs & Maintenance	1 340	2 605	2 605	2 639	1.30
Other	2 169	2 829	2 971	3 166	10.64
<b>Total Operational Expenditure</b>	<b>21 895</b>	<b>25 207</b>	<b>25 231</b>	<b>24 465</b>	<b>-3.03</b>
<b>Net Operational (Service) Expenditure</b>	<b>(7 876)</b>	<b>(17 201)</b>	<b>(16 952)</b>	<b>(16 615)</b>	<b>-3.52</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 229: Financial Performance: Community and Social Services

## 5.2.9 Sport and Recreation

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	1 848	281	1 176	1 124	74.96
<b>Expenditure:</b>					
Employees	22 228	25 135	24 646	23 179	-8.44
Repairs & Maintenance	1 064	1 128	1 128	1 008	-12.00
Other	13 867	14 574	12 683	13 652	-6.76
<b>Total Operational Expenditure</b>	<b>37 159</b>	<b>40 838</b>	<b>38 457</b>	<b>37 839</b>	<b>-7.93</b>
<b>Net Operational (Service) Expenditure</b>	<b>(35 310)</b>	<b>(40 557)</b>	<b>(37 282)</b>	<b>(36 715)</b>	<b>-10.46</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 230: Financial Performance: Sport and Recreation

# Annual Report

## 5.2.10 Financial and Administrative Services

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	107 881	120 661	121 258	120 505	-0.13
<b>Expenditure:</b>					
Employees	52 117	53 766	53 633	53 978	0.39
Repairs & Maintenance	1 554	248	248	745	66.75
Other	20 004	40 972	42 438	32 871	-24.64
<b>Total Operational Expenditure</b>	<b>73 675</b>	<b>94 986</b>	<b>96 319</b>	<b>87 594</b>	<b>-8.44</b>
<b>Net Operational (Service) Expenditure</b>	<b>34 206</b>	<b>25 675</b>	<b>24 939</b>	<b>32 911</b>	<b>21.99</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 231: Financial Performance: Financial Services

## 5.2.12 Executive and Council

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	78 926	84 985	93 132	111 751	23.95
<b>Expenditure:</b>					
Employees	33 254	35 817	39 987	38 287	6.45
Repairs & Maintenance	105	166	166	8	-1976.55
Other	43 974	41 953	46 250	51 311	18.24
<b>Total Operational Expenditure</b>	<b>77 332</b>	<b>77 936</b>	<b>86 403</b>	<b>89 605</b>	<b>13.02</b>
<b>Net Operational (Service) Expenditure</b>	<b>1 594</b>	<b>7 049</b>	<b>6 729</b>	<b>22 146</b>	<b>68.17</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 232: Financial Performance: Executive and Council

# Annual Report

## 5.2.13 Public Safety

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	15 888	9 984	11 433	22 603	55.83
<b>Expenditure:</b>					
Employees	28 430	30 143	30 478	30 888	2.41
Repairs & Maintenance	687	956	956	602	-58.75
Other	17 622	6 256	5 704	5 958	-5.02
<b>Total Operational Expenditure</b>	<b>46 738</b>	<b>37 355</b>	<b>37 138</b>	<b>37 447</b>	<b>0.25</b>
<b>Net Operational (Service) Expenditure</b>	<b>(30 850)</b>	<b>(27 371)</b>	<b>(25 705)</b>	<b>(14 844)</b>	<b>-84.39</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 233: Financial Performance : Public Safety

## 5.2.14 Other

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	0	0	0	0	0
<b>Expenditure:</b>					
Employees	1 841	1 911	1 945	1 950	2.03
Repairs & Maintenance	0	0	0	0	0
Other	669	802	806	800	-0.30
<b>Total Operational Expenditure</b>	<b>2 510</b>	<b>2 713</b>	<b>2 751</b>	<b>2 750</b>	<b>1.35</b>
<b>Net Operational (Service) Expenditure</b>	<b>(2 510)</b>	<b>(2 713)</b>	<b>(2 751)</b>	<b>(2 750)</b>	<b>1.35</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 234: Financial Performance: Other

# Annual Report

## 5.3 Grants

### 5.3.1 Grant Performance

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

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>124 659</b>	<b>163 820</b>	<b>195 578</b>	<b>168 371</b>	<b>2.70</b>	<b>-16.16</b>
Local Government Equitable Share	80 955	89 735	89 735	89 431	-0.34	-0.34
Finance Management	2 663	2 800	2 800	2 800	0.00	0.00
EPWP Incentive	1 784	1 310	1 310	1 310	0.00	0.00
Municipal Infrastructure Grant	22 608	33 325	33 325	33 258	-0.20	-0.20
Integrated National Electrification Program	5 826	0	3 100	1 866	100.00	-66.12
Water Services Infrastructure Grant	0	0	0	0	0.00	0.00
Municipal Drought Relief Grant	10 119	36 650	37 031	37 031	1.03	0.00
Regional Bulk Infrastructure Grant	0	0	1 614	1 614	100.00	0.01
Municipal Disaster Relief Grant	0	0	26 664	1 062	0.00	0.00
Water Macro Planning Grant	704	0	0	0	0.00	0.00
<b>Provincial Government:</b>	<b>18 073</b>	<b>8 021</b>	<b>15 506</b>	<b>15 231</b>	<b>47.34</b>	<b>-1.81</b>
Integrated Human Settlement Grant	0	0	0	0	0.00	0.00
Emergency Housing Programme	1 288	0	0	0	0.00	0.00
Library Services Conditional Grant	7 520	7 690	7 690	7 690	0.00	0.00
Rosevalley Library Grant	6 202	0	0	0	0.00	0.00
Maintenance & Construction of Road Infrastructure	125	125	125	0	100.00	100.00
Thusong support grant	150	150	150	0	100.00	100.00
Community Development Workers	57	56	56	56	0.00	0.00
Local Government Public Employment Grant	1 100	0	0	0	0.00	0.00
Western Cape Financial management capacity building grant	250	0	0	0	0.00	0.00
Western Cape Financial management capacity building grant	0	0	700	700	100.00	0.00



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Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Local Government Internship Grant	0	0	0	0	0.00	0.00
Municipal Drought Relief Grant	1 251	0	0	0	0.00	0.00
Fire Services Capacity Building Grant	0	0	0	0	0.00	0.00
Airport Infrastructure Grant	0	0	0	0	0.00	0.00
Western Cape Municipal Interventions Grant	0	0	250	250	100.00	0.00
Emergency Municipal Load Shedding Relief Grant	0	0	4 665	4 665	100.00	0.00
Upgrading of SMME Infrastructure	130	0	1 870	1 870	100.00	0.00
<b>Other grant providers:</b>	<b>111</b>	<b>166</b>	<b>525</b>	<b>243</b>	<b>31.61</b>	<b>-116.12</b>
Garden Rout District Municipality	0	0	120	120	100.00	0.00
Asla Rosevalley Library Grant	111	166	405	123	-35.25	-229.66
<b>Total Operating Transfers and Grants</b>	<b>142 843</b>	<b>172 007</b>	<b>211 609</b>	<b>183 846</b>	<b>6.44</b>	<b>-15.10</b>
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 235: Grant Performance for 2022/23

## 5.3.2 Conditional Grants

Details	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjustment Budget
	R'000				%	
Local Government Equitable Share	80 955	89 735	89 735	89 431	-0.34	-0.34
Finance Management	2 663	2 800	2 800	2 800	0.00	0.00
EPWP Incentive	1 784	1 310	1 310	1 310	0.00	0.00
Municipal Infrastructure Grant	22 608	33 325	33 325	33 258	-0.20	-0.20
Integrated National Electrification Program	5 826	0	3 100	1 866	100.00	-66.12
Water Services Infrastructure Grant	0	0	0	0	0.00	0.00
Municipal Drought Relief Grant	10 119	36 650	37 031	37 031	1.03	0.00
Regional Bulk Infrastructure Grant	0	0	1 614	1 614	100.00	0.01
Municipal Disaster Relief Grant	0	0	26 664	1 062	100.00	-2411.02
Water Macro Planning Grant	704	0	0	0	0.00	0.00

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Details	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjustment Budget
	R'000				%	
Emergency Housing Program	1 288	0	0	0	0.00	0.00
Library Services Conditional Grant	7 520	7 690	7 690	7 690	0.00	0.00
Rosevalley Library Grant	6 202	0	0	0	0.00	0.00
Maintenance & Construction of Road Infrastructure	125	125	125	0	100.00	100.00
Thusong support grant	150	150	150	0	100.00	100.00
Community Development Workers	57	56	56	56	0.00	0.00
Local Government Public Employment Grant	1 100	0	0	0	0.00	0.00
Western Cape Financial management capacity building grant	250	0	0	0	0.00	0.00
Western Cape Financial management capability grant	0	0	700	700	100.00	0.00
Municipal Drought Relief Grant	1 251	0	0	0	0.00	0.00
Upgrading of SMME Infrastructure	130	0	1 870	1 870	100.00	0.00
Garen Rout District Municipality	0	0	120	120	100.00	0.00
Asla Rosevalley Library Grant	111	166	405	123	-35.25	-229.66
Western Cape Municipal Interventions Grant	0	0	250	250	100.00	0.00
Emergency Municipal Load Shedding Relief Grant	0	0	4 665	4 665	100.00	0.00
<b>Total</b>	<b>142 843</b>	<b>172 007</b>	<b>211 609</b>	<b>183 846</b>	<b>6.44</b>	<b>-15.10</b>
* This includes Neighbourhood Development Partnership Grant Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 236: Conditional Grants

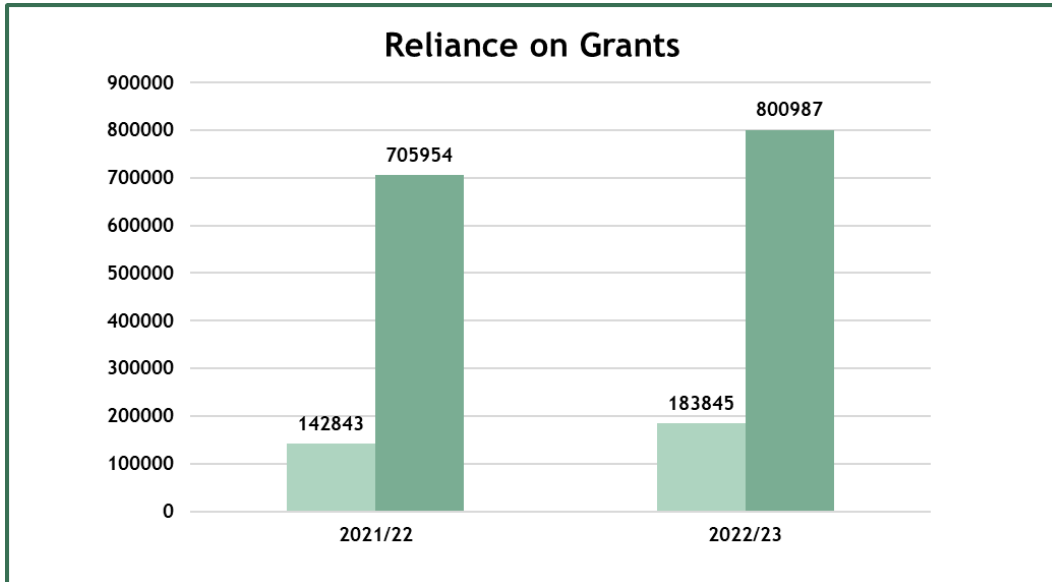
## 5.3.3 Level of Reliance on Grants and Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2021/22	142 843	705 954	<b>20.23</b>
2022/23	183 845	800 987	<b>22.95</b>

Table 237: Reliance on Grants and Subsidies

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



Graph 8.: Reliance on Grants

## 5.4 Asset Management

### 5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	<b>Raubenheimer Dam</b>	
Description	Main Water source for the Greater Oudtshoorn	
Asset Type	Water Infrastructure	
Key Staff Involved	Director Technical Services	
Staff Responsibilities	Management of a water resource for Greater Oudtshoorn	
Asset Value as at 30 June	<b>2021/22 R million</b>	<b>2022/23 R million</b>
	25 021	22 775
Capital Implications	Refurbishment and upgrading of existing dam infrastructure	
Future Purpose of Asset	Main water resource of Greater Oudtshoorn	
Describe Key Issues	Availability of funding to do the proper maintenance that is required	
Policies in Place to Manage Asset	Asset Management Policy and Masterplans	
Asset 2		
Name	<b>Oudtshoorn Waste Water Treatment Works</b>	
Description	Oudtshoorn Waste Water Treatment Works	
Asset Type	Sanitation Infrastructure	
Key Staff Involved	Director Technical Services	

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<b>Staff Responsibilities</b>	Management and maintenance of the sewerage purification works of the Greater Oudtshoorn	
<b>Asset Value as at 30 June</b>	<b>2021/22 R million</b>	<b>2022/23 R million</b>
	22 187	20 498
<b>Capital Implications</b>	Waste water purification of the Greater Oudtshoorn	
<b>Future Purpose of Asset</b>	Availability of funding to do the proper maintenance that is required	
<b>Describe Key Issues</b>	Maintenance plans and future capital projects in planning phase.	
<b>Policies in Place to Manage Asset</b>	Asset Management Policy and Masterplans	
<b>Asset 3</b>		
<b>Name</b>	<b>Dysselsdorp Waste Water Treatment Works</b>	
<b>Description</b>	Waste water purification works of Dysselsdorp	
<b>Asset Type</b>	Sanitation Infrastructure	
<b>Key Staff Involved</b>	Director Technical Services	
<b>Staff Responsibilities</b>	Management and maintenance of the sewerage purification works of Dysselsdorp	
<b>Asset Value as at 30 June</b>	<b>2021/22 R million</b>	<b>2022/23 R million</b>
	11 566	9 290
<b>Capital Implications</b>	Refurbishment and upgrading of existing infrastructure plant and network	
<b>Future Purpose of Asset</b>	Waste water purification of Dysselsdorp	
<b>Describe Key Issues</b>	Availability of funding to do the proper maintenance that is required	
<b>Policies in Place to Manage Asset</b>	Asset Management Policy and Masterplans	

Table 238: Treatment of the Three Largest Assets

## 5.4.2 Repairs and Maintenance

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	16 617	21 827	50 221	22 961	-118.72
<i>Variiances are calculated by dividing the difference between actual and adjustments budget by the actual.</i>					

Table 239: Repairs & Maintenance

# Annual Report

## 5.5 Financial Ratios Based on Key Performance Indicators

### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Audited outcome
Current Ratio	Current assets/current liabilities	1.49	1.63
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.39	1.52
Liquidity Ratio	Monetary Assets/Current Liabilities	0.92	0.92

Table 240: Liquidity Financial Ratio

### 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.05	1.95
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16%	23%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.58	14.74

Table 241: Financial Viability National KPAs

### 5.5.3 Borrowing Management

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Audited outcome
Capital charges to operating expenditure	Interest & Principal Paid /Operating Expenditure	3%	3%

Table 242: Borrowing Management

# Annual Report

## 5.5.4 Employee Costs

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Audited outcome
		%	
Employee costs	Employee costs/(Total Revenue - Capital Revenue)	41%	39%

Table 243: Employee Costs

## 5.5.5 Repairs and Maintenance

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Audited outcome
		%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3%	3%

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

Table 244: 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 2022/23 financial year:

Details	2021/22	2022/23				
	Audited outcome	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	Variance to Adjustment Budget
<b>Source of finance</b>						
Description	R'000				%	
External loans	25 582	20 700	26 793	26 236	0.00	0.00
Public contributions and donations	0	166	405	107	0.00	0.00
Grants and subsidies	40 783	60 190	70 625	69 471	17.34	-1.63
Own funding	11 091	10 991	18 793	15 655	70.98	-16.70
<b>Total</b>	<b>77 455</b>	<b>92 047</b>	<b>116 615</b>	<b>111 469</b>	<b>21.07</b>	<b>17.42</b>
<b>Percentage of finance</b>						
%						
External loans	33	22	23	24	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	53	65	61	62	-7.38	2.91

# Annual Report

Details	2021/22	2022/23				
	Audited outcome	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	Variance to Adjustment Budget
Own funding	14	12	16	14	34.96	-12.85
<b>Capital expenditure</b>						
Description	R'000				%	
Water and sanitation	39 395	49 350	71 116	68 156	44.10	-4.16
Electricity	9 667	6 250	11 556	9 841	84.90	-14.84
Housing	0	50	50	0	0.00	0.00
Roads and storm water	13 335	12 740	12 423	12 624	-2.49	1.62
Other	15 058	23 657	21 470	20 848	-9.24	-2.90
<b>Total</b>	<b>77 455</b>	<b>92 047</b>	<b>116 615</b>	<b>111 469</b>	<b>21.07</b>	<b>17.42</b>
<b>Percentage of expenditure</b>						
%						
Water and sanitation	51	54	61	61	13.75	0.26
Electricity	12	7	10	9	45.94	-10.91
Housing	0	0	0	0	0.00	0.00
Roads and storm water	17	14	11	11	-23.03	6.31
Other	19	26	18	19	-28.36	1.59
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 245: Capital Expenditure by Funding Source

## 5.7 Capital Spending on 5 Largest Projects

Name of Project	2022/23				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Rehab Athletic Tracks	6 000 000.00	8 656 100.00	8 663 929.64	31	0
Paving of streets	6 989 800.00	5 187 100.00	5 187 100.00	-35	0
Rehabilitate stormwater - Oudtshoorn	5 500 000.00	5 500 000.00	5 499 444.44	0	0
Rehabilitate asbestos/cement water pipes	10 430 600.00	20 928 900.00	20 928 918.04	50	0
Blossoms Pipeline	31 869 600.00	32 200 500.00	32 200 500.00	1	0
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>					
<b>Name of Project - A</b>	Rehab athletic tracks				
<b>Objective of Project</b>	Resurfacing of athletic track				
<b>Delays</b>	None				

# Annual Report

Name of Project	2022/23				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
<b>Future Challenges</b>	Limited funding to upgrade entire athletic track				
<b>Anticipated citizen benefits</b>	Athletic track is to be used for local, provincial and national sporting events				
<b>Name of Project - B</b>	Paving of streets				
<b>Objective of Project</b>	Paving of streets in previous disadvantage areas				
<b>Delays</b>	None				
<b>Future Challenges</b>	Limited funding available from MIG and Borrowing				
<b>Anticipated citizen benefits</b>	Infrastructure in good working condition for all citizens				
<b>Name of Project - C</b>	Rehabilitate streets stormwater - Oudtshoorn				
<b>Objective of Project</b>	Rehabilitation and repair of existing infrastructure				
<b>Delays</b>	None				
<b>Future Challenges</b>	Limited funding available from MIG and Borrowing				
<b>Anticipated citizen benefits</b>	Infrastructure in good working condition for all citizens				
<b>Name of Project - D</b>	Rehabilitate asbestos/cement water pipes				
<b>Objective of Project</b>	To replace old aging infrastructure				
<b>Delays</b>	None				
<b>Future Challenges</b>	Limited funding available from MIG and Borrowing				
<b>Anticipated citizen benefits</b>	Pipe bursts will be minimized with new infrastructure				
<b>Name of Project - E</b>	Blossom Pipeline				
<b>Objective of Project</b>	New water resource of the Greater Oudtshoorn				
<b>Delays</b>	None				
<b>Future Challenges</b>	None				
<b>Anticipated citizen benefits</b>	New water resource of the Greater Oudtshoorn				

Table 246: Capital Spending on 5 Largest Projects

## 5.8 Capital Spending per Asset Class

Description	2021/22	2022/23			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
R'000							
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>19 21</b>	<b>37 320</b>	<b>47 507</b>	<b>43 493</b>	<b>3 000</b>	<b>7 348</b>	<b>8 217</b>
<b>Infrastructure: Road transport - Total</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Roads, Pavements & Bridges	0	0	0	0	0	0	0
Storm water	0	0	50	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	<b>9 807</b>	<b>5 450</b>	<b>10 756</b>	<b>9 210</b>	<b>3 000</b>	<b>7 348</b>	<b>8 217</b>



# Annual Report

Description	2021/22	2022/23			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
<b>R'000</b>							
<b>Capital expenditure by Asset Class</b>							
Transmission & Reticulation	9 807	5 450	10 756	9 210	3 000	7 348	8 217
<b>Infrastructure: Water - Total</b>	<b>9 412</b>	<b>31 870</b>	<b>36 701</b>	<b>34 283</b>	<b>0</b>	<b>0</b>	<b>0</b>
Dams & Reservoirs	0	0	0	0	0	0	0
Reticulation	9 412	31 870	36 701	34 283	0	0	0
<b>Infrastructure: Sanitation - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Reticulation	0	0	0	0	0	0	0
<b>Community - Total</b>	<b>6 826</b>	<b>2 766</b>	<b>5 167</b>	<b>3 923</b>	<b>2 862</b>	<b>800</b>	<b>0</b>
Sports fields and stadia	6 826	2 766	5 167	3 923	2 862	800	0
<b>Capital expenditure by Asset Class</b>	<b>9 222</b>	<b>5 041</b>	<b>11 481</b>	<b>10 749</b>	<b>7 180</b>	<b>3 750</b>	<b>3 500</b>
<b>Investment properties - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other	0	0	0	0	0	0	0
<b>Other assets</b>	<b>9 222</b>	<b>4 941</b>	<b>11 281</b>	<b>10 661</b>	<b>7 180</b>	<b>3 750</b>	<b>3 500</b>
General vehicles	6 582	2 300	3 851	3 719	4 500	1 500	2 000
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	528	1 308	5 619	5 403	1 290	500	300
Computers - hardware/ equipment	1 563	450	778	829	500	1 300	800
Furniture and other office equipment	549	883	1 033	710	890	450	400
Civic Land and Buildings	0	0	0	0	0	0	0
Other Buildings	0	0	0	0	0	0	0
<b>Intangibles</b>	<b>0</b>	<b>100</b>	<b>200</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>
Computers - software & programming	0	100	200	88	0	0	0
<b>Total Capital Expenditure on new assets</b>	<b>35 267</b>	<b>45 127</b>	<b>64 154</b>	<b>58 165</b>	<b>13 042</b>	<b>11 898</b>	<b>11 717</b>

Table 247: Capital Spending per Asset Class

# Annual Report

## 5.9 Municipal Infrastructure Grant (MIG)

Details	2022/23				
	Original Budget	Adjustments Budget	Actual	Variance	
				Original Budget	Adjustments Budget
	R			%	
<b>Infrastructure - Water</b>					
Reticulation	11 995 190	24 068 235	24 068 256	201	100
<b>Other Specify: Recreational facilities &amp; Roads</b>					
Outdoor Sport facilities	12 075 290	2 075 290	2 008 156	17	97
<b>Infrastructure Roads</b>	<b>8 038 270</b>	<b>5 965 165</b>	<b>5 965 165</b>	<b>74</b>	<b>100</b>
<b>PMU</b>	<b>1 216 300</b>	<b>1 216 300</b>	<b>1 216 300</b>	<b>100</b>	<b>100</b>
<b>Total</b>	<b>33 325 050</b>	<b>33 324 990</b>	<b>33 257 877</b>	<b>100</b>	<b>100</b>

\* 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 248: Municipal Infrastructure Grant (MIG)

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

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

### 5.10 Cash Flow

Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	506 106	562 296	543 322	517 548
Government - operating	102 807	102 682	130 046	128 967
Government - capital	38 439	32 675	40 690	41 340
Interest	12 875	5 988	5 988	19 739
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	(591 072)	(653 657)	(686 466)	(609 106)
Finance charges	(4 881)	(10 552)	(6 453)	(7 935)

# Annual Report

Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Transfers and Grants	(3 402)	(3 092)	(2 992)	(3 003)
<b>Net cash from/(used) operating activities</b>	<b>60 874</b>	<b>36 340</b>	<b>24 136</b>	<b>87 550</b>
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	0	0	0	0
<b>Payments</b>				
Capital assets	(70 239)	(100 788)	(115 964)	(104 738)
<b>Net cash from/(used) investing activities</b>	<b>(70 239)</b>	<b>(100 788)</b>	<b>(115 964)</b>	<b>(104 738)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Borrowing long term/refinancing	20 500	20 700	20 700	20 700
<b>Payments</b>				
Repayment of borrowing	(15 356)	(18 500)	(18 500)	(18 314)
<b>Net cash from/(used) financing activities</b>	<b>5 144</b>	<b>2 200</b>	<b>2 200</b>	<b>2 386</b>
<b>Net increase/ (decrease) in cash held</b>	<b>(4 221)</b>	<b>(62 248)</b>	<b>(89 628)</b>	<b>(14 802)</b>
<b>Cash/cash equivalents at the year begin:</b>	<b>115 967</b>	<b>100 447</b>	<b>143 933</b>	<b>143 933</b>
<b>Cash/cash equivalents at the year-end:</b>	<b>143 933</b>	<b>38 199</b>	<b>54 305</b>	<b>129 131</b>

Table 249: Cash Flow

## 5.11 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2021/22	33 127	62 363	25 229	1	5 066	125 785
2022/23	35 983	57 279	26 993	1	5 198	125 453
Difference	2 856	(5 084)	1 764	0	132	(332)
<b>% growth year on year</b>	<b>9</b>	<b>-8</b>	<b>7</b>	<b>0</b>	<b>3</b>	<b>0</b>

Table 250: Gross Outstanding Debtors per Service

# Annual Report

## 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				
2021/22	29 996	7 420	4 857	83 511	125 785
2022/23	29 171	7 626	5 385	83 271	125 453
Difference	(825)	205	528	(241)	(332)
% growth year on year	-3	3	11	0	0

Table 251: 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	2021/22	2022/23
Long-Term Loans (annuity/reducing balance)	63 168	72 837
Financial Lease	18 691	11 421
<b>Total</b>	<b>81 859</b>	<b>84 258</b>

Table 252: Actual Borrowings

### 5.13.2 Investments

Investment type	2021/22	2022/23
	Actual	Actual
	R'000	
Deposits - Bank	130 935	111 741
<b>Total</b>	<b>130 935</b>	<b>111 741</b>

Table 253: Investments

# Annual Report

## 5.13.3 Grants Made by the Municipality: 2022/23

All organisation or person in receipt of grants provided by the Municipality	Nature of project	Conditions attached to funding	Value 2022/23	Total amount committed over previous and future years
			R'000	
Bursaries Non-Employee	Study Assistance	Yes	587	2 151
Non-profit Institutions	Local Tourism Bureau	Yes	850	2 195
Non-profit Institutions	Marketing - KKNK	Yes	433	1 356
Non-profit Institutions	Sports Development	Yes	1 030	1 468
Non-profit Institutions	Events Management Support	Yes	67	370
Non-profit Institutions	Nutritional Centre	Yes	36	627

Table 254: Grants Made by the Municipality: 2022/23

# Annual Report

## CHAPTER 6

### COMPONENT A: AUDITOR-GENERAL OPINION

#### 6.1 Auditor-General Report 2021/22

2021/22
<b>Unqualified audit Opinion was received, with matters identified that subsequently corrected</b>
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).

Table 255: AG Report 2021/22

#### 6.2 Auditor-General Report 2022/23

2022/23
<b>Unqualified audit Opinion was received, with matters identified that subsequently corrected</b>
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oudtshoorn Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Table 256: AG Report 2022/23

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## LIST OF ABBREVIATIONS

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

# Annual Report

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



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# Annexure A

## Financial Statements

# OUTSHOORN

## MUNICIPALITY



## ANNUAL FINANCIAL STATEMENTS

30 JUNE 2023

# OUTDSHOORN LOCAL MUNICIPALITY

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# OUTDSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## GENERAL INFORMATION

### NATURE OF BUSINESS

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

### COUNTRY OF ORIGIN AND LEGAL FORM

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

### JURISDICTION

The Oudtshoorn Municipality includes the following areas:

*Oudtshoorn, Dysseisdorp, De Rust, Volmoed, De Hoop*

Demarcation code : WC045

### EXECUTIVE MAYOR

CD MacPherson

### DEPUTY EXECUTIVE MAYOR

VM Donson

### MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	CD Macpherson
Deputy Executive Mayor	VM Donson
Speaker	JJ Allers
Executive Mayoral Committee	J Du Preez
Executive Mayoral Committee	RR Wildschut
Executive Mayoral Committee	DJ Fourie
Executive Mayoral Committee	BV Owen
Executive Mayoral Committee	C Muller
Executive Mayoral Committee	V Michaels

### ACCOUNTING OFFICOR

WF Hendricks

### CHIEF FINANCIAL OFFICER

GP De Jager

### REGISTERED OFFICE

69 Voortrekker Road  
OUTDSHOORN  
6625

### AUDITORS

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



AUDITOR - GENERAL  
SOUTH AFRICA

30 November 2023

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# OUTDSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## GENERAL INFORMATION

### PRINCIPLE BANKERS

Standard Bank

### ATTORNEYS

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

Harker Attorneys, 14 Van der Merwe Street, Oudtshoorn.

Oosthuizen Marais Pretorius Inc. - 16 Sioux Street, Mossel Bay.

Titus & Associates, 1st Floor Hycastle House, 58 Loop Street, Cape Town.

James King and Badenhorst - 144 St John Street, Oudtshoorn.

### 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 2023

## GENERAL INFORMATION

### MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

#### WARD

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

#### COUNCILLORS

DJ Fourie  
J Duvenage  
J Du Preez  
N Jaxa  
A Tiemie  
D Moos  
A Berry  
M Tyatya  
C Louw  
L Van Rooyen  
J Van der Ross  
RR Wildschut  
J Canary

#### PROPORTIONAL

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

#### COUNCILLORS

JJ Allers  
CD Macpherson  
RJ April  
SN Bentley  
L Campher  
VM Donson  
JC Lambaatjeen  
C Muller  
BV Owen  
SA Jansen  
CF Sylvester  
V Michaels



AUDITOR - GENERAL  
SOUTH AFRICA

30 November 2023

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# OUDTSHOORN LOCAL MUNICIPALITY

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2023, which are set out on pages 5 to 125 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2024 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

---

WF Hendricks  
Accounting Officer

---

Date



AUDITOR-GENERAL  
SOUTH AFRICA

30 November 2023

*Auditing to build public confidence*

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	2023 Actual R	2022 Restated R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>1 167 671 045</b>	<b>1 111 400 985</b>
Property, Plant and Equipment	2	1 137 001 524	1 080 453 422
Investment Property	3	16 610 077	16 769 038
Intangible Assets	4	285 099	404 181
Heritage Assets	5	13 774 345	13 774 345
<b>Current Assets</b>		<b>228 810 553</b>	<b>232 885 001</b>
Inventory	7	5 006 165	5 015 078
Receivables from Exchange Transactions	8	78 681 684	68 659 127
Receivables from Non-exchange Transactions	9	15 965 634	15 254 504
Operating Lease Asset	6	26 109	23 415
Cash and Cash Equivalents	10	129 130 961	143 932 877
<b>Total Assets</b>		<b>1 396 481 597</b>	<b>1 344 285 986</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>212 610 383</b>	<b>216 371 695</b>
Long-term Borrowings	11	68 694 118	63 559 737
Non-current Provisions	12	35 555 265	34 429 958
Non-current Employee Benefits	13	108 361 001	118 382 001
<b>Current Liabilities</b>		<b>140 437 813</b>	<b>156 769 920</b>
Consumer Deposits	14	11 781 937	11 466 449
Current Employee Benefits	15	32 475 243	31 777 178
Trade and Other Payables from Exchange Transactions	16	49 127 743	49 107 652
Unspent Transfers and Subsidies	17	27 320 830	41 026 340
Taxes	18.3	4 168 428	5 092 766
Current Portion of Long-term Borrowings	11	15 563 632	18 299 534
<b>Total Liabilities</b>		<b>353 048 196</b>	<b>373 141 615</b>
<b>Net Assets</b>		<b>1 043 433 401</b>	<b>971 144 371</b>
Accumulated Surplus/(deficit)		1 043 433 401	971 144 371
<b>Total Net Assets and Liabilities</b>		<b>1 396 481 597</b>	<b>1 344 285 986</b>



OUTDSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Actual R	2022 Restated R
<b>REVENUE</b>			
<b>Non-exchange Revenue</b>		<b>322 440 012</b>	<b>262 797 009</b>
<b>Taxation Revenue</b>		<b>116 472 948</b>	<b>104 562 942</b>
Property Rates	19	116 472 948	104 562 942
<b>Transfer Revenue</b>		<b>184 567 496</b>	<b>143 109 507</b>
Government Grants and Subsidies - Capital	20	79 980 319	45 910 548
Government Grants and Subsidies - Operating	20	103 865 177	96 932 656
Contributed Property, Plant and Equipment	21	722 000	266 303
<b>Other Revenue</b>		<b>21 399 568</b>	<b>15 124 560</b>
Availability Charges	22	3 195 813	3 064 894
Fines, Penalties and Forfeits		15 032 442	9 506 807
Interest Earned - Non-exchange Transactions		2 695 278	2 115 988
Government Incentives Received		476 035	436 871
<b>Exchange Revenue</b>		<b>457 566 847</b>	<b>437 384 481</b>
Service Charges	24	408 896 457	403 756 506
Entrance fees		15 420 911	7 169 751
Sales of Goods and Rendering of Services	25	4 023 703	6 145 848
Rental from Fixed Assets	26	3 190 708	2 120 252
Interest Earned - External Investments	27	11 877 851	6 818 257
Interest Earned - Exchange Transactions	28	6 152 549	4 361 960
Licences and Permits	23	381 242	265 339
Agency Services	53	5 647 468	5 627 794
Operational Revenue	29	1 975 958	1 118 773
<b>Total Revenue</b>		<b>780 006 859</b>	<b>700 181 490</b>
<b>EXPENDITURE</b>			
Employee related cost	30	(282 136 489)	(269 809 096)
Remuneration of Councillors	31	(11 375 315)	(10 949 544)
Bad Debts Written Off	8,9	(35 056 807)	(28 455 160)
Contracted Services	32	(27 682 463)	(27 078 577)
Depreciation and Amortisation	33	(52 883 563)	(48 248 163)
Finance Charges	34	(10 726 429)	(6 958 904)
Bulk Purchases	35	(201 997 373)	(209 246 642)
Inventory Consumed	7	(27 274 558)	(21 947 669)
Operating Leases		(4 793 404)	(4 837 137)
Transfers and Subsidies	36	(3 003 347)	(3 401 653)
Operational Cost	37	(57 887 526)	(47 562 479)
<b>Total Expenditure</b>		<b>(714 817 274)</b>	<b>(678 495 025)</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>65 189 586</b>	<b>21 686 465</b>
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(12 509 869)	(2 614 435)
Gains/(Loss) on Sale of Fixed Assets	39	(1 370 713)	(4 358 132)
Gains/(Loss) on Fair Value Adjustments	13	20 980 026	5 772 450
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>72 289 030</b>	<b>20 486 349</b>



## OUDTSHOORN LOCAL MUNICIPALITY

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Surplus/ (Deficit)	Total
	R	R
<b>Balance at 1 July 2021</b>	<b>919 629 595</b>	<b>919 629 595</b>
Correction of Error - note 41	31 028 428	31 028 428
<b>Restated balance</b>	<b>950 658 023</b>	<b>950 658 023</b>
Net Surplus/(Deficit) for the year	26 021 593	26 021 593
<b>Balance at 30 June 2022</b>	<b>976 679 616</b>	<b>976 679 616</b>
Correction of Error - note 41	(5 535 245)	(5 535 245)
Correction of Error - note 41	-	-
<b>Restated balance</b>	<b>971 144 371</b>	<b>971 144 371</b>
Net Surplus/(Deficit) for the year	72 289 030	72 289 030
<b>Balance at 30 June 2023</b>	<b>1 043 433 401</b>	<b>1 043 433 401</b>



**OUDTSHOORN LOCAL MUNICIPALITY**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 Actual R	2022 Restated R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Ratepayers and other		517 548 465	506 106 450
Government Grants and Subsidies		170 307 000	173 433 248
Interest		19 739 024	12 874 741
Cash payments			
Suppliers and Employees		(609 106 499)	(591 071 775)
Finance Charges		(7 934 553)	(4 880 545)
Transfers and Grants		(3 003 347)	(3 401 653)
<b>Net Cash from Operating Activities</b>	<b>42</b>	<b>87 550 089</b>	<b>93 060 465</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(104 738 260)	(72 604 662)
Proceeds on Disposal of Fixed Assets		-	2 365 818
<b>Net Cash from Investing Activities</b>		<b>(104 738 260)</b>	<b>(70 238 844)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Borrowing - Long term/Refinancing		20 700 000	20 500 000
Repayment of Borrowing		(18 313 745)	(15 355 630)
<b>Net Cash from Financing Activities</b>		<b>2 386 255</b>	<b>5 144 370</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(14 801 916)</b>	<b>27 965 991</b>
Cash and Cash Equivalents at the beginning of the year		143 932 877	115 966 886
Cash and Cash Equivalents at the end of the year	<b>43</b>	<b>129 130 961</b>	<b>143 932 877</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(14 801 916)</b>	<b>27 965 991</b>



**ODTSHOORN MUNICIPALITY**  
**SEGMENTAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

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

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

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

The key functional segments comprise of:

**PRIMARY SEGMENTS**

Functional Segments	Sub vote	Aggregation
<b>Vote 1 - Executive &amp; Council</b>	Council General	Aggregated Governance and Administration
	Office - Deputy Mayor	Aggregated Governance and Administration
	Office - Ex Mayor	Aggregated Governance and Administration
	Office - Speaker	Aggregated Governance and Administration
<b>Vote 2 - Municipal Manager</b>	Cango Caves	Aggregated Governance and Administration
	Internal Audit	Aggregated Governance and Administration
	Office - Municipal Manager	Aggregated Governance and Administration
	Performance Management	Aggregated Governance and Administration
	Risk Management	Aggregated Governance and Administration
<b>Vote 3 - Corporate Services</b>	Administration	Aggregated Governance and Administration
	Human Resources	Aggregated Governance and Administration
	Legal Services	Aggregated Governance and Administration
	Manager Corporate	Aggregated Governance and Administration
<b>Vote 4 - Financial Services</b>	Admin - Finance	Aggregated Governance and Administration
	Computer Data Network It	Aggregated Governance and Administration
	Finance - Accounting Services	Aggregated Governance and Administration
	Finance - Expenditure	Aggregated Governance and Administration
	Finance - Income	Aggregated Governance and Administration
	Supply Chain Management	Aggregated Governance and Administration
<b>Vote 5 - Community And Public Safety</b>	Arbeidsgenot	Aggregated Community and Public Safety
	Bongolethu Community Hall	Aggregated Community and Public Safety
	Bridgton Resort	Aggregated Community and Public Safety
	Bulk Waste	Aggregated Trading services
	Cango Mountain Resort	Aggregated Community and Public Safety
	Cango Mountain Resort - Restaurant	Aggregated Community and Public Safety
	Cemetery Crematoriums	Aggregated Community and Public Safety
	Community Halls	Aggregated Community and Public Safety
	De Jager Sport Kompleks	Aggregated Community and Public Safety
	Fire Fighting	Aggregated Community and Public Safety
	Library Services	Aggregated Community and Public Safety
	Manager Community Services	Aggregated Community and Public Safety
	Parks Gardens	Aggregated Community and Public Safety
	Refuse Removal	Aggregated Trading services
	Sportground Recreation	Aggregated Community and Public Safety
	Street Cleaning	Aggregated Economic and environmental services
	Swimming Pools	Aggregated Community and Public Safety
	Traffic Licenses	Aggregated Community and Public Safety
	<b>Vote 6 - Technical Services</b>	Admin - Electricity
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 and Storm Water Management		Aggregated Economic and environmental services
Sewerage Network		Aggregated Trading services
Sewerage Purification Plant		Aggregated Trading services
Storm Water Management		Aggregated Trading services
Water Distribution		Aggregated Trading services
Water Distribution Dysselsdorp		Aggregated Trading services
Water Storage		Aggregated Trading services
Workshop - Fleet Manager		Aggregated Governance and Administration
<b>Vote 7 - Human Settlement</b>		Housing
<b>Vote 8 - Strategic Services</b>	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 2023

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Total
	R	R	R	R	R
<b>SEGMENT REVENUE</b>					
<b>External revenue from exchange transactions</b>	34 755 198	8 055 146	-	414 344 125	457 154 468
Service Charges - Electricity Revenue	-	-	-	276 893 214	276 893 214
Service Charges - Water Revenue	-	-	-	70 498 828	70 498 828
Service Charges - Sanitation Revenue	-	-	-	35 771 250	35 771 250
Service Charges - Refuse Revenue	-	-	-	25 733 164	25 733 164
Rental Of Facilities And Equipment	2 006 681	619 544	-	-	2 626 224
Interest Earned - External Investments	11 877 851	-	-	-	11 877 851
Interest Earned - Outstanding Debtors	713 842	-	-	5 438 707	6 152 549
Licences and Permits	-	381 242	-	-	381 242
Agency Services	-	5 647 468	-	-	5 647 468
Other Revenue	20 156 824	1 406 892	-	8 961	21 572 677
<b>External revenue from non-exchange transactions</b>	197 444 905	22 156 825	2 582 300	40 946 069	263 130 098
Property Rates	116 472 948	-	-	-	116 472 948
Fines, Penalties And Forfeits	430 217	14 866 825	-	147 778	15 444 821
Interest Earned - Outstanding Debtors	2 695 278	-	-	-	2 695 278
Availability charges	-	-	-	3 195 813	3 195 813
Government Incentives Received	476 035	-	-	-	476 035
Transfers And Subsidies - Operating	56 390 400	7 290 000	2 582 300	37 602 478	103 865 177
Gains	20 980 026	-	-	-	20 980 026
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>232 200 103</b>	<b>30 211 971</b>	<b>2 582 300</b>	<b>455 290 194</b>	<b>720 284 567</b>
<b>SEGMENT EXPENDITURE</b>					
Employee Related Costs	94 214 286	78 084 785	38 010 363	71 827 056	282 136 489
Remuneration Of Councillors	11 375 315	-	-	-	11 375 315
Debt Impairment	20 053 979	996 133	-	26 516 565	47 566 676
Depreciation & Asset Impairment	3 415 221	1 466 799	13 586 037	34 415 505	52 883 563
Finance Charges	6 895 063	225 895	185 092	3 420 379	10 726 429
Bulk Purchases	-	-	-	201 997 373	201 997 373
Inventory consumed	1 557 215	5 482 584	5 653 169	14 581 590	27 274 558
Contracted Services	10 245 294	11 535 720	865 808	5 035 642	27 682 463
Transfers and Subsidies	587 300	-	2 416 047	-	3 003 347
Other Expenditure	30 008 239	16 619 662	3 305 493	12 747 536	62 680 930
Losses	1 370 713	-	-	-	1 370 713
<b>Total Segment Expenditure</b>	<b>179 722 624</b>	<b>114 411 577</b>	<b>64 022 008</b>	<b>370 541 646</b>	<b>728 697 856</b>
<b>Surplus/(Deficit)</b>	<b>52 477 478</b>	<b>(84 199 606)</b>	<b>(61 439 709)</b>	<b>84 748 548</b>	<b>(8 413 289)</b>
Transfers and Subsidies-Capital	-	642 732	33 911 966	45 425 620	79 980 319
Contributions Recognised - Capital	-	-	-	-	-
Contributed Assets	-	722 000	-	-	722 000
<b>Surplus/(Deficit) for the year</b>	<b>52 477 478</b>	<b>(82 834 874)</b>	<b>(27 527 743)</b>	<b>130 174 168</b>	<b>72 289 030</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 446 924</b>	<b>17 483 130</b>	<b>14 541 826</b>	<b>77 997 039</b>	<b>111 468 919</b>



**OUDTSHOORN 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
<b>SEGMENT REVENUE</b>					
<b>External revenue from exchange transactions</b>	21 875 231	7 095 434	-	407 953 203	436 923 868
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	751 176	-	262 184	13 973 760
<b>External revenue from non-exchange transactions</b>	162 410 668	19 368 823	3 104 700	37 969 030	222 853 220
Property Rates	104 562 942	-	-	-	104 562 942
Fines, Penalties And Forfeits	462 084	9 310 700	-	194 636	9 967 420
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
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>184 285 899</b>	<b>26 464 257</b>	<b>3 104 700</b>	<b>445 922 233</b>	<b>659 777 089</b>
<b>SEGMENT EXPENDITURE</b>					
Employee Related Costs	87 212 260	74 287 355	37 288 492	71 020 989	269 809 096
Remuneration Of Councillors	10 949 544	-	-	-	10 949 544
Debt Impairment	4 039 715	12 367 173	-	14 662 706	31 069 595
Depreciation & Asset Impairment	4 033 142	1 362 211	11 589 387	31 263 423	48 248 163
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	11 280 123	11 620 282	170 858	4 007 315	27 078 577
Transfers and Subsidies	438 736	1 288 088	1 674 830	-	3 401 653
Other Expenditure	22 536 259	13 059 963	3 420 599	13 382 795	52 399 616
Losses	4 358 132	-	-	-	4 358 132
<b>Total Segment Expenditure</b>	<b>151 080 483</b>	<b>119 093 074</b>	<b>57 086 226</b>	<b>358 207 808</b>	<b>685 467 591</b>
<b>Surplus/(Deficit)</b>	<b>33 205 415</b>	<b>(92 628 817)</b>	<b>(53 981 526)</b>	<b>87 714 426</b>	<b>(25 690 502)</b>
Transfers and Subsidies-Capital	98 168	6 313 042	21 598 620	17 900 719	45 910 548
Contributed Assets	-	266 303	-	-	266 303
<b>Surplus/(Deficit) for the year</b>	<b>33 303 583</b>	<b>(86 049 473)</b>	<b>(32 382 906)</b>	<b>105 615 144</b>	<b>20 486 349</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 631 426</b>	<b>11 482 847</b>	<b>13 854 476</b>	<b>50 486 163</b>	<b>77 454 912</b>

**Please note:**

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

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.



**UDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023**

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
<b>ASSETS</b>							
<b>Current Assets</b>							
	Cash	1 152 400	(1 782 300)	(629 900)	(629 900)	17 389 706	-2860.71%
	Call Investment Deposits	46 323 000	8 611 700	54 934 700	54 934 700	111 741 255	103.41%
	Consumer Debtors	106 393 600	(28 975 200)	77 418 400	77 418 400	92 653 539	19.68%
	Other Debtors	6 486 500	(2 150 000)	4 336 500	4 336 500	1 993 779	-54.02%
	Operating Lease Asset	19 100	-	19 100	19 100	26 109	36.69%
	Inventory	3 408 700	1 832 100	5 240 800	5 240 800	5 006 165	-4.48%
<b>46.1.1</b>	<b>Total Current Assets</b>	<b>163 783 300</b>	<b>(22 463 700)</b>	<b>141 319 600</b>	<b>141 319 600</b>	<b>228 810 553</b>	<b>61.91%</b>
<b>Non-Current Assets</b>							
	Investment Property	16 937 800	(168 800)	16 769 000	16 769 000	16 610 077	-0.95%
	Property, Plant and Equipment	1 074 113 200	49 010 000	1 123 123 200	1 123 123 200	1 137 001 524	1.24%
	Intangible Assets	1 248 200	(407 700)	840 500	840 500	285 099	-66.08%
	Other Non-Current Assets	13 774 300	-	13 774 300	13 774 300	13 774 345	0.00%
<b>46.1.3</b>	<b>Total Non-Current Assets</b>	<b>1 106 073 500</b>	<b>48 433 500</b>	<b>1 154 507 000</b>	<b>1 154 507 000</b>	<b>1 167 671 045</b>	<b>1.14%</b>
	<b>TOTAL ASSETS</b>	<b>1 269 856 800</b>	<b>25 969 800</b>	<b>1 295 826 600</b>	<b>1 295 826 600</b>	<b>1 396 481 597</b>	<b>7.77%</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
	Borrowing	11 556 200	6 743 300	18 299 500	18 299 500	15 563 632	-14.95%
	Consumer Deposits	11 319 500	-	11 319 500	11 319 500	11 781 937	4.09%
	Trade and Other Payables	54 674 900	(1 995 700)	52 679 200	52 679 200	80 617 001	53.03%
	Provisions	31 985 100	846 500	32 831 600	32 831 600	32 475 243	-1.09%
<b>46.1.2</b>	<b>Total Current Liabilities</b>	<b>109 535 700</b>	<b>5 594 100</b>	<b>115 129 800</b>	<b>115 129 800</b>	<b>140 437 813</b>	<b>21.98%</b>
<b>Non-Current Liabilities</b>							
	Borrowing	46 880 800	18 878 900	65 759 700	65 759 700	68 694 118	4.46%
	Provisions	154 533 300	4 371 200	158 904 500	158 904 500	143 916 265	-9.43%
<b>46.1.4</b>	<b>Total Non-Current Liabilities</b>	<b>201 414 100</b>	<b>23 250 100</b>	<b>224 664 200</b>	<b>224 664 200</b>	<b>212 610 383</b>	<b>-5.37%</b>
	<b>TOTAL LIABILITIES</b>	<b>310 949 800</b>	<b>28 844 200</b>	<b>339 794 000</b>	<b>339 794 000</b>	<b>353 048 196</b>	<b>3.90%</b>
<b>NET ASSETS</b>							
	Accumulated Surplus/(Deficit)	958 907 000	(2 874 400)	956 032 600	956 032 600	1 043 433 401	9.14%
	<b>TOTAL NET ASSETS</b>	<b>958 907 000</b>	<b>(2 874 400)</b>	<b>956 032 600</b>	<b>956 032 600</b>	<b>1 043 433 401</b>	<b>9.14%</b>



**OUTDSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

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	
						Variance %	
	R	R	R	R	2023 R		
<b>REVENUE</b>							
Property Rates	116 457 700	(303 200)	116 154 500	116 154 500	116 472 948	0.27%	
Service Charges - Electricity Revenue	300 620 800	(23 801 900)	276 818 900	276 818 900	276 893 214	0.03%	
Service Charges - Water Revenue	65 835 400	6 692 300	72 527 700	72 527 700	70 498 828	-2.80%	
Service Charges - Sanitation Revenue	48 443 000	(12 252 900)	36 190 100	36 190 100	35 771 250	-1.16%	
Service Charges - Refuse Revenue	23 414 400	2 069 200	25 483 600	25 483 600	25 733 164	0.98%	
Rental of Facilities and Equipment	1 668 600	699 600	2 368 200	2 368 200	3 190 708	34.73%	
Interest Earned - External Investments	5 988 200	-	5 988 200	5 988 200	11 877 851	98.35%	
Interest Earned - Outstanding Debtors	6 388 800	2 252 500	8 641 300	8 641 300	8 847 827	2.39%	
Fines	4 388 900	3 900	4 392 800	4 392 800	15 032 442	242.21%	
Licences and Permits	396 800	18 800	415 600	415 600	381 242	-8.27%	
Agency Services	5 655 900	1 310 700	6 966 600	6 966 600	5 647 468	-18.94%	
Transfers Recognised - Operational	102 682 200	27 364 000	130 046 200	130 046 200	103 865 177	-20.13%	
Other Revenue	15 479 200	7 625 200	23 104 400	23 104 400	25 092 420	8.60%	
Gains	8 000 000	-	8 000 000	8 000 000	20 980 026	162.25%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>46.2.1</b>	<b>705 419 900</b>	<b>11 678 200</b>	<b>717 098 100</b>	<b>717 098 100</b>	<b>720 284 567</b>	<b>0.44%</b>
<b>EXPENDITURE</b>							
Employee Related Costs	287 809 300	4 307 600	292 116 900	292 116 900	282 136 489	-3.42%	
Remuneration of Councillors	11 935 500	-	11 935 500	11 935 500	11 375 315	-4.69%	
Debt Impairment	9 537 700	22 140 100	31 677 800	31 677 800	47 566 676	50.16%	
Depreciation and Asset Impairment	43 850 600	2 537 000	46 387 600	46 387 600	52 883 563	14.00%	
Finance Charges	10 552 300	(4 099 300)	6 453 000	6 453 000	10 726 429	66.22%	
Bulk Purchases	227 669 900	(1 669 000)	226 000 900	226 000 900	201 997 373	-10.62%	
Other Materials	27 073 300	28 591 000	55 664 300	55 664 300	27 274 558	-51.00%	
Contracted Services	43 137 900	(1 499 200)	41 638 700	41 638 700	27 682 463	-33.52%	
Transfers and Grants	3 091 900	(100 000)	2 991 900	2 991 900	3 003 347	0.38%	
Other Expenditure	62 486 000	2 927 300	65 413 300	65 413 300	62 680 930	-4.18%	
Losses	8 000 000	-	8 000 000	8 000 000	1 370 713	-82.87%	
<b>Total Expenditure</b>	<b>46.2.2</b>	<b>735 144 400</b>	<b>53 135 500</b>	<b>788 279 900</b>	<b>788 279 900</b>	<b>728 697 856</b>	<b>-7.56%</b>
<b>Surplus/(Deficit)</b>		<b>(29 724 500)</b>	<b>(41 457 300)</b>	<b>(71 181 800)</b>	<b>(71 181 800)</b>	<b>(8 413 289)</b>	<b>-88.18%</b>
Transfers Recognised - Capital	<b>46.2.1</b>	69 158 700	11 999 900	81 158 600	81 158 600	79 980 319	-1.45%
Contributed Assets		166 000	238 600	404 600	404 600	722 000	100.00%
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		<b>39 600 200</b>	<b>(29 218 800)</b>	<b>10 381 400</b>	<b>10 381 400</b>	<b>72 289 030</b>	<b>596.33%</b>
<b>Surplus/(Deficit) for the year</b>		<b>39 600 200</b>	<b>(29 218 800)</b>	<b>10 381 400</b>	<b>10 381 400</b>	<b>72 289 030</b>	<b>596.33%</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2023**

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	2023 R	Variance %	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates	110 634 800	(1 449 600)	109 185 200	109 185 200	104 005 749	-4.74%	
Service Charges	427 074 600	(27 401 900)	399 672 700	399 672 700	380 713 308	-4.74%	
Other Revenue	24 586 300	9 878 000	34 464 300	34 464 300	32 829 407	-4.74%	
Government - Operating	102 682 200	27 364 000	130 046 200	130 046 200	128 967 000	-0.83%	
Government - Capital	32 674 700	8 015 000	40 689 700	40 689 700	41 340 000	1.60%	
Interest	5 988 200	-	5 988 200	5 988 200	19 739 024	229.63%	
<b>Payments</b>							
Suppliers and Employees	(653 656 500)	(32 809 000)	(686 465 500)	(686 465 500)	(609 106 499)	-11.27%	
Finance Costs	(10 552 300)	4 099 300	(6 453 000)	(6 453 000)	(7 934 553)	22.96%	
Transfers and Grants	(3 091 900)	100 000	(2 991 900)	(2 991 900)	(3 003 347)	0.38%	
<b>Net Cash from/(used) Operating Activities</b>	<b>46.3.1</b>	<b>36 340 100</b>	<b>(12 204 200)</b>	<b>24 135 900</b>	<b>24 135 900</b>	<b>87 550 089</b>	<b>262.74%</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE	-	-	-	-	-	-	
<b>Payments</b>							
Capital Assets	(100 788 100)	(15 175 800)	(115 963 900)	(115 963 900)	(104 738 260)	-9.68%	
<b>Net Cash from/(used) Investing Activities</b>	<b>46.3.2</b>	<b>(100 788 100)</b>	<b>(15 175 800)</b>	<b>(115 963 900)</b>	<b>(115 963 900)</b>	<b>(104 738 260)</b>	<b>-9.68%</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Borrowing long term/refinancing	20 700 000	-	20 700 000	20 700 000	20 700 000	0.00%	
<b>Payments</b>							
Repayment of Borrowing	(18 500 000)	-	(18 500 000)	(18 500 000)	(18 313 745)	-1.01%	
<b>Net Cash from/(used) Financing Activities</b>		<b>2 200 000</b>	<b>-</b>	<b>2 200 000</b>	<b>2 200 000</b>	<b>2 386 255</b>	<b>(0)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(62 248 000)</b>	<b>(27 380 000)</b>	<b>(89 628 000)</b>	<b>(89 628 000)</b>	<b>(14 801 916)</b>	<b>-83.49%</b>
Cash and Cash Equivalents at the year begin:	100 446 600	43 486 300	143 932 900	143 932 900	143 932 877	0.00%	
Cash and Cash Equivalents at the year end:	38 198 600	16 106 300	54 304 900	54 304 900	129 130 960	137.79%	



OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2023

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2023

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Transfers	Additions	Under Construction	Contributed Assets	Disposals	Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals		Impairment	Closing Balance
<b>Land and Buildings</b>															
Land	96 745 781	-	0	-	-	(61 453)	-	96 684 328	18 249 750	-	-	-	-	18 249 750	78 434 578
Buildings	48 252 034	-	-	188 292	-	-	-	48 440 327	11 689 830	838 898	-	-	-	12 528 728	35 911 598
	144 997 815	-	-	188 292	-	(61 453)	-	145 124 655	29 939 580	838 898	-	-	-	30 778 478	114 346 176
<b>Infrastructure</b>															
Roads and Stormwater	321 227 020	-	5 499 444	6 762 303	-	-	-	333 488 768	101 829 387	13 586 037	-	-	-	115 415 425	218 073 343
Electricity	209 035 773	-	2 473 977	7 158 040	722 000	-	-	219 389 789	88 121 358	8 529 707	-	-	-	96 651 065	122 738 725
Water Supply	507 976 824	-	1 406 043	63 131 971	-	-	-	572 514 838	134 081 057	12 185 637	-	-	-	146 266 694	426 248 144
Sanitation	134 604 158	-	499 993	476 368	-	-	-	135 580 519	35 316 014	3 673 018	-	-	-	38 989 032	96 591 487
Solid Waste Infrastructure	8 510 028	-	-	-	-	-	-	8 510 028	933 088	233 368	-	-	-	1 166 456	7 343 572
Communication Infrastructure	1 128 615	-	-	111 481	-	-	-	1 240 096	307 596	113 846	-	-	-	421 442	818 654
	1 182 482 418	-	9 879 457	77 640 163	722 000	-	-	1 270 724 038	360 588 500	38 321 613	-	-	-	398 910 113	871 813 925
<b>Capitalised Restoration Cost</b>															
	21 656 667	-	-	-	-	-	(1 666 569)	19 990 098	14 423 046	1 194 154	-	-	-	15 617 200	4 372 899
<b>Community Assets</b>															
Libraries	13 960 500	-	909 547	-	-	-	-	14 870 047	1 476 345	171 436	-	-	-	1 647 781	13 222 266
Civic Buildings	24 379 762	0	166 267	1 751 779	-	-	-	26 297 808	8 014 966	368 451	-	-	-	8 383 417	17 914 391
Recreational Facilities	82 027 769	0	1 219 804	13 299 549	-	-	-	96 547 122	33 277 748	736 308	-	-	-	34 014 056	62 533 066
Cemeteries	1 730 291	-	-	-	-	-	-	1 730 291	224 536	12 644	-	-	-	237 180	1 493 111
Other	14 565 591	-	174 795	-	-	-	-	14 740 386	3 633 240	177 960	-	-	-	3 811 200	10 929 186
	136 663 912	-	2 470 414	15 051 328	-	-	-	154 185 654	46 626 835	1 466 799	-	-	-	48 093 634	106 092 020
<b>Other Assets</b>															
Furniture and Office Equipment	14 585 208	-	1 030 709	-	-	(1 383 590)	-	14 232 327	7 866 350	1 283 909	-	(1 113 227)	-	8 037 032	6 195 294
Motor vehicles	24 700 783	-	3 873 875	-	-	(1 801 167)	-	26 773 491	10 754 719	1 221 932	-	(1 083 979)	-	10 892 672	15 880 819
Computer Equipment	7 993 961	-	697 230	-	-	(642 533)	-	8 048 658	3 367 810	900 525	-	(512 301)	-	3 756 033	4 292 624
Plant and Equipment	8 428 099	-	637 451	-	-	(452 912)	-	8 612 638	4 178 374	792 482	-	(261 436)	-	4 709 421	3 903 218
	55 708 051	-	6 239 265	-	-	(4 280 202)	-	57 667 113	26 167 252	4 198 848	-	(2 970 942)	-	27 395 158	30 271 955
<b>Leases</b>															
Vehicles and Office Equipment	19 755 621	-	-	-	-	-	-	19 755 621	3 065 846	6 585 207	-	-	-	9 651 053	10 104 568
	19 755 621	-	-	-	-	-	-	19 755 621	3 065 846	6 585 207	-	-	-	9 651 053	10 104 568
<b>Total</b>	1 561 264 484	-	18 589 136	92 879 783	722 000	(4 341 656)	(1 666 569)	1 667 447 178	480 811 059	52 605 520	-	(2 970 942)	-	530 445 636	1 137 001 543

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2.2 30 JUNE 2022 RESTATED

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses						Carrying Value	
	Opening Balance	Re-classification	Additions	Under Construction	Contributed Assets	Disposals	Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals	Impairment		Closing Balance
<b>Land and Buildings</b>															
Land	97 081 781	-	-	-	-	(336 000)	-	96 745 781	18 289 750	-	-	(40 000)	-	18 249 750	78 496 031
Balance previously reported	93 897 781					(335 000)		93 562 781	18 289 750			(40 000)		18 249 750	75 313 031
Correction of error 41.1(k)						(1 000)		(1 000)							(1 000)
Correction of error 41.1(j)	3 184 000							3 184 000							3 184 000
Buildings	48 077 239	-	-	-	-	-	-	48 077 239	10 851 613	838 217	-	-	-	11 689 830	36 387 409
	145 159 020	-	-	-	-	(336 000)	-	144 823 020	29 141 363	838 217	-	(40 000)	-	29 939 580	114 883 440
<b>Infrastructure</b>															
Roads and Stormwater	307 617 679	-	8 370 689	5 238 652	-	-	-	321 227 020	90 496 654	11 332 733	-	-	-	101 829 387	219 397 633
Balance previously reported	280 667 644	-	8 370 689	5 238 652	-	-	-	294 276 985	89 557 747	9 322 146	-	-	-	98 879 893	195 397 092
Correction of error 41.1(p)	26 950 035	-	-	-	-	-	-	26 950 035	2 335 266	1 166 397	-	-	-	3 501 663	23 448 373
Correction of error 41.1(q)	-	-	-	-	-	-	-	-	(1 396 359)	844 190	-	-	-	(552 168)	552 168
Electricity	199 878 216	-	4 220 237	4 937 320	-	-	-	209 035 773	79 735 991	8 385 366	-	-	-	88 121 358	120 914 415
Balance previously reported	199 878 216	-	2 790 048	6 367 509	-	-	-	209 035 773	79 735 991	8 385 366	-	-	-	88 121 358	120 914 415
Correction of Error 41.1 (s)	-	-	1 430 189	(1 430 189)	-	-	-	-	-	-	-	-	-	-	-
Water Supply	469 360 546	7 550 301	18 779 298	17 380 913	-	(5 094 234)	-	507 976 824	125 136 071	11 398 219	-	(2 453 233)	-	134 081 057	373 895 767
Balance previously reported	469 360 546	-	18 779 298	17 380 913	-	(5 094 234)	-	500 426 523	125 085 906	11 066 930	-	(2 453 233)	-	133 699 603	366 726 920
Transfer from Sanitation WIP correction of error note 41.1( r )	-	7 550 301	-	-	-	-	-	7 550 301	-	-	-	-	-	7 550 301	7 550 301
Correction of Error 41.1 ( r )	-	-	-	-	-	-	-	-	50 165	331 289	-	-	-	381 454	(381 454)
Sanitation	147 518 477	(7 550 301)	984 382	1 112 132	-	(7 460 532)	-	134 604 158	35 365 331	3 891 736	-	(3 941 052)	-	35 316 014	99 288 144
Balance previously reported	147 518 477	-	984 382	1 112 132	-	(7 460 532)	-	142 154 459	35 365 331	3 891 736	-	(3 941 052)	-	35 316 014	106 838 445
Transfer To Water Supply WIP correction of error note 41.1 ( r )	-	(7 550 301)	-	-	-	-	-	(7 550 301)	-	-	-	-	-	-	(7 550 301)
Solid Waste Infrastructure	8 510 028	-	-	-	-	-	-	8 510 028	699 720	233 368	-	-	-	933 088	7 576 940
Communication Infrastructure	1 088 126	-	40 489	-	-	-	-	1 128 615	201 537	106 060	-	-	-	307 596	821 019
	1 133 973 072	(0)	32 395 095	28 669 017	-	(12 554 766)	-	1 182 482 418	331 635 304	35 347 482	-	(6 394 285)	-	360 588 500	821 893 918
<b>Capitalised Restoration Cost</b>	16 606 845		5 049 822					21 656 667	13 112 822	1 310 224				14 423 046	7 233 621
<b>Community Assets</b>															
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	-	-	-	-	(185 000)	-	24 379 762	7 673 880	341 086	-	-	-	8 014 966	16 364 795
Balance previously reported	24 564 762	-	-	-	-	-	-	24 564 762	7 673 880	369 712	-	-	-	8 043 592	16 521 170
Correction of error 41.1(k)	-	-	-	-	-	(185 000)	-	(185 000)	-	(28 626)	-	-	-	(28 626)	(156 374)
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	14 576 336	-	-	199 050	-	(35 000)	-	14 740 386	3 456 143	177 097	-	-	-	3 633 240	11 107 146
Balance previously reported	14 551 840	-	-	199 050	-	-	-	14 750 890	3 456 143	177 097	-	-	-	3 633 240	11 117 650
Correction of error 41.1(k)	-	-	-	-	-	(35 000)	-	(35 000)	-	-	-	-	-	-	(35 000)
	131 487 631	-	-	5 571 077	-	(220 000)	-	136 838 708	45 260 802	1 366 033	-	-	-	46 626 835	90 211 872



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<b>Other Assets</b>																
Furniture and Office Equipment	13 239 288	-	1 928 123	-	11 949	(594 152)	-	14 585 208	7 155 358	1 175 438	-	(464 446)	-	7 866 350	6 718 859	
Balance previously reported	13 115 040		1 928 123		11 949	(594 152)		14 460 960	7 155 358	1 154 924		(464 446)		7 845 836	6 615 124	
Correction of error as per note 41.1(o)	124 248							124 248		20 514				20 514	103 735	
Motor vehicles	18 141 645	-	6 562 765	-	199 990	(203 617)	-	24 700 783	10 083 455	808 071	-	(136 807)	-	10 754 719	13 946 064	
Balance previously reported	18 133 680		6 562 765		199 990	(203 617)		24 692 818	10 083 455	806 891		(136 807)		10 753 539	13 939 279	
Correction of error as per note 41.1(o)	7 965							7 965		1 180				1 180	6 785	
Computer Equipment	6 808 895	-	1 553 345	-	54 364	(422 643)	-	7 993 961	2 722 585	828 310	-	(183 085)	-	3 367 810	4 626 151	
Balance previously reported	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	
Correction of error as per note 41.1(o)	45 317							45 317		8 821				8 821	36 496	
Plant and Equipment	8 466 626	-	775 491	-	-	(814 018)	-	8 428 099	3 836 890	791 125	-	(449 642)	-	4 178 374	4 249 726	
Balance previously reported	8 371 760		775 491		-	(814 018)		8 333 233	3 836 890	772 847		(449 642)		4 160 095	4 173 138	
Correction of error as per note 41.1(o)	94 866							94 866		18 278				18 278	76 589	
	46 656 454	-	10 819 724	-	266 303	(2 034 430)	-	55 708 051	23 798 288	3 602 943	-	(1 233 980)	-	26 167 252	29 540 799	
<b>Leases</b>																
Vehicles and Office Equipment	4 924 351	-	19 755 621	-	-	(4 924 351)	-	19 755 621	3 303 052	5 440 727	-	(5 677 933)	-	3 065 846	16 689 775	
Balance previously reported	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	
Correction of error note 41.1(n)						753 582		753 582		130 621				130 621	622 961	
	4 924 351	-	19 755 621	-	-	(4 924 351)	-	19 755 621	3 303 052	5 440 727	-	(5 677 933)	-	3 065 846	16 689 775	
<b>Total</b>	1 478 807 373	(0)	68 020 262	34 240 094	266 303	(20 069 547)	-	1 561 264 485	446 251 631	47 905 626	-	(13 346 198)	-	480 811 059	1 080 453 426	





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>		
<u>See previous sheet</u> page 56		
page 57		
page 58		
<b>2.3 Property, Plant and Equipment which is in the process of being constructed or developed:</b>		
Infrastructure Assets	201 578 407	129 896 520
Roads and Stormwater	12 677 659	5 915 356
Communication Infrastructure	111 481	-
Electricity	13 260 824	6 102 784
Water Supply	173 939 942	116 766 248
Sanitation	1 588 500	1 112 132
Community Assets	15 914 971	7 868 842
Other Assets	188 292	24 495
<b>Total Property, Plant and Equipment under construction</b>	<b>217 681 670</b>	<b>137 789 857</b>

<b>2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:</b>		
Infrastructure Assets	142 429 182	108 146 433
Water Supply	142 429 182	108 146 433
<b>Total</b>	<b>142 429 182</b>	<b>108 146 433</b>

Project relates to Blossoms pipeline that was delayed during prior years due to availability of funding from the National Government.

<b>2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>		
Other materials	20 972 266	16 321 934
Contracted Services	1 310 518	50 603
Other Expenditure	678 161	244 607
<b>Total Repairs and Maintenance</b>	<b>22 960 945</b>	<b>16 617 144</b>

**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.

	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Effect on Property, plant and equipment	40 607	43 279	29 160

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>2.7 Contractual commitments for acquisition of Property, Plant and Equipment:</b>		
Approved and contracted for:	26 123 591	62 651 559
Infrastructure	18 971 898	58 416 553
Community	1 501 500	792 634
Other	5 650 194	3 442 371
<b>Total</b>	<b>26 123 591</b>	<b>62 651 559</b>
This expenditure will be financed from:		
External Loans	-	3 038 909
Government Grants	10 200 966	58 029 596
Own Resources	16 113 450	1 583 053
<b>Total</b>	<b>26 314 416</b>	<b>62 651 559</b>
<b>2.8 Land is controlled, but Oudtshoorn Municipality is not the legal owner/custodian</b>		
Carrying amount at year end	13 928 404	13 989 171
<b>Total</b>	<b>13 928 404</b>	<b>13 989 171</b>
<u>Key judgements and assumptions applied</u>		
- Right to direct access to land, and to restrict/deny the access of others. Erwe utilised for strategic purposes or service delivery needs of the municipality		
<b>3. INVESTMENT PROPERTY</b>		
<b>3.1 Net Carrying amount at 1 July</b>	<b>16 769 038</b>	<b>16 927 999</b>
Cost	21 671 913	21 671 913
Accumulated Depreciation	(1 829 795)	(1 670 834)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
Depreciation for the year	(158 961)	(158 961)
<b>Net Carrying amount at 30 June</b>	<b>16 610 077</b>	<b>16 769 038</b>
Cost	21 671 913	21 671 913
Accumulated Depreciation	(1 988 756)	(1 829 795)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
<b>3.2 Revenue from Investment Property</b>		
Revenue derived from the rental of Investment Property	430 078	372 606

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>4. INTANGIBLE ASSETS</b>		
<b>4.1 Net Carrying amount at 1 July</b>	<b>404 181</b>	<b>588 331</b>
Cost	1 176 921	3 438 394
Correction of error note 41.1(m)	-	(2 261 473)
Accumulated Amortisation	(772 740)	(2 295 199)
Correction of error note 41.1(m)	-	1 706 609
Amortisation	(119 082)	(402 687)
Correction of error note 41.1(m)	-	218 536
<b>Net Carrying amount at 30 June</b>	<b>285 099</b>	<b>404 181</b>
Cost	1 176 921	1 176 921
Accumulated Amortisation	(891 822)	(772 740)

**4.2 Material Intangible Assets included in the carrying value:**

<u>Description</u>	<u>Remaining Amortisation Period</u>		
Software	1-5 years	285 099	404 181

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**

<b>5.1 Net Carrying amount at 1 July</b>	<b>13 774 345</b>	<b>13 774 345</b>
Cost	13 774 345	13 774 345
<b>Net Carrying amount at 30 June</b>	<b>13 774 345</b>	<b>13 774 345</b>
Cost	13 774 345	13 774 345

There are no restrictions on the realizability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities.

There are no Heritage Assets that are used by the municipality for more than one purpose.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<u>Rust end Vrede Waterfall</u>		
<p>The Rust &amp; 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>		
<b>The following Heritage Assets were identified and measured in terms of GRAP:</b>		
<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 maxe of caves with their beautiful stalactite formations are most impressive. It is generally accepted that the caves were discovered in 1780 by a herdsman of a farmer called Van Zyl of Doornrivier, while he was looking for lost cattle.</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
<b>6 OPERATING LEASE ARRANGEMENTS</b>		
<b>6.1 The Municipality as Lessor</b>		
Operating Lease Asset	26 109	23 415
<u>Disclosed as follows:</u>		
Current Operating Lease Asset	26 109	23 415
	<b>26 109</b>	<b>23 415</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Reconciliation</u></b>		
Balance at the beginning of the year	23 415	19 142
Movement during the year	2 693	4 273
Balance at the end of the year	<b><u>26 109</u></b>	<b><u>23 415</u></b>

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	161 131	159 536
1 to 5 Years	660 801	654 258
More than 5 Years	169 351	337 025
<b>Total Operating Lease Arrangements</b>	<b><u>991 283</u></b>	<b><u>1 150 819</u></b>

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

**7. INVENTORY**

Maintenance Materials - At Cost	4 535 217	4 591 056
Water – At Cost	470 948	424 021
<b>Total Inventory</b>	<b><u>5 006 165</u></b>	<b><u>5 015 078</u></b>

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	13 470 318	9 136 229
Finished Goods	100 321	304 523
Materials and supplies	13 703 919	12 506 917
<b>Total</b>	<b><u>27 274 558</u></b>	<b><u>21 947 669</u></b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>8. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Electricity	24 742 905	29 402 102
Water	22 902 281	23 076 287
Property Rentals	506	506
Waste Management	11 926 798	11 373 197
Waste Water Management	13 724 241	12 707 296
Units not billed	30 943 480	19 180 881
Legal Fees Recovery	29 216	29 216
Klein Karoo Water Scheme	5 705 001	6 233 695
Sundry municipal charges	5 174 790	5 036 270
Prepaid expenditure	25 334	8 817
Other	22 756	29 550
Suspense Debtors	3 758 743	3 070 633
Correction of error note 41.1(h)	-	19 768
<b>Total: Receivables from exchange transactions (before provision)</b>	<b>118 956 051</b>	<b>110 168 220</b>
<b>Less:</b> Provision for Debt Impairment	<b>(40 274 368)</b>	<b>(41 509 093)</b>
<b>Total: Receivables from exchange transactions (after provision)</b>	<b>78 681 684</b>	<b>68 659 127</b>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

**Ageing of billed Debtors**

**(Electricity): Ageing**

Current (0 - 30 days)	10 937 160	13 547 655
31 - 60 Days	1 108 755	1 938 080
61 - 90 Days	813 723	1 116 004
+ 90 Days	11 883 268	12 800 362
<b>Total</b>	<b>24 742 905</b>	<b>29 402 102</b>

**(Water): Ageing**

Current (0 - 30 days)	5 126 203	4 763 608
31 - 60 Days	2 274 934	1 713 457
61 - 90 Days	1 418 558	1 299 622
+ 90 Days	14 082 587	15 299 599
<b>Total</b>	<b>22 902 281</b>	<b>23 076 287</b>

**(Property Rentals): Ageing**

Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	506	506
<b>Total</b>	<b>506</b>	<b>506</b>



OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

	2023 R	2022 R
<b><u>(Waste Management): Ageing</u></b>		
Current (0 - 30 days)	2 002 604	1 654 646
31 - 60 Days	760 788	624 108
61 - 90 Days	570 233	368 141
+ 90 Days	8 593 172	8 726 302
<b>Total</b>	<b>11 926 798</b>	<b>11 373 197</b>
<b><u>(Waste Water Management): Ageing</u></b>		
Current (0 - 30 days)	2 559 829	2 527 513
31 - 60 Days	937 468	726 223
61 - 90 Days	712 454	426 228
+ 90 Days	9 514 490	9 027 332
<b>Total</b>	<b>13 724 241</b>	<b>12 707 296</b>
<b><u>(Units not billed): Ageing</u></b>		
Current (0 - 30 days)	30 943 480	19 180 881
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
<b>Total</b>	<b>30 943 480</b>	<b>19 180 881</b>
<b><u>(Legal Fees Recovery): Ageing</u></b>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	29 216	29 216
<b>Total</b>	<b>29 216</b>	<b>29 216</b>
<b><u>(Klein Karoo Water Scheme): Ageing</u></b>		
Current (0 - 30 days)	382 979	615 554
31 - 60 Days	247 392	321 202
61 - 90 Days	233 740	287 081
+ 90 Days	4 840 889	5 009 859
<b>Total</b>	<b>5 705 001</b>	<b>6 233 695</b>
<b><u>(Sundry municipal charges): Ageing</u></b>		
Current (0 - 30 days)	883 159	399 609
31 - 60 Days	253 519	156 814
61 - 90 Days	190 668	119 718
+ 90 Days	7 606 188	7 430 763
<b>Total</b>	<b>8 933 534</b>	<b>8 106 903</b>



OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

	2023 R	2022 R
<b><u>(Prepaid expenditure): Ageing</u></b>		
Current (0 - 30 days)	25 334	8 817
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
<b>Total</b>	<b>25 334</b>	<b>8 817</b>

<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	22 756	29 550
<b>Total</b>	<b>22 756</b>	<b>29 550</b>

<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	52 860 749	42 698 285
31 - 60 Days	5 582 855	5 479 884
61 - 90 Days	3 939 375	3 616 794
+ 90 Days	56 573 072	58 373 257
<b>Total</b>	<b>118 956 051</b>	<b>110 168 220</b>

**Summary of Service Debtors by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2023</b>				
Current (0 - 30 days)	513 791	43 240 545	8 040 566	1 040 512
31 - 60 Days	261 497	4 224 964	753 380	343 014
61 - 90 Days	217 581	3 111 801	577 414	32 580
+ 90 Days	5 714 970	41 701 106	8 677 094	505 236
<b>Total debtors by customer classification</b>	<b>6 707 839</b>	<b>92 278 416</b>	<b>18 048 454</b>	<b>1 921 343</b>

**Summary of Service Debtors by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2022</b>				
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	40 887 163	10 697 881	782 722
<b>Total debtors by customer classification</b>	<b>7 324 655</b>	<b>78 162 182</b>	<b>20 664 051</b>	<b>4 017 332</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	41 509 093	37 491 461
Contribution to provision	-	4 017 632
Reversal of provision	(1 234 725)	-
Balance at end of year	<b>40 274 368</b>	<b>41 509 093</b>

The total amount of this provision is R40 274 368 and consist of:

Services	40 274 368	41 509 093
<b>Total Provision for Debt Impairment on Receivables from exchange transactions</b>	<b>40 274 368</b>	<b>41 509 093</b>

**Classification of Bad Debts Written-off**

Electricity	3 320 038	1 042 941
Refuse	5 007 038	1 345 243
Sewerage	5 925 897	1 865 124
Water	13 498 316	6 391 766
	<b>27 751 290</b>	<b>10 645 074</b>

**Ageing of amounts past due but not impaired:**

Services	25 820 935	25 960 843
	<b>66 095 303</b>	<b>67 469 935</b>

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	35 982 704	33 126 591
Availability Charges	5 271 399	4 799 693
Fines	18 607 997	3 103 850
Correction of Error note 41.1(t)		3 703 154
Correction of Error note 41.1(u)		3 401 970
Correction of Error note 41.1(u)		(3 057 194)
Correction of Error note 41.1(u)		328 310
	<b>59 862 100</b>	<b>45 406 375</b>
<b>Less:</b> Provision for Debt Impairment	<b>(43 896 465)</b>	<b>(30 151 871)</b>
<b>Total Receivables from non-exchange transactions</b>	<b>15 965 634</b>	<b>15 254 504</b>

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b><u>(Rates): Ageing</u></b>		
Current (0 - 30 days)	7 003 593	6 202 827
31 - 60 Days	1 846 809	1 730 101
61 - 90 Days	1 279 692	1 052 163
+ 90 Days	25 852 609	24 141 500
<b>Total</b>	<b>35 982 704</b>	<b>33 126 591</b>

<b><u>(Availability Charges): Ageing</u></b>		
Current (0 - 30 days)	275 648	284 691
31 - 60 Days	196 221	210 418
61 - 90 Days	166 366	188 227
+ 90 Days	4 633 164	4 116 357
<b>Total</b>	<b>5 271 399</b>	<b>4 799 693</b>

<b><u>(Fines): Ageing</u></b>		
Current (0 - 30 days)	1 803 497	1 182 050
31 - 60 Days	1 535 700	334 900
61 - 90 Days	945 600	396 825
+ 90 Days	14 323 200	5 566 316
<b>Total</b>	<b>18 607 997</b>	<b>7 480 091</b>

**Summary of Debtors (Rates+Availability) by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2023</b>				
Current (0 - 30 days)	48 266	5 234 365	1 788 302	208 309
31 - 60 Days	5 589	1 591 640	336 878	108 923
61 - 90 Days	3 062	1 176 263	248 689	18 044
+ 90 Days	364 595	25 399 234	4 237 628	484 316
<b>Total debtors by customer classification</b>	<b>421 513</b>	<b>33 401 502</b>	<b>6 611 497</b>	<b>819 591</b>

**Summary of Debtors (Rates+Availability ) by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2022</b>				
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
<b>Total debtors by customer classification</b>	<b>414 229</b>	<b>30 461 958</b>	<b>6 335 557</b>	<b>714 541</b>



**UDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	30 151 871	34 851 237
Contribution to provision	13 744 594	-
Reversal of provision	-	(4 699 366)
Balance at end of year	<b>43 896 465</b>	<b>30 151 871</b>

The total amount of this provision is R43 896 465 and consist of:

Taxes	22 954 223	21 012 418
Availability Charges	4 328 024	2 644 463
Fines	16 614 218	6 494 990
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	<b>43 896 465</b>	<b>30 151 871</b>

**Classification of Bad Debts Written-off**

Rates	5 313 252	1 942 736
Fines	1 992 265	15 867 350
	<b>7 305 517</b>	<b>17 810 086</b>

**Ageing of amounts past due but not impaired:**

Rates	6 024 888	5 911 346
Availability charges	667 727	1 870 539
Fines	190 282	-
	<b>6 882 896</b>	<b>7 781 885</b>

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	17 352 156	12 960 591
Call Deposits and Investments	111 741 255	130 934 736
Cash On-hand	37 550	37 550
<b>Total Cash and Cash Equivalents - Assets</b>	<b>129 130 961</b>	<b>143 932 877</b>

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 R111 741 255 are held to fund the Unspent Conditional Grants of R27 320 829



**UDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
The municipality has the following bank accounts:		
<b><u>Current Accounts</u></b>		
Standard Bank 082808678	3 543 012	2 857 709
Standard Bank 082808724	13 744 857	9 977 782
Standard Bank 08288988	33 037	39 780
Standard Bank 082809097	31 251	85 320
	<b>17 352 156</b>	<b>12 960 591</b>

**Call Deposits and Investments**

ABSA Account no 20-8038-7442	-	15 993 395
ABSA Account no 93-7484-2333	17 215 204	-
ABSA Account no 93-7253-4156	16 133 562	-
ABSA Account no 93-7794-9102	27 269 402	-
Nedbank Account no 03/7881019344/29	125 911	117 816
Nedbank Account no 03/7881001143/130	596 413	558 069
Nedbank Account no 03/7881001143/131	3 267 654	3 057 579
Nedbank Account no 03/7881001143/137	3 160 184	2 957 018
Nedbank Account no 03/7881001143/175	5 485 010	5 132 382
Nedbank Account no 03/7881001143/250	8 278 563	7 746 551
Nedbank Account no 03/7881001143/251	3 265 786	3 055 830
Nedbank Account no 03/7881001143/252	887 757	830 706
Nedbank Account no 03/7881001143/258	6 158 754	15 180 509
Standard Account no 288835379039	3 754 100	-
Standard Account no 288835379047	3 868	25 356 926
Standard Account no 288835379048	1 977 161	37 689 892
Investec Account no 1400-171058-500	5 240 990	4 906 490
Investec Account no 1400-171058 501	8 920 940	8 351 571
	<b>111 741 258</b>	<b>130 934 736</b>

Details of current accounts are as follow:

***Standard bank 082808678 (Primary Bank Account)***

Cash book balance at beginning of year	2 857 709	6 429 770
Cash book balance at end of year	3 543 012	2 857 709

Bank statement balance at beginning of year	2 857 709	6 429 770
Bank statement balance at end of year	3 545 369	2 857 709

***Standard bank 082808724 (Primary Bank Account)***

Cash book balance at beginning of year	9 977 782	9 625 841
Cash book balance at end of year	13 744 857	9 977 782

Bank statement balance at beginning of year	8 923 089	8 894 960
Bank statement balance at end of year	12 412 276	8 923 089

***Standard Bank 082809097(Traffic Account)***

Cash book balance at beginning of year	85 320	32 490
Cash book balance at end of year	31 251	85 320

Bank statement balance at beginning of year	85 320	32 490
Bank statement balance at end of year	31 251	85 320

***Standard Bank 08288988 (Primary Bank Account - CAVES)***

Cash book balance at beginning of year	39 780	-
Cash book balance at end of year	33 037	39 780

Bank statement balance at beginning of year	39 780	-
Bank statement balance at end of year	33 037	39 780



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>11. LONG-TERM BORROWINGS</b>		
Annuity Loans - At amortised cost	72 836 840	63 168 400
Capitalised Lease Liability - At amortised cost	11 420 910	18 690 871
	<b>84 257 750</b>	<b>81 859 271</b>
<b>Less:</b> Current Portion transferred to Current Liabilities	<b>(15 563 632)</b>	<b>(18 299 534)</b>
Annuity Loans - At amortised cost	(7 790 177)	(11 043 795)
Capitalised Lease Liability - At amortised cost	(7 773 455)	(7 255 739)
	<b>68 694 118</b>	<b>63 559 737</b>
<b>Total Long-term Borrowings</b>	<b>68 694 118</b>	<b>63 559 737</b>
<b>11.1</b> The obligations under annuity loans are scheduled below:	<b>Minimum</b>	<b>payments</b>
Amounts payable under annuity loans:		
Payable within one year	13 491 872	15 776 362
Payable within two to five years	44 926 601	35 986 166
Payable after five years	53 055 566	34 770 130
	111 474 039	86 532 658
<b>Less:</b> Future finance obligations	<b>(38 637 199)</b>	<b>(23 364 258)</b>
<b>Present value of annuity loans obligations</b>	<b>72 836 840</b>	<b>63 168 400</b>
<b>11.2</b> The obligations under the capitalised lease liability are scheduled below:	<b>Minimum</b>	<b>payments</b>
Amounts payable under the capitalised lease liability:		
Payable within one year	8 344 277	8 367 394
Payable within two to five years	3 719 542	12 078 846
	12 063 819	20 446 240
<b>Less:</b> Future finance obligations	<b>(642 909)</b>	<b>(1 755 368)</b>
<b>Present value of finance lease obligations</b>	<b>11 420 910</b>	<b>18 690 871</b>
Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.		
<b>12. NON-CURRENT PROVISIONS</b>		
Provision for Rehabilitation of Landfill-sites	35 555 265	34 429 958
<b>Total Non-current Provisions</b>	<b>35 555 265</b>	<b>34 429 958</b>
<b>12.1 Landfill Sites</b>		
Balance 1 July	34 429 958	27 301 778
Increase/(Decrease) due to discounting	2 791 876	2 078 358
Change in Provision for Rehabilitation Cost	(1 666 569)	5 049 822
<b>Total provision 30 June</b>	<b>35 555 265</b>	<b>34 429 958</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions	-	-
<b>Balance 30 June</b>	<b>35 555 265</b>	<b>34 429 958</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

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 <sup>2</sup> )	5 223	7 109	2 253	9 841	117 659
<b>Cost for Rehabilitation and Closure:</b>					
<b>Preliminary and General</b>	597 564	792 853	322 862	1 012 992	9 038 482
<b>Site Clearance and Preparation</b>	6 999	9 526	3 019	13 187	157 663
<b>Storm water Control Measures</b>	583 547	704 392	411 746	939 284	4 360 923
<b>Capping</b>	2 183 401	3 153 592	956 877	4 205 152	50 449 210
<b>Gas Management</b>	-	-	-	-	-
<b>Leachate Management</b>	248 501	289 917	170 422	312 323	2 116 536
<b>Fencing</b>	752 432	851 119	497 492	929 245	12 838
<b>Other:</b>					
Environmental Authorisation ( Closure License)	-	441 773	-	441 773	441 773
Technical ROD	223 900	223 900	223 900	223 900	223 900
Install Groundwater Monitoring Boreholes with lockable caps(includes drilling contractor site establishment)	110 504	190 228	185 084	185 084	-
Landscape Architects	152 710	152 710	152 185	152 185	172 050
Water use license	38 000	38 000	38 000	38 000	38 000
Topographical Survey	7 500	7 500	7 500	7 500	13 950
<b>Contingencies (10% of total construction costs)</b>	437 244	580 140	236 242	741 218	6 613 565
<b>Engineering (ECSA Fees scale)</b>	586 683	775 305	321 359	987 928	5 897 805
<b>Site Supervision (Engineers Representation)</b>	203 294	249 868	182 552	260 300	1 535 760
<b>Site Supervision (Environmental Control Officer &amp; OHS Agent)</b>	160 770	160 770	134 928	164 912	589 760
<b>Total (Excl. VAT)</b>	<b>6 293 048</b>	<b>8 621 590</b>	<b>3 844 167</b>	<b>10 614 983</b>	<b>81 662 215</b>
Cost per rehab(m2)	1 205	1 213	1 706	1 079	694
Estimated construction period (weeks)	10	10	9	11	40

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	2023	2022
		R	R
De Rust (Closed)	2014	6 621 545	6 049 839
De Rust(Operational)	2036	16 705 722	16 577 158
Dysselsdorp(Closed)	2013	4 044 833	3 726 059
Dysselsdorp(Operational)	2033	17 656 405	16 742 768
Oudtshoorn	2050	322 608 041	267 409 727
		<b>367 636 546</b>	<b>310 505 550</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>13. NON-CURRENT EMPLOYEE BENEFITS</b>		
Provision for Post Retirement Health Care Benefits	98 210 001	107 037 001
Provision for Long Service Awards	10 151 000	11 345 000
<b>Total Non-current Employee Benefits</b>	<b>108 361 001</b>	<b>118 382 001</b>
<b><u>Post Retirement Health Care Benefits</u></b>		
Balance 1 July	112 516 001	108 974 001
Contribution for the year	3 680 000	3 535 000
Interest Cost	12 897 000	10 597 000
Expenditure for the year	(5 611 375)	(5 454 019)
Actuarial Loss/(Gain)	(19 703 625)	(5 135 981)
<b>Total provision 30 June</b>	<b>103 778 001</b>	<b>112 516 001</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15	(5 568 000)	(5 479 000)
<b>Balance 30 June</b>	<b>98 210 001</b>	<b>107 037 001</b>
<b><u>Long Service Awards</u></b>		
Balance 1 July	13 054 000	12 369 000
Contribution for the year	1 085 000	1 065 000
Interest Cost	1 359 000	1 127 000
Expenditure for the year	(1 884 058)	(870 532)
Actuarial Loss/(Gain)	(1 261 942)	(636 468)
<b>Total provision 30 June</b>	<b>12 352 000</b>	<b>13 054 000</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15	(2 201 000)	(1 709 000)
<b>Balance 30 June</b>	<b>10 151 000</b>	<b>11 345 000</b>
<b>13.1 Provision for Post Retirement Health Care Benefits</b>		
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	314	334
In-service (employee) non-members	353	367
Continuation members (e.g. Retirees, widows, orphans)	95	98
<b>Total Members</b>	<b>762</b>	<b>799</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	36 154 000	41 068 000
In-service non-members	6 113 000	6 248 000
Continuation members	61 511 000	65 200 000
<b>Total Liability</b>	<b>103 778 000</b>	<b>112 516 000</b>

	2021 R	2020 R	2019 R
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
In-service members	38 200 000	31 168 000	33 919 383
In-service non-members	5 935 000	4 798 000	5 085 884
Continuation members	64 839 000	58 237 000	61 185 693
<b>Total Liability</b>	<b>108 974 000</b>	<b>94 203 000</b>	<b>100 190 960</b>

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
 LA Health;  
 Hosmed;  
 Samwumed; and  
 Keyhealth.

The Current-service Cost for the ensuing year is estimated to be R3 412 000, whereas the Interest Cost for the next year is estimated to be R12 574 000.

Key actuarial assumptions used:	2023 %	2022 %
<b>i) Rate of interest</b>		
Discount rate	12.44%	11.74%
Health Care Cost Inflation Rate	8.18%	8.37%
Net Effective Discount Rate	3.94%	3.11%
<b>ii) Mortality rates</b>		
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.		
<b>iii) Normal retirement age</b>		
The normal retirement age for employees of the municipality is 62 years.		
<b>iv) Expected rate of salary increases</b>		
2022/23 - 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	103 778 001	112 516 001
Fair value of plan assets	-	-
	<u>103 778 001</u>	<u>112 516 001</u>
<b>Net liability/(asset)</b>	<b>103 778 001</b>	<b>112 516 001</b>





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	112 516 001	108 974 001
Total expenses	10 965 625	8 677 981
Current service cost	3 680 000	3 535 000
Interest Cost	12 897 000	10 597 000
Benefits Paid	(5 611 375)	(5 454 019)
Actuarial (gains)/losses	(19 703 625)	(5 135 981)
Present value of fund obligation at the end of the year	<u>103 778 001</u>	<u>112 516 001</u>

**Sensitivity Analysis on the Accrued Liability on 30 June 2023**

Assumption	Eligible Employees (Rm)	Continuation members (Rm)	Total liability (Rm)
Central Assumptions	42.267	61.511	103.778

The effect of movements in the assumptions are as follows:

Assumption	Change	Eligible Employees (Rm)	Continuation members (Rm)	Total liability (Rm)	% change
Health care inflation	1%	50.397	67.14	117.537	13%
Health care inflation	-1%	35.74	56.60	92.338	-11%
Discount Rate	1%	36.01	56.81	92.826	-11%
Discount Rate	-1%	50.13	66.96	117.097	13%
Post-retirement mortality	-1 year	41.22	59.55	100.764	-3%
Post-retirement mortality	1 year	43.30	63.48	106.778	3%
Average retirement age	-1 year	46.51	61.51	108.021	4%
Membership continuation	-10%	36.93	61.51	98.444	-5%

**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	3 680 000	12 897 000	16 577 000

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%	4 534 000	14 756 000	19 290 000	17%
Health care inflation	-1%	3 015 000	11 365 000	14 380 000	-14%
Discount rate	1%	3 066 000	12 391 000	15 457 000	-6%
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%



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024**

	Current	Interest Cost (R)	Total (R)
<b>Assumption</b>			
Central Assumptions	3 412 000	12 574 000	15 986 000

The effect of movements in the assumptions are as follows:

	Change	Current	Interest Cost (R)	Total (R)	% change
<b>Assumption</b>					
Health care inflation	1%	4 150 000	14 284 000	18 434 000	15%
Health care inflation	-1%	2 828 000	11 152 000	13 980 000	-13%
Discount rate	1%	2 879 000	12 113 000	14 992 000	-6%
Discount rate	-1%	4 092 000	13 086 000	17 178 000	7%
Post-retirement mortality	1%	3 329 000	12 199 000	15 528 000	-3%
Post-retirement mortality	-1%	3 494 000	12 947 000	16 441 000	3%
Average retirement age	-1 year	3 721 000	13 102 000	16 823 000	5%
Membership continuation	-10%	2 986 000	11 910 000	14 896 000	-7%

	2023 Rm	2022 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(7.901)	(4.460)

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

	2021 Rm	2020 Rm	2019 Rm
Liabilities: (Gain) / loss	(0.782)	4.032	3.730

**13.2 Provision for Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans. As at year end, 667 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R993 000 whereas the Interest Cost for the next year is estimated to be R1 300 000.

Key actuarial assumptions used:	2023 %	2022 %
<b>i) Rate of interest</b>		
Discount rate	11.53%	11.12%
General Salary Inflation (long-term)	6.86%	7.30%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4.37%	3.56%

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

Present value of fund obligations	12 352 000	13 054 000
Fair value of plan assets	-	-
	<u>12 352 000</u>	<u>13 054 000</u>
<b>Net liability/(asset)</b>	<u><b>12 352 000</b></u>	<u><b>13 054 000</b></u>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	13 054 000	12 369 000
Total expenses	559 942	1 321 468
Current service cost	1 085 000	1 065 000
Interest Cost	1 359 000	1 127 000
Benefits Paid	(1 884 058)	(870 532)
Actuarial (gains)/losses	(1 261 942)	(636 468)
Present value of fund obligation at the end of the year	<b>12 352 000</b>	<b>13 054 000</b>

**Sensitivity Analysis on the Accrued Liability at 30 June 2023**

Assumption	Change	Liability (Rm)	% change
Central assumptions		12 352 000	
General salary inflation	1%	13 061 000	6%
General salary inflation	-1%	11 708 000	-5%
Discount rate	1%	11 690 000	-5%
Discount rate	-1%	13 091 000	6%
Average retirement age	-2 yrs.	14 318 000	16%
Average retirement age	2 yrs.	10 793 000	-13%
Withdrawal rates	x2	10 259 000	-17%
Withdrawal rates	x0.5	13 783 000	12%

**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%



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024**

<b>Assumption</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>
Central Assumptions	993 000	1 300 000	2 293 000

The effect of movements in the assumptions are as follows:

<b>Assumption</b>	<b>Change</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	<b>% change</b>
Health care inflation	+1%	1 071 000	1 382 000	2 453 000	7%
Health care inflation	-1%	923 000	1 226 000	2 149 000	-6%
Discount rate	+1%	931 000	1 331 000	2 262 000	-2%
Discount rate	-1%	1 063 000	1 265 000	2 328 000	2%
Average retirement age	2 yrs.	1 128 000	1 524 000	2 652 000	15%
Average retirement age	-2 yrs.	882 000	1 130 000	2 012 000	-12%
Withdrawal Rate	x2	745 000	1 059 000	1 804 000	22%
Withdrawal Rate	x0.5	1 174 000	1 465 000	2 639 000	16%

	<b>2023 R</b>	<b>2022 R</b>
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(671 402)	(411 468)

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

	<b>2021 R</b>	<b>2020 R</b>	<b>2019 R</b>
Liabilities: (Gain) / loss	291 415	693 031	566 124



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>13.3 Retirement funds</b>		
<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 Consolidated 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> <p><b><u>CONSOLIDATED RETIREMENT FUND</u></b></p> <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 2022 revealed that the fund is in a sound financial position with a funding level of 131.6% (30 June 2021 - 133%).</p> <p>Contributions paid recognised in the Statement of Financial Performance</p>		
	28 901 225	26 977 675
<p><b><u>DEFINED CONTRIBUTION FUNDS</u></b></p> <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>		
<b>14. CONSUMER DEPOSITS</b>		
Electricity	4 350 665	4 434 162
Rental Properties	152 486	155 733
Water	5 394 744	5 218 354
Building Plans	1 879 611	1 653 771
Hiring of Decorative Items	4 430	4 430
<b>Total Consumer Deposits</b>	<b>11 781 937</b>	<b>11 466 449</b>
<b>15. CURRENT EMPLOYEE BENEFITS</b>		
Performance Bonuses	1 049 027	491 923
Correction of error 41.1( e )	-	142 419
Staff Bonuses	7 726 744	7 017 942
Staff Leave	15 929 427	16 935 850
Other	1 045	1 045
Current Portion of Non-Current Employee Benefits	7 769 000	7 188 000
Current Portion of Post Retirement Benefits - Note 13	5 568 000	5 479 000
Current Portion of Long-Service Provisions - Note 13	2 201 000	1 709 000
<b>Total Provisions</b>	<b>32 475 243</b>	<b>31 777 178</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

The movement in current provisions are reconciled as follows:

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>15.1 <u>Performance Bonuses</u></b>		
Balance at beginning of year	491 923	493 245
Contribution to current portion	850 473	55 351
Expenditure incurred	(293 369)	(56 673)
Balance at end of year	<b><u>1 049 027</u></b>	<b><u>491 923</u></b>

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.

<b>15.2 <u>Staff Bonuses</u></b>		
Balance at beginning of year	7 017 941	6 785 877
Contribution to current portion	13 648 147	12 677 720
Expenditure incurred	(12 939 345)	(12 445 655)
Balance at end of year	<b><u>7 726 743</u></b>	<b><u>7 017 941</u></b>

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle.

<b>15.3 <u>Staff Leave</u></b>		
Balance at beginning of year	16 936 368	16 192 896
Contribution to current portion	(39 067)	2 120 518
Expenditure incurred	(967 356)	(1 377 046)
Balance at end of year	<b><u>15 929 946</u></b>	<b><u>16 936 368</u></b>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

**16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	34 072 946	36 422 973
Pre-paid electricity	650 914	483 644
Unallocated funds debtors	64 546	51 600
Payments received in advance	3 910 455	3 519 137
Control, Clearing and Interface Accounts	772 895	247 732
Sundry Deposits	8 730	8 730
Retentions	9 647 257	6 680 822
Correction of error note 41.1(a)	-	752 859
Correction of error note 41.1(b)	-	151 431
Correction of error note 41.1(c)	-	162 655
Correction of error note 41.1(d)	-	89 901
Correction of error note 41.1(f)	-	125 377
Correction of error note 41.1(g)	-	410 792
<b>Total Trade Payables</b>	<b><u>49 127 743</u></b>	<b><u>49 107 652</u></b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates 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 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>17. UNSPENT TRANSFERS AND SUBSIDIES</b>		
Unspent Transfers and Subsidies	27 320 830	41 026 340
National Government Grants	26 903 396	38 811 780
Provincial Government Grants	150 008	1 870 402
District Municipality	-	120 000
Other Sources	267 426	224 158
<b>Less:</b> Unpaid Transfers and Subsidies	-	-
<b>Total Unspent Transfers and Subsidies</b>	<b>27 320 830</b>	<b>41 026 340</b>
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.		
<b>18. TAXES</b>		
<b>18.1</b> VAT Payable	2 294 655	2 350 530
VAT Output in Suspense	(14 339 200)	(14 599 816)
<b>Total VAT Payable</b>	<b>(12 044 544)</b>	<b>(12 249 286)</b>
<b>18.2</b> VAT Receivable	-	-
VAT Input in Suspense	7 876 117	7 175 626
Correction of error note 41.1(i)	-	(19 107)
<b>Total VAT Receivable</b>	<b>7 876 117</b>	<b>7 156 520</b>
<b>18.3 Net VAT (Payable)</b>	<b>(4 168 428)</b>	<b>(5 092 766)</b>
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
<b>19. PROPERTY RATES</b>		
<b><u>Actual</u></b>		
<b>Rateable Land and Buildings</b>	122 175 928	111 588 165
Business and Commercial Property	25 362 681	22 809 538
Farm Holdings	4 821 547	4 434 305
Mining Properties	97 618	88 745
Public Benefit Organisations	304 815	286 310
Public Service Infrastructure Properties	21 563	19 604
Residential Properties	78 048 745	71 660 064
State-owned Properties	13 518 961	12 289 597
<b>Less: Revenue Forgone</b>	(5 702 980)	(7 025 223)
<b>Total Property Rates</b>	<b>116 472 948</b>	<b>104 562 942</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Valuations - 30 June 2023</u></b>		
<b>Rateable Land and Buildings</b>	10 549 208 300	10 465 829 500
Business and Commercial Property	1 317 978 000	1 321 222 000
Churches	234 120 000	233 470 000
Pensioners	212 758 000	174 807 000
Mining Properties	5 070 000	5 070 000
Municipal Properties	359 801 000	335 279 000
Protected Areas	47 510 000	47 510 000
Public Benefit Organisations	87 065 000	88 335 000
Public Service Infrastructure Properties	9 950 500	9 950 500
Residential Properties	5 585 918 800	5 539 969 000
State-owned Properties	718 826 000	718 816 000
Agricultural Property	1 970 211 000	1 991 401 000
<b>Less: Rebates</b>	<b>(233 250 000)</b>	<b>(226 920 000)</b>
<b>Total Assessment Rates</b>	<b><u>10 315 958 300</u></b>	<b><u>10 238 909 500</u></b>
<b>Basic Rate</b>		
Residential	1.400c/R	1.273c/R
Government	1.880c/R	1.709c/R
Commercial	1.925c/R	1.750c/R
Agricultural	0.245c/R	0.222c/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.





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>20. GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b><u>Unconditional</u></b>	89 431 000	80 955 000
Equitable Share	89 431 000	80 955 000
<b><u>Conditional</u></b>	94 414 496	61 888 204
Local Government Financial Management Grant (FMG)	2 800 000	2 663 000
Integrated National Electrification Programm	1 866 120	5 826 084
Municipal Infrastructure Grant	33 257 866	22 607 715
Extended Public Works Program	1 310 000	1 784 000
CDW operational support grant	56 000	57 000
Library Services	7 690 000	7 520 035
Rosevalley Library Grant	-	6 202 200
Emergency Housing Program	-	1 288 088
Thusong Centre Operational Grant	-	150 000
Western Cape Financial Management Capability Grant	700 000	-
Western Cape Municipal Interventions Grant	250 000	-
Municipal Drought Relief Grant	-	1 251 000
Municipal Disaster Relief Grant	37 030 600	10 119 476
Municipal Disaster Recovery Grant	1 061 878	-
Emergency Municipal Load Shedding Grant	4 665 000	-
WC Municipal Financial Management Capacity Building Grant	-	250 000
Maintenance Main Road Subsidy	-	125 000
Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry	1 613 900	-
Water Macro Planning	-	704 159
ASLA Rosevalley Library Contribution	122 732	110 842
Garden Route District Grant	120 000	-
Local Government Public Employment Support Grant	-	1 100 000
Upgrading of SMME Infrastructure Booster Fund	1 870 400	129 605
<b>Total Government Grants and Subsidies</b>	<b>183 845 496</b>	<b>142 843 204</b>
Government Grants and Subsidies - Operating	103 865 177	96 932 656
Government Grants and Subsidies - Capital	79 980 319	45 910 548
<b>Total Government Grants and Subsidies</b>	<b>183 845 496</b>	<b>142 843 204</b>
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	89 431 000	80 955 000
Corporate Services	356 000	307 000
Financial Services	3 200 000	2 663 000
Community and Public Safety	16 807 032	23 583 377
Technical Services	72 181 064	33 917 141
Human Settlement	-	1 288 088
Strategic Services	1 870 400	129 597
<b>Total Government Grants and Subsidies</b>	<b>183 845 496</b>	<b>142 843 204</b>

Based on the allocations set out in the Division of Revenue Act (DORA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>20.1 <u>Equitable Share</u></b>		
Grants received	89 431 000	80 955 000
Conditions met - Operating	(89 431 000)	(80 955 000)
Conditions still to be met	<u>-</u>	<u>-</u>

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	2 800 000	2 663 000
Conditions met - Operating	(2 800 000)	(2 564 832)
Conditions met - Capital	-	(98 168)
Conditions still to be met	<u>-</u>	<u>-</u>

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 Emergency Municipal Load Shedding Relief Grant**

Opening balance	-	-
Grants received	4 665 000	-
Conditions met - Capital	(4 665 000)	-
Conditions still to be met	<u>-</u>	<u>-</u>

Emergency grant received for the purchasing of generators at the water and sewerage plants to curb the effect of load shedding on water delivery in rural areas.

**20.4 Municipal Infrastructure Grant (MIG)**

Opening balance	167 270	607 000
Grants received	33 325 000	22 775 000
Repaid to National Revenue Fund	(167 000)	(607 000)
Conditions met - Operating	(1 216 300)	(1 138 800)
Conditions met - Capital	(32 041 577)	(21 468 930)
Conditions still to be met	<u>67 393</u>	<u>167 270</u>

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	3 100 000	3 206 000
Conditions met - Capital	(1 866 120)	(5 826 083)
Conditions still to be met	<u>1 233 880</u>	<u>-</u>

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 2023**

	2023 R	2022 R
<b>20.6 <u>Extended Public Works Program</u></b>		
Opening balance	-	-
Grants received	1 310 000	1 784 000
Conditions met - Operating	(1 310 000)	(1 784 000)
Conditions still to be met	<u>0</u>	<u>-</u>

Job creation projects in previous disadvantage areas.

**20.7 Western Cape Financial Management Capability Grant**

Opening balance	-	-
Grants received	700 000	-
Conditions met - Operating	(700 000)	-
Conditions still to be met	<u>-</u>	<u>-</u>

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

**20.8 Library Services**

Opening balance	-	0
Grants received	7 690 000	7 520 000
Conditions met - Operating	(7 290 000)	(7 520 000)
Conditions met - Capital	(400 000)	-
Conditions still to be met	<u>0</u>	<u>-</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 Rosevalley Library Grant**

Opening balance	-	6 202 235
Conditions met - Capital	-	(6 202 235)
Conditions still to be met	<u>-</u>	<u>-</u>

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

**20.10 WC Municipal Financial Management Capacity Building Grant**

Opening balance	-	-
Grants received	-	250 000
Conditions met - Operating	-	(250 000)
Conditions still to be met	<u>-</u>	<u>-</u>

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



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>20.11 <u>Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant</u></b>		
Opening balance	1 613 986	1 613 986
Conditions met - Capital	(1 613 986)	-
Conditions still to be met	<u>-</u>	<u>1 613 986</u>
This grant was received for completion of the Blossoms pipeline, a new sustainable water resource		
<b>20.12 <u>Municipal Disaster Relief Grant</u></b>		
Opening balance	37 030 524	-
Interest received	-	47 150 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(37 030 524)	(10 119 476)
Conditions still to be met	<u>-</u>	<u>37 030 524</u>
This grant was received for completion of the Blossoms pipeline, a new sustainable water resource		
<b>20.13 <u>Municipal Disaster Recovery Grant</u></b>		
Opening balance	-	-
Grants received	26 664 000	-
Conditions met - Operating	(1 061 877)	-
Conditions still to be met	<u>25 602 123</u>	<u>-</u>
This grant was received for repair of roads and stormwater infrastructure caused by the flooding		
<b>20.14 <u>Other Grants</u></b>		
Opening balance	2 214 560	(1)
Grants received	622 000	7 130 248
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(56 000)	(2 720 082)
Conditions met - Capital	(2 363 127)	(2 195 606)
Conditions still to be met	<u>417 433</u>	<u>2 214 560</u>
<b>20.15 <u>Total Grants</u></b>		
Opening balance	41 026 340	11 043 304
Grants received	170 307 000	126 283 248
Interest received	-	47 150 000
Repaid to National Revenue Fund	(167 000)	(607 000)
Conditions met - Operating	(103 865 177)	(96 932 714)
Conditions met - Capital	(79 980 334)	(45 910 498)
Conditions still to be met/(Grant expenditure to be recovered)	<u>27 320 829</u>	<u>41 026 340</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	<u>27 320 830</u>	<u>41 026 340</u>
<b>Total</b>	<u><u>27 320 830</u></u>	<u><u>41 026 340</u></u>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>21. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT</b>		
Department of Sport Arts and Culture	-	64 713
Donated infrastructure assets	722 000	-
Supplier Donations	-	201 590
<b>Total Contributed Property, Plant and Equipment</b>	<b>722 000</b>	<b>266 303</b>
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	722 000	266 303
<b>Total Contributed Property, Plant and Equipment</b>	<b>722 000</b>	<b>266 303</b>
<b>22. AVAILABILITY CHARGES</b>		
Electricity	1 445 931	1 375 358
Water	946 193	918 492
Waste Water Management	803 689	771 044
<b>Total Availability Charges</b>	<b>3 195 813</b>	<b>3 064 894</b>
<b>23. LICENCES AND PERMITS</b>		
Road and Transport	381 242	265 339
<b>Total Licences and Permits</b>	<b>381 242</b>	<b>265 339</b>
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	381 242	265 339
<b>Total Licences and Permits</b>	<b>381 242</b>	<b>265 339</b>
<b>24. SERVICE CHARGES</b>		
<b>Electricity</b>	<b>276 893 214</b>	<b>280 728 876</b>
Service Charges	286 110 216	290 194 491
<b>Less:</b> Revenue Foregone	(9 217 002)	(9 465 615)
<b>Water</b>	<b>64 818 777</b>	<b>57 732 465</b>
Service Charges	79 914 132	73 688 891
<b>Less:</b> Revenue Foregone	(15 095 355)	(15 956 426)
<b>Water Klein Karoo Rural Scheme</b>	<b>5 680 051</b>	<b>6 622 425</b>
Service Charges	5 680 051	6 622 425
<b>Less:</b> Revenue Foregone	-	-
<b>Waste Management</b>	<b>25 733 164</b>	<b>20 979 252</b>
Service Charges	38 640 010	33 910 322
<b>Less:</b> Revenue Foregone	(12 906 846)	(12 931 070)
<b>Waste Water Management</b>	<b>35 771 250</b>	<b>37 693 488</b>
Service Charges	52 528 620	49 580 064
<b>Less:</b> Revenue Foregone	(16 757 369)	(11 886 576)
<b>Total Service Charges</b>	<b>408 896 457</b>	<b>403 756 506</b>

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.



**OUDTSHOORN LOCAL MUNICIPALITY**  
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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>25. SALES OF GOODS AND RENDERING OF SERVICES</b>		
Academic Services	106	244
Advertisements	411 434	473 202
Application Fees for Land Usage	97 061	80 959
Building Plan Approval	846 318	808 841
Camping Fees	141 378	123 220
Cemetery and Burial	1 760 752	1 922 816
Computer Services	118 202	109 236
Encroachment Fees	169 601	140 475
Fire Services	87 807	89 598
Legal Fees Recovered	-	2 039 551
Library Fees	351	120
Parking Fees	850	-
Photocopies and Faxes	55 302	55 050
Sale of Goods	(12 807)	31 493
Valuation Services	294 136	271 045
<b>Total Sales of Goods and Rendering of Services</b>	<b><u>3 970 494</u></b>	<b><u>6 145 848</u></b>
<b>26. RENTAL FROM FIXED ASSETS</b>		
Investment Property	564 483	-
Property, Plant and Equipment	2 626 224	2 120 252
<b>Total Rental from Fixed Assets</b>	<b><u>3 190 708</u></b>	<b><u>2 120 252</u></b>
<b>27. INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	2 177 557	1 476 574
Investments	9 700 294	5 341 683
<b>Total Interest Earned - External Investments</b>	<b><u>11 877 851</u></b>	<b><u>6 818 257</u></b>
<b>28. INTEREST EARNED - EXCHANGE TRANSACTIONS</b>		
Trade Receivables	6 152 549	4 361 960
<b>Total Interest Earned - Outstanding Receivables</b>	<b><u>6 152 549</u></b>	<b><u>4 361 960</u></b>
<b>29. OPERATIONAL REVENUE</b>		
Bad debts Recovery	776 914	328 310
Collection Charges	58 243	-
Commission	409 548	-
Development Charges	412 379	460 613
Incidental Cash Surpluses	(53 161)	228 449
Insurance Refund	23 164	-
Merchandising, Jobbing and Contracts	80 743	75 090
Registration Fees	3 587	4 667
Request for Information	1 964	-
Staff Recoveries	262 577	21 645
<b>Total Operational Revenue</b>	<b><u>1 975 958</u></b>	<b><u>1 118 773</u></b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>30. EMPLOYEE RELATED COST</b>		
Acting Allowance	817 404	1 606 697
Contributions to Group Insurance	4 795 998	4 598 892
Contributions to Workman's Compensation	1 752 495	1 590 948
Housing Benefits and Allowance	1 359 134	1 339 731
Leave payments	(39 067)	2 120 518
Standby Allowance	5 793 907	5 500 023
Shift Allowance	666 117	645 222
Basic Salaries and Wages	166 725 959	160 798 199
Pension and UIF Contributions	29 797 997	28 914 563
Medical Aid Contributions	12 860 693	12 096 047
Overtime	18 059 805	15 638 107
Bonuses	14 550 441	12 841 895
Motor Vehicle Allowance	4 546 361	4 185 372
Cellphone Allowance	1 271 042	1 293 492
Other benefits and allowances	156 558	152 735
Contribution to Long Service awards	2 444 000	2 192 000
Contribution to Post Employment Medical	16 577 644	14 132 000
Correction of error note 41.1(c)	-	162 655
<b>Total Employee Related Costs</b>	<b>282 136 489</b>	<b>269 809 096</b>

**KEY MANAGEMENT PERSONNEL**

Key Management personnel in Corporate Services, Community Services and the Municipal manager are permanently employed, but the Chief Financial Officer and Director Technical Services were appointed on a 5 year contract.

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

**Remuneration of the Municipal Manager - Mr W Hendricks (Appointed January 2023)**

Basic Salary	847 598	1 051 533
Pension and UIF Contributions	89 438	1 594
Cell Phone Allowance	45 254	53 404
Payments in lieu of leave	44 374	-
Other Benefits and Allowances	87 242	51 634
<b>Total</b>	<b>1 113 907</b>	<b>1 158 164</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>Remuneration of the Chief Financial Officer - GP De Jager</b>		
Basic Salary	767 405	712 382
Acting Allowance	93 900	-
Pension and UIF Contributions	130 783	130 604
Housing allowance	118 416	118 416
Medical Aid Contributions	42 804	30 884
Performance Bonus	103 542	56 673
Motor Vehicle Allowance	144 000	144 000
Cell Phone Allowance	76 210	72 650
Payments in lieu of leave	-	22 621
Other Benefits and Allowances	92 363	35 977
<b>Total</b>	<b>1 569 423</b>	<b>1 324 208</b>
<b>Remuneration of Director : Corporate Services - Mr Smit</b>		
Basic Salary	1 026 911	960 561
Acting Allowance	4 113	63 293
Pension and UIF Contributions	177 194	175 028
Performance Bonus	125 616	-
Cell Phone Allowance	76 210	72 650
Payments in lieu of leave	-	38 577
Other Benefits and Allowances	206 026	156 022
<b>Total</b>	<b>1 616 071</b>	<b>1 466 131</b>
<b>Remuneration of Director : Community Services - N van Stade ( Appointed June 2023)</b>		
Basic Salary	83 685	-
Pension and UIF Contributions	15 240	-
Cell Phone Allowance	6 351	-
Other Benefits and Allowances	2 550	-
<b>Total</b>	<b>107 826</b>	<b>-</b>
<b>Remuneration of Director : Technical Services - Mr JW Lesch</b>		
Basic Salary	925 078	921 646
Pension and UIF Contributions	158 889	154 673
Performance Bonus	126 551	-
Motor Vehicle Allowance	120 000	50 000
Cell Phone Allowance	75 913	72 420
Other Benefits and Allowances	130 982	68 554
<b>Total</b>	<b>1 537 414</b>	<b>1 267 293</b>





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>Remuneration of Director Planning and Development Director: L Coetzee ( Appointed April 2023)</b>		
Basic Salary	239 220	-
Acting Allowance	-	-
Pension and UIF Contributions	42 556	-
Cell Phone Allowance	19 053	-
Housing Subsidy	-	-
Motor Vehicle Allowance	15 000	-
Other Benefits and Allowances	38 602	-
<b>Total</b>	<b>354 431</b>	<b>-</b>

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 48789, 14 June 2023. 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.

**31. REMUNERATION OF COUNCILLORS**

Basic Salaries And Wages	8 850 931	8 153 605
Pension	591 841	553 957
Travelling Allowance	981 967	1 042 945
Telephone Allowance	821 774	958 364
Medical Scheme	128 801	150 773
Correction of error note 41.1( d )	-	89 901
<b>Total Councillors' Remuneration</b>	<b>11 375 315</b>	<b>10 949 544</b>

Remuneration paid to Councillors can be summarised as follow:

2023 Financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	886 685	-	36 200	-	922 885
Executive Deputy-Mayor	518 712	172 904	31 481	-	723 096
Speaker	656 148	-	35 091	53 201	744 440
Executive Committee Members	2 920 820	668 762	296 945	293 557	4 180 084
Councillors	3 868 567	140 302	422 057	373 884	4 804 809
<b>Total Councillors' Remuneration</b>	<b>8 850 931</b>	<b>981 967</b>	<b>821 774</b>	<b>720 642</b>	<b>11 375 315</b>

2022 Financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	762 188	-	34 734	40 911	837 833
Executive 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	795 987	406 117	6 002 856
<b>Total Councillors' Remuneration</b>	<b>8 153 604</b>	<b>1 042 945</b>	<b>1 048 265</b>	<b>704 730</b>	<b>10 949 544</b>

***In-kind Benefits***

The Executive Mayor, Executive Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Municipality.

***Certification by the Municipal Manager***

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



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>32. CONTRACTED SERVICES</b>		
Outsourced Services		
Business and Advisory	2 063 502	1 311 468
Fire Services	373 277	173 000
Security Services	9 577 332	10 141 671
Catering services	444 611	154 650
Clearing and Grass Cutting Services	-	-
Meter management	-	263 295
Legal Cost Collection	437 797	260 861
Printing Services	848 607	283 170
Traffic Management	454 971	442 509
Cleaning Services	-	117 182
Refuse Removal	4 373 551	3 741 335
Consultants and Professional Services	-	
Business and Advisory	2 565 851	3 327 858
Engineering	443 751	224 230
Valuer and Assessors	253 340	139 354
Communications	35 735	1 908 299
Legal Services	3 754 404	3 401 032
Contractors	-	
Fire Services	968 341	583 749
Maintenance of Buildings and Facilities	685 913	42 880
Maintenance of Equipment	234 136	189 160
Stream Cleaning and Ditching	43 340	92 811
Employee Wellness	124 003	268 904
Aerial Surveillance	-	11 160
<b>Total Contracted Services</b>	<b>27 682 463</b>	<b>27 078 577</b>
<b>33. DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	52 605 520	47 905 053
Intangible Assets	119 082	184 151
Investment Property	158 961	158 961
<b>Total Depreciation and Amortisation</b>	<b>52 883 563</b>	<b>48 248 165</b>
<b>34. FINANCE CHARGES</b>		
Long-term Borrowings	5 974 802	3 877 414
Non-current Provisions	2 791 876	2 078 358
Payables	755 199	80 293
Finance leases	1 204 552	922 838
<b>Total Finance Costs</b>	<b>10 726 429</b>	<b>6 958 904</b>
<b>35. BULK PURCHASES</b>		
Electricity	201 997 373	209 246 642
<b>Total Bulk Purchases</b>	<b>201 997 373</b>	<b>209 246 642</b>

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>36. TRANSFERS AND SUBSIDIES</b>		
Operational	3 003 347	3 401 653
Monetary Allocations	3 003 347	3 401 653
Households	36 200	100 000
Non-profit Institutions	2 379 847	1 574 830
Provincial Government	-	1 288 088
Bursaries Non Employee	587 300	438 736
<b>Total Transfers and Subsidies</b>	<b>3 003 347</b>	<b>3 401 653</b>
<b>37. OPERATIONAL COST</b>		
Achievements and Awards	1 850	-
Advertising, Publicity and Marketing	1 606 795	1 603 337
Assets less than the Capitalisation Threshold	186 783	213 371
Bank Charges, Facility and Card Fees	1 794 758	1 802 220
Bursaries (Employees)	339 940	288 060
Cleaning Services	71 227	65 273
Commission	2 063 403	2 784 611
Courier and Delivery Services	28 281	28 486
Communication	3 142 959	2 991 773
Deeds	879 712	236 948
Entrance Fees	60 870	47 186
Entertainment	50 533	24 139
External Audit Fees	4 584 703	4 642 314
External Computer Service	5 361 312	2 200 782
Full Time Union Representative	175 120	209 312
Hire Charges	4 029 490	5 918 668
Indigent Relief	1 055 203	1 264 571
Insurance Underwriting	3 197 552	2 664 129
Learnerships and Internships	707 018	422 367
Levies Paid - Water Resource Management Charges	1 037 934	-
Licences	366 993	290 514
Membership fees SALGA	2 764 803	2 644 604
Printing, Publications and Books	1 269 735	1 489 654
Professional Bodies, Membership and Subscription	62 526	114 023
Registration Fees	287 914	955 837
Remuneration to Section 79 Committee Members	25 900	-
Remuneration to Ward Committees	322 357	11 037
Resettlement Cost	3 331 138	1 853 967
Samples and Specimens	138 667	116 675
Servitudes and Land Surveys	275	-
Skills Development Fund Levy	2 306 636	2 194 384
Travel and Subsistence	1 609 088	1 303 716
Uniform and Protective Clothing	1 710 962	1 651 568
Wet Fuel	13 315 089	7 528 954
<b>Total Operational Costs</b>	<b>57 887 526</b>	<b>47 562 479</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>38. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES</b>		
Receivables from Exchange Transactions and Non-Exchange	(12 509 869)	(2 614 435)
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b>	<b><u>(12 509 869)</u></b>	<b><u>(2 614 435)</u></b>
<b>39. GAINS/ (LOSS) ON SALE OF FIXED ASSETS</b>		
Property, Plant and Equipment	(1 370 713)	(4 358 132)
<b>Total Gains/ (Loss) on Sale of Fixed Assets</b>	<b><u>(1 370 713)</u></b>	<b><u>(4 358 132)</u></b>
<b>40. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON FIXED ASSETS</b>		
Investment Property	-	-
Property, Plant and Equipment	-	-
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>41. CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
<b>41.1</b>		
(a)	Correction of Trade Payables from Exchange Transactions Opening balance. Bargaining council settlement was reached between the Municipality and Ms R September, that relates to prior years. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R752 858.50 (Ct) Trade Payables from Exchange Transactions Opening balance R752 858.50	
(b)	Correction of Trade payables From Exchange Transactions , creditor invoices relating to periods prior to July 2021 was only paid in 2022-23. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R151 431 Trade Payables from Exchange Transactions Opening balance R151 431	
(c)	Correction of Trade Payables From Exchange Transactions (Salary control ) 2021-22. Backpay towards directors were made for the 2021-22 financial year as proclaimed in the Government Gazette 02/11/2022 for Upper Limits. This is now corrected with the following entries Dt Accumulated Surplus (Employee Related Costs) 2021-22 R162 655 (Ct) Trade Payables from Exchange (Salary Control) R162 655	
(d)	Correction of Trade Payables From Exchange Transactions (Salary control ) 2021-22. Backpay towards councillors was made for the 2021-22 financial year as proclaimed in the Government Gazette 02/11/2022 for Upper Limits. This is now corrected with the following entries Dt Accumulated Surplus (Employee Related Costs) 2021-22 R89 900.59 (Ct) Trade Payables from Exchange (Salary Control) R89 900.59	
(e)	Correction of Current Employee Benefits Opening balance. Performance bonus disputes with regards to the 2020-21 Financial year was settled and back-pay was paid to Mr Paulse previous Municipal Manager and Mr R Smit (Manager Corporate Services). This is now corrected with the following entry Dt Accumulated Surplus Opening balance R142 418.76 (Ct) Current Employee Benefits Opening balance R142 418.76	
(f)	Correction of Trade Payables from Exchange Transactions 2021-22. Invoices relating to Operational Cost for services rendered during the 2021-22 financial year was only paid in the 2022-23 financial year. This is now corrected with the following entries Dt Accumulate Surplus 2021-22(Operational Cost) R125 377 , (Ct) Trade Payables of Exchange Transactions 2021-22 R125 377	
(g)	Correction of Trade Payables from Exchange Transactions 2021-22. Invoices relating to Contracted Services for services rendered during the 2021-22 financial year was only paid in the 2022-23 financial year. This is now corrected with the following entries Dt Accumulate Surplus 2021-22(Contracted Services) R410 792, (Ct) Trade Payables of Exchange Transactions 2021-22 R410 792	



**OUDTSHOORN LOCAL MUNICIPALITY**  
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- (h) Correction of Receivables From Exchange Opening balance. Rental accounts for MTN and Vodacom adjusted to reflect correct amount that should have been levied This is now corrected with the following entries Dt Receivables from Exchange (Sundry) R19 768, (Ct) Accumulated Surplus Opening balance R19 768
- (i) Correction of Taxes Opening balance. Retention to Transand was paid in prior periods but VAT portion was not accounted for, now corrected VAT Input Provisional by the following entries. Accumulated Surplus Opening balance R19 106.53 (Ct) Taxes Input Opening balance R19 106.53
- (j) Correction of Land at Cost Opening balance. First time recognition of properties under control of municipality, that was identified during the supplementary valuation roll of the prior year. This is now corrected Dt Land at Cost R3 184 000, (Ct) Accumulated Surplus Opening balance R3 184 000
- (k) Derecognition of Community Assets and Land at Cost. Properties not under control of the municipality as per iGRAP 18 testing performed cresh operated by private institution or low cost housing occupied. This is now corrected with the following entries Dt Accumulated Surplus 2021-22 R221 000, (Ct) Land at Cost R1000, (Ct) Community Assets at Cost R220 000
- (l) Correction of Accumulated Depreciation Community Asset. Properties not under control of the municipality as per IGRAP 18 Testing, cresh operated by private institution or low housing occupied. This is now corrected by Dt Accumulated Depreciation R28 626 (Ct) Accumulated Surplus 2021-22 R28 626
- (m) Correction of Intangible Assets at Cost opening balance. Software have been replaced in prior years, that was still reflecting on the asset register after a full verification was performed. This is now corrected with the following entries DT Accumulated surplus opening balance R2 261 473, (Ct) Intangible Assets at Cost Opening balance R2 261 473. Dt Accumulated Impairment Intangible Assets Opening balance R1706 609 (Ct) Accumulated Surplus Opening balance R1 706 609. Dt Accumulated Impairment 2021/22 R218 536 and (Ct) Accumulated Surplus 2021/22 R218 536
- (n) Correction of Leased Assets at Cost 2021-22 balance, CG15133 was incorrectly disposed of in the prior year. This vehicle was repaired and in use for the full term of the lease. This is now corrected with the following entries Dt Leased Assets at Cost R753 582, (Ct) Accumulated Surplus 2021/22 R753 582. Dt Accumulated Surplus 2021/22 (Depreciation) R130 621, (Ct) Accumulated Depreciation 2021/22 Leased Assets R130 621.
- (o) Correction of Movable assets at Cost Opening balance. Assets identified during the annual physical verification that was not previously reflected on the asset register. This is now corrected with the following entries Dt Movable Assets at Cost Opening balance R272 396, (Ct) Accumulated Surplus Cost R272 396. Dt Accumulated Surplus 2021/22 (Depreciation) R48 792 , (Ct) Accumulated Depreciation Movable Assets R48 792.
- (p) Correction of Infrastructure Roads Stormwater Opening balance. After full physical inspection was done to verify all the roads and stormwater infrastructure, it was identified that infrastructure within the town was not reflecting on the fixed asset register. This is now corrected by the following entries Dt Infrastructure Assets Roads Stormwater Opening balance R26 950 035, (Ct) Accumulated Surplus Opening balance R26 960 035. Dt Accumulated Surplus Opening balance R2 335 266, (Ct) Accumulated Depreciation Opening balance R2 335 266. Dt Accumulated Surplus 2021/22(Depreciation) R1 166 397, (Ct) Accumulated Depreciation Infrastructure 2021/22 R1 166 397
- (q) Correction of Infrastructure Roads & Stormwater Accumulated Depreciation, after physical verification was performed the existing assets was unbundled in its correct components as per CIDMS guidelines, and the RUL was corrected retrospectively that lead to the change in depreciation. This is now corrected with the following entries Dt Accumulated Depreciation Roads Stormwater Opening balance R1 396 359, (Ct) Accumulated Surplus Opening balance R1 396 359. Dt Accumulated Surplus 2021/22 (Depreciation ) R844 190 and (Ct) Accumulated Depreciation Roads Stormwater 2021/22 R844 190.



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(r)

Correction of Water Infrastructure WIP. Projects incorrectly classified as WIP that was completed prior years. The total cost of projects Completed incorrectly reflected as WIP were R1 504 956.79 in Opening balance and R7 550 301.46 in WIP 2021-22 Addition, and the subsequent depreciation correction is now performed with the following entries Dt Accumulated Surplus Opening balance R50 165, (Ct) Accumulated Depreciation Infrastructure R50 165. Dt Accumulated Surplus 2021-22(Depreciation) R331 289, (Ct) Accumulated Depreciation Infra R331 289.

(s) Correction of Electricity Infrastructure WIP 2021-22. Electricity project was completed in prior year, but incorrectly classified as WIP. The WIP Additions 2021-22 was adjusted with R1 430 188.71 and the Opening balance WIP with R1 634 490.10 and moved to completed. MV Cables and Switchgear was installed already in prior years.

(t) Correction of Receivables from Non-Exchange Opening balance, Provincial Fines Debtor and subsequent Impairment was not complete as per the TCS reports from Department of Mobility. This is now corrected with the following entries Dt Receivables From Non-Exchange Opening balance R3 211 979 and (Ct) Accumulated Surplus Opening balance R3 211 979.

(u) Correction of Receivables from Non-Exchange 2021-22, Provincial Fines Debtor and subsequent impairment was not complete as per the TCS reports from Department of Mobility. This is now corrected with the following entries Dt Receivables from Exchange R3 401 970, (Ct) Accumulated Surplus 2021-22(Fines Revenue). Dt Accumulated Surplus 2021/22 (Bad Debts Written Off) R3 057 194 and (Ct) Receivables From-Non Exchange R3 057 194. Dt Receivables from Non-Exchange R328 310 and (Ct) Accumulated Surplus 2021-22(Bad Debts Recovered) R328 310. Dt Accumulated Surplus ( Contribution to Bad Debts Provision ) R3 678 060.58, (Ct) Receivables of Non-Exchange (Impairment) R3 678 060.58.

	2022 R	2021 R
<b>41.2 Accumulated Surplus/(Deficit)</b>	<b>945 651 188</b>	<b>919 629 595</b>
Balance previously reported		
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(a)	(752 859)	(752 859)
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(b)	(151 431)	(151 431)
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1(c)	(162 655)	
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1(d)	(89 901)	
Correction of Current Employee Benefits opening balance as per note 41.1(e)	(142 419)	(142 419)
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(f)	(125 377)	
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(g)	(410 792)	
Correction of Receivables from Exchange Transactions Opening balance as per note 41.1(h)	19 768	19 768
Correction of Taxes opening balance as per note 41.1(i)	(19 107)	(19 107)
Correction of Land at Cost opening balance as per 41.1(j)	3 184 000	3 184 000
Correction of Land at Cost opening balance as per 41.1(k)	(1 000)	
Correction of Community assets at Cost opening balance as per 41.1(k)	(220 000)	
Correction of Accumulated Depreciation Community Assets as per 41.1(l)	28 626	
Correction of Intangible Assets at Cost opening balance as per 41.1(m)	(2 261 473)	(2 261 473)
Correction of Intangible assets Accumulated Amortisation as per note 41.1(m)	1 706 609	1 706 609
Correction of Intangible Assets amortisation 2021-22 as per note 41.1(m)	218 536	
Correction of Leased Assets at Cost 2021-22 as per note 41.1(n)	753 582	
Correction of Accumulated Depreciation Leased Assets 2021-22 as per 41.1(n)	(130 621)	
Correction of Other Assets at Cost Opening balance as per note 41.1(o)	272 396	272 396
Correction of Other Assets Accumulated Depreciation 2021/22 as per note 41.1(o)	(48 792)	
Correction of Infrastructure at Cost as per note 41.1(p)	26 950 035	26 950 035
Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(p)	(2 335 266)	(2 335 266)
Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(p)	(1 166 397)	
Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(q)	1 396 359	1 396 359
Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(q)	(844 190)	
Correction of Accumulated Depreciation Water Infrastructure Opening balance as per note 41.1(r)	(50 165)	(50 165)
Correction of Accumulated Depreciation Water Infrastructure 2021/22 as per note 41.1(r)	(331 289)	
Correction of Opening balance Receivables from Non-Exchange as per note 41.1(t)	3 211 979	3 211 979
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	3 401 970	
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 057 194)	
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	328 310	
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 678 061)	
	<b>971 144 371</b>	<b>950 658 023</b>



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<b>41.3</b>	<b>Property, Plant and Equipment</b>		
	<b>Balance previously reported</b>	<b>1 052 996 144</b>	<b>1 003 138 403</b>
	Cost	30 939 013	30 406 431
	Correction of Land at Cost opening balance as per 41.1(j)	3 184 000	3 184 000
	Correction of Land at Cost opening balance as per 41.1(k)	(1 000)	-
	Correction of Community assets at Cost opening balance as per 41.1(k)	(220 000)	-
	Correction of Leased Assets at Cost 2021-22 as per note 41.1(n)	753 582	-
	Correction of Other Assets at Cost Opening balance as per note 41.1(o)	272 396	272 396
	Correction of Infrastructure at Cost as per note 41.1(p)	26 950 035	26 950 035
	Accumulated Depreciation	(3 481 735)	(989 072)
	Correction of Accumulated Depreciation Community Assets as per 41.1(l)	(28 626)	-
	Correction of Accumulated Depreciation Leased Assets 2021-22 as per 41.1(n)	130 621	-
	Correction of Other Assets Accumulated Depreciation 2021/22 as per note 41.1(o)	48 792	-
	Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(p)	2 335 266	2 335 266
	Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(p)	1 166 397	-
	Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(q)	(1 396 359)	(1 396 359)
	Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(q)	844 190	-
	Correction of Accumulated Depreciation Water Infrastructure Opening balance as per note 41.1(r)	50 165	50 165
	Correction of Accumulated Depreciation Water Infrastructure 2021/22 as per note 41.1(r)	331 289	-
	<b>Restated Balance</b>	<b>1 080 453 422</b>	<b>1 032 555 762</b>
<b>41.4</b>	<b>Intangible Assets</b>		
	<b>Balance previously reported</b>	<b>740 509</b>	<b>1 143 195</b>
	Correction of Intangible Assets at Cost opening balance as per 41.1(m)	(2 261 473)	(2 261 473)
	Correction of Intangible assets Accumulated Amortisation as per note 41.1(m)	1 706 609	1 706 609
	Correction of Intangible Assets amortisation 2021-22 as per note 41.1(m)	218 536	-
	<b>Restated Balance</b>	<b>404 181</b>	<b>588 331</b>
<b>41.5</b>	<b>Receivables from Non-Exchange</b>		
	<b>Balance previously reported</b>	15 047 500	14 584 483
	Correction of Opening balance Receivables from Non-Exchange as per note 41.1(s)	3 211 979	3 211 979
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	3 401 970	-
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 057 194)	-
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	328 310	-
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 678 061)	-
	<b>Restated Balance</b>	<b>15 254 505</b>	<b>17 796 463</b>
<b>41.6</b>	<b>Receivables from Exchange Transactions</b>		
	<b>Balance previously reported</b>	<b>68 639 359</b>	<b>59 355 879</b>
	Correction of Receivables from Exchange Transactions Opening balance as per note 41.1(h)	19 768	19 768
	<b>Restated Balance</b>	<b>68 659 127</b>	<b>59 375 647</b>
<b>41.7</b>	<b>Taxes</b>		
	<b>Balance previously reported</b>	<b>5 073 659</b>	<b>7 903 021</b>
	Correction of Taxes opening balance as per note 41.1(i)	19 107	19 107
	<b>Restated Balance</b>	<b>5 092 766</b>	<b>7 922 128</b>



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<b>41.8 Trade and Other Payables from Exchange Transactions</b>		
<b>Balance previously reported</b>	<b>47 414 638</b>	<b>51 962 342</b>
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(a)	752 859	752 859
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(b)	151 431	151 431
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1( c )	162 655	-
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1( d )	89 901	-
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(f)	125 377	-
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(g)	410 792	-
<b>Restated Balance</b>	<b>49 107 652</b>	<b>52 866 631</b>
<b>41.8 Current Employee Benefits</b>		
<b>Balance previously reported</b>	<b>31 634 759</b>	<b>29 639 545</b>
Correction of Current Employee Benefits opening balance as per note 41.1( e )	142 419	142 419
<b>Restated Balance</b>	<b>31 777 178</b>	<b>29 781 964</b>
	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>42. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	72 289 030	20 486 349
<b>Adjustments for:</b>		
Depreciation and Amortisation	52 883 563	48 248 165
Loss/(Gain) on Sale of Fixed Assets	1 370 713	4 358 132
Impairment Loss/(Reversal of Impairment Loss)	12 509 869	(1 063 626)
Contributed Property, Plant and Equipment	(722 000)	(266 303)
Government Grants and Subsidies received	170 307 000	173 433 248
Government Grants and Subsidies recognised as revenue	(183 845 496)	(142 843 204)
Repaid to Revenue Fund	(167 000)	(607 000)
Change in Provision for Rehabilitation Cost	1 125 307	2 078 358
Contribution from/to provisions - Non-Current Employee Benefits	10 959 026	8 978 450
Contribution from/to - Current Employee Benefits	698 065	1 995 214
Accrued interest on borrowing	12 235	-
Bad Debts written off	35 056 807	28 455 160
Gains/(Loss) on Fair Value Adjustments	(20 980 026)	(5 772 450)
Operating lease expenses accrued	(2 693)	(4 273)
Operating Surplus/(Deficit) before changes in working capital	151 494 400	137 476 220
Changes in working capital	(63 944 311)	(44 415 756)
Increase/(Decrease) in Consumer Deposits	315 488	327 324
Increase/(Decrease) in Trade and Other Payables	(5 044 010)	(8 609 240)
Increase/(Decrease) in Taxes	(924 338)	(107 112)
(Increase)/Decrease in Inventory	8 912	(1 893 671)
(Increase)/Decrease in Receivables	(58 300 363)	(34 133 057)
<b>Cash generated/(absorbed) by operations</b>	<b>87 550 089</b>	<b>93 060 464</b>
<b>43. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 10	17 352 156	12 960 591
Call Deposits and Investments - Note 10	111 741 255	130 934 736
Cash Floats - Note 10	37 550	37 550
<b>Total cash and cash equivalents</b>	<b>129 130 961</b>	<b>143 932 877</b>





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**44. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**

Cash and Cash Equivalents - Note 43	129 130 961	143 932 877
<b>Less:</b>	(31 892 072)	(52 211 802)
Unspent Transfers and Subsidies - Note 17	(27 320 830)	(41 026 340)
Unspent Borrowings	(402 814)	(6 092 696)
VAT - Note 18	(4 168 428)	(5 092 766)
Net cash resources available for internal distribution	97 238 889	91 721 075
<b>Resources available for working capital requirements</b>	<b>97 238 889</b>	<b>91 721 075</b>

**45. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**

Long-term Liabilities - Note 11	84 257 750	81 859 271
Used to finance property, plant and equipment - at cost	(84 257 750)	(81 859 271)
	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

**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**

Cash reflected in the bank account is R18 million more than original budgeted, due to higher debtors payment ratio improving the cash position of the municipality.

**Call Investment Deposits**

Call investment deposits R56 million more than budgeted, mainly due to unspent grants for the Disaster Relief that was transferred by the National Treasury for flood relief and interest capitalised more than forecasted during the budget process caused by the increase in investment rate

**Consumer Debtors**

Consumer debtors R15 million more than anticipated during the budget phase as it was anticipated that debtors would be less due to a higher payment ratio and increased debt collection procedures that were implemented. Prescribed debt was also written-off but had minimal impact on outstanding debtors

**Other Debtors**

Other debtors is R3.5 million less and comprises mainly out of the Traffic Fines debtor for municipal fines was issued during the year that was less than anticipated. Budget was based on actuals of the prior year.

**Operating Lease Asset**

Operating lease assets R7000 more than budgeted as the movement in leases based on the straightlining method was not taken into account when budget was performed.



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**46.1.2 Current Liabilities**

Borrowing

Current portion of Long term liabilities R2.7 million less than budgeted, as it was budgeted for the repayment of the new long term loan taken up during 2022/23. First repayment will only be made in the 2023/24 budget year

Trade and Other Payables

Trade and Other Payables are more than budgeted due to the unspent grant for Disaster Relief to value of R26 million that was not spent and included in creditors. The grant was transferred in March 2023 and will be applied for roll-over to National Treasury and budgeted for spending in the 2023/24 financial year

**46.1.3 Non-Current Assets**

Intangible Assets

Intangible assets are R555 000 less than budgeted, due to the asset value decreasing in the prior year where assets not in existence anymore that were derecognized. Asset verification was performed and it was found that the software reflecting was on machines that was replaced in the prior years.

**46.1.4 Non-Current Liabilities**

Provisions

Provisions are R14.8 million less than budgeted, due to the change in market conditions the actuarial report on Post Employment Benefits indicated the accrued liability to be less than anticipated. The budget was based on the prior year actual.

**46.2 Statement of Financial Performance**

**46.2.1 Revenue**

Rental of Facilities and Equipment

Rental income more than budgeted by R204 211 as ad-hoc rentals increased during the year, as social functions and sporting events increased after Covid restrictions have been lifted in full. Budget was based on actuals of the previous year.

Interest Earned - External Investments

Interest earned on investments are R5.8 million more than budgeted due to more investments for unspent grants that were made during the year and interest rates increasing by more than anticipated. The budget was based on the prior year actual.

Fines

Fines issued are R3.5 million more than budgeted, as the municipality appointed a new service provider for camera fines and more strict law enforcement procedures that were implemented during the year. The budget was based on the prior year actual.

Licences and Permits

Licence and Permits are less than budgeted by a negligible amount, as more permits was issued during the current year than in prior periods. This item includes roadworthy certificates for vehicles, and budget was based on prior year actual.

Agency Services

Agency Fees are R1.3 million less than budgeted, as the estimated growth on this budgeted item was not realised. The agency fees are earned on the vehicle licencing and learners licences that are issued to residents of the town.

Other Revenue

Other revenue is R2 million more than budgeted, and includes entrance fees of the Cango Caves that increased sharply due to covid restrictions that were lifted country wide and the recovery of the tourism industry country wide. The budget was based on the prior year actual with a small growth percentage to be conservative but the actuals exceeds the estimations.



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Gains

Actuarial Gains for Post Employment benefits are more than budgeted, but based on market conditions and determined by the council's appointed external actuarial specialist firm as at 30 June 2023. The budget was an estimation based on prior years. Discount rates increased sharply during the year, which reduced the liability and increased the gains.

Contributed Assets

Tribeca Electrical Infrastructure transferred during the current year. New developments not budgeted for as contributed assets as completion date is unknown

**46.2.2 Expenditure**

Debt Impairment

Debt Impairment comprises bad debts written-off and contribution to the bad debt provision aggregated together as per national treasury validation mscoa rules. This item is R8 million more than anticipated as it was estimated that the payment ratio would be more at year end and outstanding debtors less. Based on the debt impairment calculation for the current year a contribution to the provision needs to be made, that was not anticipated during the budget process

Depreciation and Asset Impairment

Depreciation is R8.2 million more than budgeted, mainly due to the Leased Assets annual depreciation not being budgeted. A new AVIS lease tender was awarded effective from 1 July 2023, for which the estimation of depreciation was not included in May 2023 when the budget was approved by council.

Finance Charges

Finance charges on long term liabilities are R4 million more than budgeted, as the repayments are based on floating interest rates on annuity loans that were much higher as increased by the Reserved bank

Bulk Purchases

Bulk Purchases are less R24 million than budgeted, but due to load shedding stages increasing, and the sharp increases in electricity tariffs by NERSA less electricity was used and purchased from Eskom. The budget was an estimation based on the actual purchase figures as at February 2023 forecasted

Other Materials

Other materials are R28 million less than budgeted, mainly due the Disaster Relief grant being unspent and included as maintenance for inventory materials and supplies to be purchased. The funding was only transferred in March 2023, and will be applied for roll-over to National treasury and spent in the 2023/24 financial year

Contracted Services

Contracted Services are R14 million less than budgeted, as cost containment measures on the use of external contractors and consultants were instituted. Also work to be performed by contractors were not completed that was budgeted for and therefore not paid within the financial year.

Other Expenditure

Other Expenditure are R3,6 million less than budgeted, due to strict cost containment measures implemented to curb all non-essential expenditure. The budget was estimated on the prior year actual.

Losses

Losses are R6.6 million less than budgeted, and included an estimated Actuarial Loss for Post Employment benefit plans. Due to the market conditions as at 30 June, the actuarial reports indicated an actuarial gain and not a loss. This could not be forecasted at the time of budget, and is based on assumptions of the prior year actuals

**OUDTSHOORN LOCAL MUNICIPALITY**  
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**46.3 Cash Flow Statement**

**46.3.1 Net Cash from Operating Activities**

Interest

Interest earned is R13 million more than budgeted. As per National Treasury validation rules on the budget schedule the interest revenue billed on services and rates are aggregated to Ratepayers and Other, whereas on the Statement of Cashflows it is disclosed as part of Interest earned. This is a mapping difference between the mSCOA schedule and GRAP accounting principles for presentation.

Suppliers and Employees

Suppliers and Employees are R77 million less than budgeted, mainly due to the unspent Disaster Relief grant of R26 million that was not spent and formed part of the budgeted operational expenditure on suppliers. The remainder of the expenditure is lower than budgeted due to strict containment measures implemented to curb non-essential expenditure.

Finance Costs

Finance charges are R1,4 million more than budgeted, because of the annuity loans being on floating interest rate that was influenced by the increase in interest rates by the Reserve bank during the year. This was not anticipated during the budget process

**46.3.2 Net Cash from Investing Activities**

Capital Assets

Expenditure on Capital are R11 million lower than budgeted, which can mainly be contributed to retention not yet payable also included in the budget. This needs to be excluded as the payments are not yet due and forms part of Trade Creditors. Unspent portions of capital projects will be rolled forward to the August 2023/24 financial year as projects was not yet completed but committed.

	2023 R	2022 R
<b>47. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>47.1 <u>Unauthorised expenditure</u></b>		
Reconciliation of unauthorised expenditure:		
Opening balance	20 591 017	-
Restated opening balance	20 591 017	-
Unauthorised expenditure current year - operational	-	20 591 017
Unauthorised expenditure current year - capital	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	(20 591 017)	-
Current period	-	-
Prior Period	20 591 018	-
Unauthorised expenditure awaiting authorisation	-	<b>20 591 017</b>

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

The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:

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



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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Analysed as follows: Non-cash</u></b>		
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
	-	<b>20 591 018</b>

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

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Actual</b>	<b>Final Budget</b>	<b>Variance</b>	<b>Unauthorised</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b><u>Unauthorised expenditure current year - operating</u></b>				
Community And Public Safety	135 423 020	136 290 700	867 680	-
Corporate Services	28 587 475	30 732 900	2 145 425	-
Executive & Council	71 523 426	73 215 300	1 691 874	-
Financial Services	51 403 357	56 258 800	4 855 443	-
Human Settlement	14 660 012	15 059 300	399 288	-
Municipal Manager	21 916 117	25 066 100	3 149 983	-
Strategic Services	22 672 563	24 187 900	1 515 337	-
Technical Services	382 511 885	427 468 900	44 957 015	-
	<b>728 697 856</b>	<b>788 279 900</b>	<b>59 582 044</b>	-

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Actual</b>	<b>Final Budget</b>	<b>Variance</b>	<b>Unauthorised</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b><u>Unauthorised expenditure current year - capital</u></b>				
Community And Public Safety	17 483 130	17 806 800	323 670	-
Corporate Services	185 786	198 000	12 214	-
Executive & Council	-	-	-	-
Financial Services	1 261 138	1 263 000	1 862	-
Human Settlement	-	50 000	50 000	-
Municipal Manager	-	-	-	-
Strategic Services	1 918 046	2 202 400	284 354	-
Technical Services	90 620 818	95 094 500	4 473 682	-
	<b>111 468 919</b>	<b>116 614 700</b>	<b>5 145 781</b>	-

**47.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current period	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting further action	-	-



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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>47.3 Irregular expenditure</b>		
Reconciliation of irregular expenditure:		
Opening balance	4 356 393	18 558 860
Irregular expenditure current year	5 356 869	9 932 589
Expenditure authorised i.t.o. Section 32 of MFMA	(7 152 092)	(24 135 056)
Current Period ( July 2022 - May 2023)	(2 795 698)	(5 576 196)
Prior Period	(4 356 394)	(18 558 860)
Irregular expenditure awaiting further action	<b>2 561 171</b>	<b>4 356 393</b>

Irregular expenditure can be summarised as follow:

<b>Incident/Cases identified written-off by council in current year</b>	<b>Disciplinary steps/criminal proceedings</b>		
No procurement process followed or less than 3 quotes	Refer to narrative	-	137 658
Payments made to suppliers exceeding contract period	Refer to narrative	-	221 045
Awards made to bidder not Tax Compliant	Refer to narrative	-	71 500
Local Content- MBD 6 not completed	Refer to narrative	-	38 711
Non compliance scm reg 19 no competitive bidding	Refer to narrative	7 149 295	-
Non-compliance with PPR	Refer to narrative	2 797	5 107 281
		<b>7 152 092</b>	<b>5 576 196</b>

<b>Incident/Cases identified in the current year awaiting action</b>	<b>Disciplinary steps/criminal proceedings</b>		
<i>Non compliance scm reg 19 no competitive bidding process implemented after contract expired</i>	Refer to narrative	528 878	4 353 597
<i>Non-Compliance SCM Regulation 36- deviation not justifiable</i>	None	38 435	-
<i>Non Compliance with regulation 12(3)(a) - Splitting of goods and services in lesser values</i>	None	333 969	-
<i>Non-Compliance MFMA Sec 116(2)(a) - contract monitoring not performed monthly</i>	None	300 000	-
<i>Non Compliance with MFMA Sec 116(2) - Payments made to suppliers exceed contract price</i>	None	30 000	-
<i>Non-Compliance with SCM Regulation 19 - competitive bidding process not followed</i>	None	1 300 000	-
<i>Non-compliance with PPR - incorrect calculation of preference points</i>	None	29 889	2 797
		<b>2 561 171</b>	<b>4 356 394</b>

Section Committee 32 investigated and as per council per resolution no: 60.37/06/23 accept and approved the recommendation from MPAC to write-off irregular expenditure for prior and current period up and until 31 May 2023. 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.

Irregular Expenditure for June 2023 to value of R528 878 have been reported to the Sec 32 committee for investigation and have been recommended to council for write-off after reporting date.



OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

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	2 760 266	2 636 388
Amount paid - current year	(2 760 266)	(2 636 388)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>

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

Opening balance	(0)	-
Current year audit fee	5 419 581	5 453 568
External Audit - Auditor-General	5 272 409	5 338 661
Audit Committee	147 173	114 907
Amount paid - current year	(5 419 581)	(5 453 568)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b>(0)</b>	<b>(0)</b>

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

Opening balance	(5 092 766)	(7 903 021)
Nett movements	924 338	2 810 255
<b>Closing balance</b>	<b>(4 168 428)</b>	<b>(5 092 766)</b>

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	-	-
Current year payroll deductions	40 364 479	38 243 295
Amount paid - current year	(40 364 479)	(38 243 295)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

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

Opening balance	-	-
Current year payroll deductions and Council Contributions	74 477 448	70 858 424
Amount paid - current year	(74 477 448)	(70 858 424)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

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 2023:

	<b>Outstanding more than 90 days</b>
L CAMPHER	32 838



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**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 2023**

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
July	10 721	-	-	10 721	-
August	252 789	-	-	-	252 789
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	-	-	-	-	-
January	-	-	-	-	-
February	405 941	-	-	-	405 941
March	-	-	-	-	-
April	-	-	-	-	-
May	1 522 009	1 338 354	-	183 655	-
June	182 160	182 160	-	-	-
	<b>2 373 619</b>	<b>1 520 514</b>	<b>-</b>	<b>194 376</b>	<b>658 730</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	-
	<b>1 798 258</b>	<b>338 347</b>	<b>-</b>	<b>523 244</b>	<b>936 667</b>

**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.

	2023 R	2022 R
<b>48.9 Material losses</b>		
<b>Electricity distribution losses</b>		
Units purchased (Kwh)	120 720 064	142 086 914
Units lost during distribution (Kwh)	6 638 319	12 316 432
Percentage lost during distribution	5.50%	8.67%
<b>Water distribution losses</b>		
Units purchased (ml)	5 456 974	5 089 310
Units lost during distribution (ml)	757 553	616 135
Percentage lost during distribution	13.88%	12.11%

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





**OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**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.

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

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2022: 0.5%) Increase in interest rates	290 312	119 613
0.25% (2022: 0.25%) Decrease in interest rates	(72 578)	(59 807)

**(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

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 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.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 %	2023 R	2022 %	2022 R
<u>Non-exchange Receivables</u>				
Availability charges	100.00%	4 995 751	100.00%	4 515 002
	100.00%	4 995 751	100.00%	4 515 002
<u>Exchange Receivables</u>				
Electricity	20.89%	13 805 745	23.50%	15 854 447
Water	26.89%	17 776 078	27.14%	18 312 679
Property Rentals	0.00%	506	0.00%	506
Waste Management	15.01%	9 924 193	14.40%	9 718 551
Waste Water Management	16.89%	11 164 412	15.09%	10 179 783
Klein Karoo Water Scheme	8.05%	5 322 022	8.33%	5 618 142
Legal Fees Recovery	0.04%	29 216	0.04%	29 216
Sundry municipal charges	12.18%	8 050 374	11.45%	7 727 062
Other receivables	0.03%	22 756	0.04%	29 550
	100.00%	66 095 303	100.00%	67 469 935

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:

	2023 %	2023 R	2 022 %	2 022 R
<u>Non-exchange Receivables</u>				
Availability Charges	9.70%	4 328 024	5.99%	2 644 463
<u>Exchange Receivables</u>				
Services	90.30%	40 274 368	94.01%	41 509 093
	100.00%	44 602 392	100.00%	44 153 556

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

	2023 %	2023 R	2022 %	2022 R
Government	1.30%	578 186	0.72%	318 653
Business	13.40%	5 978 614	12.94%	5 714 243
Residential	62.43%	27 843 221	62.97%	27 803 772
Indigents	13.32%	5 942 119	12.57%	5 551 841
Other	9.55%	4 260 252	10.79%	4 765 049
	100.00%	44 602 392	100.00%	44 153 557

	2023 %	2023 R	2022 %	2022 R
<u>Balances past due not impaired:</u>				
<u>Non-exchange Receivables</u>				
Availability Charges	100.00%	667 727	100.00%	1 870 539
	100%	667 727	100.00%	1 870 539
<u>Exchange Receivables</u>				
Services	100.00%	25 820 935	100.00%	25 960 843
	100.00%	25 820 935	100.00%	25 960 843



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	78 681 684	68 659 127
Receivables from non-exchange transactions	943 375	2 155 230
Cash and Cash Equivalents	129 093 411	143 895 327
	<u>208 718 470</u>	<u>214 709 684</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.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2023</b>				
Long-term Liabilities	21 836 149	48 646 144	53 055 566	-
Provision for Rehabilitation of Landfill-sites	10 666 378		17 656 405	339 313 763
Trade and Other Payables	49 127 743	-	-	-
Unspent Conditional Grants and Receipts	27 320 830	-	-	-
	<u>108 951 100</u>	<u>48 646 144</u>	<u>70 711 971</u>	<u>339 313 763</u>
	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Between 5 and 10 years</b>	<b>More than 10 years</b>
<b>2022</b>				
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	49 107 652	-	-	-
Unspent Conditional Grants and Receipts	41 026 340	-	-	-
	<u>124 053 646</u>	<u>48 065 012</u>	<u>34 770 130</u>	<u>300 729 653</u>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

		2023 R	2022 R
<b>50. FINANCIAL INSTRUMENTS</b>			
	In accordance with GRAP 104.45 the financial liabilities and assets of the municipality are classified as follows:		
<b>50.1 <u>Financial Assets</u></b>	<b><u>Classification</u></b>		
	<b>Receivables from Exchange Transactions</b>		
	Electricity	24 742 905	29 402 102
	Water	22 902 281	23 076 287
	Property Rentals	506	506
	Waste Management	11 926 798	11 373 197
	Waste Water Management	13 724 241	12 707 296
	Legal Fees Recovery	29 216	29 216
	Klein Karoo Water Scheme	5 705 001	6 233 695
	<b>Cash and Cash Equivalents</b>		
	Primary Bank Account	17 352 156	12 960 591
	Call Deposits	111 741 255	130 934 736
	<b>Total Financial Assets</b>	<b><u>208 124 358</u></b>	<b><u>226 717 627</u></b>
	<b>Financial Instruments at amortised cost:</b>		
	Receivables from Exchange Transactions	24 742 905	29 402 102
	Receivables from Exchange Transactions	22 902 281	23 076 287
	Receivables from Exchange Transactions	506	506
	Receivables from Exchange Transactions	11 926 798	11 373 197
	Receivables from Exchange Transactions	13 724 241	12 707 296
	Receivables from Exchange Transactions	29 216	29 216
	Receivables from Exchange Transactions	5 705 001	6 233 695
	Cash and Cash Equivalents	17 352 156	12 960 591
	Cash and Cash Equivalents	111 741 255	130 934 736
	<b>Total Financial Assets</b>	<b><u>208 124 358</u></b>	<b><u>226 717 627</u></b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

		2023 R	2022 R
<b>50.2</b>	<b><u>Financial Liabilities</u></b>		
	<b><u>Classification</u></b>		
	<b>Long-term Liabilities</b>		
	Annuity Loans	72 836 840	63 168 400
	Capitalised Lease Liability	11 420 910	18 690 871
	<b>Trade and Other Payables</b>		
	Trade Payables	34 072 946	38 115 987
	Control, Clearing and Interface Accounts	772 895	247 732
	Retentions	9 647 257	6 680 822
		<u><b>128 750 848</b></u>	<u><b>126 903 812</b></u>

**SUMMARY OF FINANCIAL LIABILITIES**

**Financial instruments at amortised cost:**

Long-term Liabilities	Annuity Loans	72 836 840	63 168 400
Long-term Liabilities	Capitalised Lease Liability	11 420 910	18 690 871
Trade and Other Payables	Trade Payables	34 072 946	38 115 987
Trade and Other Payables	Other Payables	772 895	247 732
Trade and Other Payables	Retentions	9 647 257	6 680 822
		<u><b>128 750 848</b></u>	<u><b>126 903 812</b></u>

**51. STATUTORY RECEIVABLES**

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

**Taxes**

VAT Receivable

-

-

**Receivables from Non-Exchange Transactions**

54 590 701

40 606 682

Rates

35 982 704

33 126 591

Fines

18 607 997

7 480 090

**Total Statutory Receivables (before provision)**

**54 590 701**

**40 606 682**

**Less:** Provision for Debt Impairment

(39 568 442)

(27 507 408)

**Total Statutory Receivables (after provision)**

**15 022 259**

**13 099 274**

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	27 507 408	28 354 002
Reversal of provision	12 061 034	(846 594)
Balance at end of year	<u><b>39 568 442</b></u>	<u><b>27 507 408</b></u>



**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**Ageing of amounts past due but not impaired:**

Non-exchange	6 215 169	5 911 346
	<b>6 215 169</b>	<b>5 911 346</b>
	<b>6 215 169</b>	<b>5 911 346</b>

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**

No in-kind donations or assistance was provided to the municipality for the current or prior year under review

**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	5 647 468	5 627 794
<b>Total Compensation received</b>	<b>5 647 468</b>	<b>5 627 794</b>
	<b>5 647 468</b>	<b>5 627 794</b>

**Reconciliation of Agency Funds and Disbursements**

Principal name	2023 R		2022 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	5 647 468	19 045 171	5 627 794	18 674 666
	<b>5 647 468</b>	<b>19 045 171</b>	<b>5 627 794</b>	<b>18 674 666</b>
	<b>5 647 468</b>	<b>19 045 171</b>	<b>5 627 794</b>	<b>18 674 666</b>

**Resources under custodianship at year-end**

None



**OUTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>54. CONTINGENT LIABILITY</b>		
The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:		
<b>54.1 Golden Rewards 965 CC. vs. Oudtshoorn Municipality</b>		
This matter involves the contract that was awarded to Golden Rewards 965 to build temporary structures for the displaced people. A settlement of amounts owed was paid out to the company in terms of the contract but this company alleges that a balance is still due, and pleadings closed in February 2020.	155 040	185 040
<b>54.2 Cornelius Draai vs Oudtshoorn Municipality</b>		
This matter involves a five year old boy, Cornelius Draai that drowned on the 5th of January 2020 at the Bridgeton Municipal Swimming Pool. A public liability claim have been made against the municipality and was referred to council's insurers that declined the claim. An investigation was performed by council's attorneys and merits are in our favour, however settlement negotiations are under consideration by the municipality.	10 239 601	10 000 000
<b>54.3 APJ Marais and CM Marais vs Oudtshoorn Municipality</b>		
Claim for damages by 3d Party for water damages due to pipe burst. Matter referred to council attorneys and is awaiting matter to be put on court roll. No Further actions in the current year and more than 40 months since last correspondence from the 3d Party, seems matter was abandoned.	-	190 000
<b>54.4 M J Meyers vs Oudtshoorn Municipality</b>		
Claim for damages to their property was made against the municipality by MJ Meyers. Coetzee vd Berg Attorneys was appointed by the council's short-term insurance service providers to deal the matter. On the date of trial, the Plaintiff withdrew his claim, and each party was to pay his own costs in current financial year	-	290 000
<b>54.5 NJ Terblanche vs Oudtshoorn Municipality</b>		
Claim for damages to their property was made against the municipality by NJ Terblanche. Coetzee vd Berg Attorneys was appointed by the council's short-term insurance service providers to deal the matter. Matter was resolved in current financial year	-	270 000
<b>54.6 Manormanie Moodley vs Oudtshoorn Municipality</b>		
The plaintiff fell into a hole in the pavement and sustained injuries for which claims was made against the municipality. Investigations are still ongoing surrounding the circumstances of the alleged incident. Currently in the process of drafting the municipality's plea. If found guilty the municipality will be held liable for injuries incurred.	1 265 427	1 265 427
<b>54.7 Thomas Mathee vs Oudtshoorn Municipality</b>		
Application to set aside an arbitration ruling for reinstatement of dismissed employee, merits are in the municipality's favour and answering of affidavit filed. Awaiting applicant's supplementary affidavit to the Labour Court and possible liability remains.	1 000 000	1 500 000
<b>54.8 E Petersen vs Oudtshoorn Municipality</b>		
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	487 120
<b>54.9 S Tarentaal vs Oudtshoorn Municipality</b>		
In Supreme court, plaintiff attorneys issued a summance to the municipality for injuries sustained when touching the electrical box. If council is found negligent, the municipality will be held liable for the full amount	100 000	-



**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>51.10 Reginald Smit vs Oudtshoorn Municipality</b>		
Application for compensation by a current employee for alleged unfair suspension. Merits are in municipality's favour, because employee was suspended with full benefits. Next-day for arbitration scheduled for 19 September 2023	100 000	-
<b>54.11 Winston Adams ob. Juwayne Adamns vs Oudtshoorn Municipality</b>		
Claim for damages by the parents of Winston Adams against the municipality. Currently council attorneys advised we have good prospect of success but if found to be negligent, council will be held liable for the full amount.	3 000 000	-
<b>54.12 Oudtshoorn Municipaliteit/SARS</b>		
Department of Cultural Affairs and Sport is currently working on formally assigning the library function to the municipalities. Initiation of the process for assignment to municipalities in terms of the Draft Bill will begin in the early part of 2024 with a deadline of March 2025 as Gazetted in the Division of Revenue Act for the Province to resolve the assignment of the library function. This may have VAT implications for the municipality and an estimation was made on the past 5 years subsidies that was received by the Department.	4 482 652	-
	<b>20 829 840</b>	<b>14 187 587</b>
<b>55. CONTINGENT ASSETS</b>		
<b>55.1 Oudtshoorn Municipality v Imvusa Trading (Pty) Ltd</b>		
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, and a ruling was made to collect settlement from former employees but no taxation performed as yet.	9 065 244	4 475 896
<b>55.2 Gaihaos (Pty) Ltd vs Oudtshoorn Municipality</b>		
Gailhaos 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 but no taxation yet performed in current year and no prospect of recocery.	-	100 000
<b>55.3 Oudtshoorn Municipality vs D Hartzenberg</b>		
Ex-employee did not honour his re-imbusement 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.	70 000	70 000
<b>55.4 Oudtshoorn Municipality vs Cobus &amp; Others</b>		
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 and High Court dismissed claims for reimbursement to council	-	2 000 000
<b>55.5 Oudtshoorn Municipality vs Galant and 7 others</b>		
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 and High Court dismissed claims for reimbursement to council	-	2 000 000
	<b>9 135 244</b>	<b>8 645 896</b>





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**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.

	<b>2023 R Rates &amp; Services</b>	<b>2023 R Outstanding Balance</b>	<b>2022 R Rates &amp; Services</b>	<b>2022 R Outstanding Balance</b>
<b>56.1 Related Party Transactions</b>				
<b>Year ended 30 June 2023</b>				
Councillors				
LPO Wagenaar			2 316	2 316
JC Lambaatjeen	124	124	-	-
DJ Fourie	4 749	4 749	4 933	4 933
J Allers	4 535	4 535	13 912	13 912
SN Bently	1 000	1 000	910	910
A Berry	2 700	2 700	2 544	2 544
L Campher	37 190	37 190	42 869	42 869
JL Du Preez	3 418	3 418	974	974
JN Duvenage	4 170	4 170	4 028	4 028
DV Moos	1 456	1 456	1 960	1 960
C Muller	-	-	703	703
SA Jansen	-	-	550	550
J van der Ross	5 648	5 648	10 794	10 794
LSS van Rooyen	341	341	456	456
	<b>65 332</b>	<b>65 332</b>	<b>86 949</b>	<b>86 949</b>
Senior Management - Directors				
Mr GP De Jager	-	-	2 855	2 855
	<b>-</b>	<b>-</b>	<b>2 855</b>	<b>2 855</b>

**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.

**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 2023:

<b>Name</b>	<b>Position</b>	<b>Staff Leave Obligations</b>	<b>Bonus Obligations</b>
W Hendricks	Municipal Manager	44 374	-
GP De Jager	Chief Financial Officer	-	103 542
J Lesch	Director: Technical Services	-	126 551
R Smit	Director: Corporate Services	-	63 276
L Coetzee	Director: Planning and Development	-	-
N Van Stade	Director: Community Services	-	-
		<b>44 374</b>	<b>293 369</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

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

	2023 R	2022 R
<b>Key Management Personnel</b>		
W Hendricks                      Municipal Manager	-	-
GP De Jager                      Chief Financial Officer	22 621	56 673
J Lesch                              Director: Technical Services	-	-
R Smit                                Director: Corporate Services	38 517	53 985
	<b>61 137</b>	<b>110 658</b>
	<b>61 137</b>	<b>110 658</b>

**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		
Souther Ambition 1085	D. Moos	Councillor	Spouse of the owner	145 630	-
Inzalo UMS (Pty) Ltd	N.T. Mazibuko	Disaster Management Officers	Disaster Management Officers Brother	38 934	-
GH Towing	G. Wolmerans	Disaster Management Officers	Disaster Management Officers Brother	55 544	169 878
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
				<b>240 108</b>	<b>175 577</b>
				<b>240 108</b>	<b>175 577</b>

**58. FINANCIAL SUSTAINABILITY**

There has been a markable improvement in both the financial position and financial performance since the 2015/2016 financial year and through the subsequent financial years since the administration was lifted after the Local Government elections of 2016. Various cost savings initiatives, revenue enhancement, and debt collection efforts have aided in the improvement of the financial performance as well as the liquidity position of the municipality. The strengthening of financial and other internal controls have also aided in the financial recovery process of the municipality. Senior personnel are enforcing financial strategies and strict financial controls aimed at further improving accountability and reducing unnecessary expenditure also ensuring that more care is taken by the sub-ordinate managers and staff members in general, in the utilization of municipal resources. Revenue Enhancement and Protection strategies have been developed by management for implementation in the next cycle to optimize all revenue streams.

The municipality cash position declined from R143 932 877 (2022) to R129 130 961 (2023) indicating a nett cash decrease R14 801 916 as at 30 June 2023, this is mainly due to the municipalities additional investment from own and borrowed funds to replace and refurbish aging infrastructure that is needed for service delivery

Management is still of the opinion that the municipality will continue to operate as a going concern and perform it's 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 1:49 which is just below the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
- This ratio remained relatively stable where 1.6:1 was reported in the prior year, and measures have been implemented to in an effort to remain within the National Treasury norm.
- Debtors payment ratio decreased from 95.8% in 2022 to 93.8% in 2023. The decrease is evident of the local economy that is negatively influenced by the country wide interest rate increases and rising inflation, causing the consumers to have less cash available to repay their debt.
- A consecutive operating 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 2023**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2022	Received during the period	Accrued Interest	Redeemed written off during the period	Balance at 30 June 2023
<b>ANNUITY LOANS</b>								
Standard Bank	11.09%	536761	2022/12/31	592 331	-	-	(592 332)	(1)
Standard Bank	11.70%	537021	2023/06/20	4 320 395	-	-	(4 320 395)	0
Standard Bank	7.65%	594602	2029/12/31	15 394 545	-	-	(1 463 400)	13 931 144
Standard Bank	5.80%	654722	2031/12/31	15 252 947	-	-	(1 334 091)	13 918 856
Standard Bank	6.92%	710574	2027/06/30	4 500 000	-	-	(718 658)	3 781 342
	7.18%	710625	2037/06/30	16 000 000	-	-	(350 738)	15 649 262
Development Bank of SA				-	-	-	-	-
Urban Infrastructure Project 10608/1	14.00%	10608/1'01	2017/06	1 955 783	-	-	(928 311)	1 027 472
Multiple Infrastructure 101096/2	10.16%	101096/2	2019/12	828 948	-	-	(236 842)	592 106
Multiple Infrastructure 101647/3	6.88%	101647/3	2015/06	2 026 316	-	-	(578 947)	1 447 369
Infrastructure 102003/1	6.56%	102003/1	2025/12	1 213 039	-	-	(303 260)	909 779
Deep Aquifer Hydrogeological 13774	15.67%	13774	2021/06	1 084 094	-	-	(216 819)	867 275
Nedbank	8.46%	110548762400001	2038/06	-	18 400 000	10 935	-	18 410 935
Nedbank	8.46%	110548762400002	2028/06	-	2 300 000	1 300	-	2 301 300
<b>Total Annuity Loans</b>				<b>63 168 399</b>	<b>20 700 000</b>	<b>12 235</b>	<b>(11 043 795)</b>	<b>72 836 840</b>
<b>LEASE LIABILITY</b>								
ISUZU TRUCKS N SERIES NPR 400 CREW CAB AMT	10.25%		2022/07	12 412	-	-	(12 412)	0
Renault Duster 1.5 DCI Techroad - CG5739	7.00%		2024/10/15	171 668	-	-	(70 164)	101 504
Isuzu D-Max 250 HO single cab - CG32190	7.00%		2024/10/26	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34075	7.00%		2024/10/27	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34079	7.00%		2024/10/26	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34092	7.00%		2024/10/25	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG28235	7.00%		2024/10/25	198 166	-	-	(80 994)	117 172
Isuzu D-Max 250 HO single cab - CG34074	7.00%		2024/10/25	177 923	-	-	(72 720)	105 203
Isuzu D-Max 250 HO single cab - CG34100	7.00%		2024/10/28	184 972	-	-	(75 601)	109 371
Isuzu D-Max 250 HO single cab - CG34085	7.00%		2024/10/28	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34098	7.00%		2024/10/27	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34104	7.00%		2024/10/28	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG29198	7.00%		2024/11/09	178 132	-	-	(72 806)	105 326
Isuzu D-Max 250 HO single cab - CG30833	7.00%		2024/11/09	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34106	7.00%		2024/10/28	178 106	-	-	(72 795)	105 311
VW Polo 1.4 trendline sedan - CG16139	7.50%		2025/02/14	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG17052	7.50%		2025/02/13	176 787	-	-	(64 415)	112 371
Nissan NP200 1.6 - CG20667	7.25%		2024/12/01	166 885	-	-	(89 792)	77 093
VW Polo 1.4 trendline sedan - CG17259	7.50%		2025/02/14	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG17958	7.50%		2025/02/14	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG18397	7.50%		2025/02/13	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG19389	7.50%		2025/02/13	176 787	-	-	(64 415)	112 371
Isuzu D-Max 250 HO single cab - CG17929	7.00%		2024/11/16	167 390	-	-	(55 817)	111 573
Isuzu D-Max 250 HO single cab - CG13016	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG31605	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG19513	7.00%		2024/11/16	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG32805	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG33157	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG29316	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG27781	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG25272	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG19699	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG34136	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34124	7.25%		2024/11/30	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34137	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34119	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34130	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34141	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
UD Trucks Croner PKE 250 (H37) - CG24967	7.25%		2025/01/03	1 151 369	-	-	(435 747)	715 622
UD Trucks Croner PKE 250 (H28) - CG33277	7.25%		2024/12/08	643 083	-	-	(252 556)	390 527
Isuzu truck N-series NPR 400 - CG33343	7.25%		2025/01/11	452 136	-	-	(171 115)	281 021
Isuzu truck N-series NPR 400 - CG33347	7.25%		2025/01/13	452 136	-	-	(171 115)	281 021
Nissan NP200 1.6 - CG14873	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Isuzu trucks N Series NPR400 - CG12098	7.25%		2024/12/22	395 031	-	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG12651	7.25%		2024/12/21	395 031	-	-	(149 503)	245 527
Nissan NP200 1.6 - CG15283	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG17759	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG17153	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG22902	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG23521	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093



**APPENDIX A**  
**OUDTSHOORN LOCAL MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2023**

Isuzu trucks F Series FTR 850 - CAW3997P	7.25%		2024/12/01	712 494	-	(279 815)	432 679
Nissan NP200 1.6 - CG13939	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Isuzu trucks N Series NPR400 - CG20124	7.50%		2025/02/16	730 620	-	(257 067)	473 553
Nissan NP200 1.6 - CG17852	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG23624	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG18624	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG14008	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG21254	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG17535	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG21931	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG12837	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG15033	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Isuzu D-Max 300 LX Ext Cab - CG22275	7.25%		2024/11/30	352 727	-	(138 525)	214 202
Isuzu D-Max 250 Hi Rider - CG25050	7.00%		2024/10/25	208 451	-	(85 197)	123 253
Isuzu D-Max 250 Hi Rider - CG28104	7.00%		2024/11/11	208 451	-	(85 197)	123 253
Isuzu D-Max 250 Hi Rider - CG8430	7.25%		2024/11/22	214 636	-	(84 293)	130 343
Isuzu D-Max 250 Hi Rider - CG5821	7.25%		2024/11/22	214 636	-	(84 293)	130 343
Toyota Hiace 2.7 16 Seat - CG33140	7.25%		2024/12/12	241 415	-	(94 810)	146 605
Toyota Land Cruiser Pickup 79 series - CG31184	7.25%		2024/12/08	658 125	-	(258 463)	399 662
Isuzu trucks N Series NPR400 - CG29555	7.25%		2025/01/11	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG12161	7.25%		2024/12/22	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG32595	7.25%		2025/01/13	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG15043	7.25%		2024/12/21	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG14040	7.25%		2024/12/21	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG33342	7.25%		2025/01/13	395 031	-	(149 503)	245 527
Toyoto Rumion 1.5 - CG33167	7.25%		2025/01/13	151 001	-	(57 148)	93 853
TOYOTA HIACE 2.7 16 SEAT - CG12749	7.50%		2025/03/06	248 237	-	(93 765)	154 472
<b>Total Lease Liabilities</b>				<b>18 690 862</b>	<b>-</b>	<b>(7 269 950)</b>	<b>11 420 912</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>81 859 262</b>	<b>20 700 000</b>	<b>(18 313 745)</b>	<b>84 257 752</b>



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

Grant Description	Balance 30 June 2022	Correction of Error	Restated Balance 30 June 2022	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 2023	Unspent 30 June 2023 (Creditor)	Unpaid 30 June 2023 (Debtor)
<b>National Government Grants</b>											
Equitable Share	-	-	-	89 431 000	-	-	(89 431 000)	-	-	-	-
Local Government Financial Management Grant	(0)	-	(0)	2 800 000	-	-	(2 800 000)	(0)	-	-	(0)
Municipal Infrastructure Grant	167 270	-	167 270	33 325 000	-	(167 000)	(1 216 300)	67 393	67 393	-	-
Integrated National Electrification Grant	0	-	0	3 100 000	-	-	-	1 233 880	1 233 880	-	-
Regional Bulk Infrastructure Grant - Department of Water Affairs and I	1 613 986	-	1 613 986	-	-	-	-	(1 613 986)	-	-	-
Extended Public Works Program	0	-	0	1 310 000	-	-	(1 310 000)	0	0	-	-
Municipal Disaster Relief Grant	37 030 524	-	37 030 524	-	-	-	-	(37 030 524)	(0)	-	(0)
Municipal Disaster Recovery Grant	-	-	-	26 664 000	-	-	(1 061 877)	25 602 123	25 602 123	-	-
Water Macro Planning	0	-	0	-	-	-	-	0	0	-	-
<b>Total National Government Grants</b>	<b>38 811 780</b>	<b>-</b>	<b>38 811 780</b>	<b>156 630 000</b>	<b>-</b>	<b>(167 000)</b>	<b>(95 819 177)</b>	<b>(72 552 207)</b>	<b>26 903 396</b>	<b>26 903 396</b>	<b>(0)</b>
<b>Provincial Government Grants</b>											
CDW operational support grant	-	-	-	56 000	-	-	(56 000)	0	0	-	-
Library Services	(0)	-	(0)	7 690 000	-	-	(7 290 000)	(400 000)	0	0	-
Emergency Municipal Load Shedding Relief Grant	-	-	-	4 665 000	-	-	-	(4 665 000)	-	-	-
Maintenance Main Road Subsidy	6	-	6	-	-	-	-	6	6	-	-
Thusong Service Centre Grant	-	-	-	150 000	-	-	-	150 000	150 000	-	-
Western Cape Financial Management Capability Grant	-	-	-	700 000	-	-	(700 000)	-	-	-	-
Upgrading of SMME Infrastructure Booster Fund	1 870 395	-	1 870 395	-	-	-	-	(1 870 395)	-	-	-
Western Cape Municipal Interventions Grant	-	-	-	250 000	-	-	-	(250 000)	-	-	-
<b>Total Provincial Government Grants</b>	<b>1 870 402</b>	<b>-</b>	<b>1 870 402</b>	<b>13 511 000</b>	<b>-</b>	<b>-</b>	<b>(8 046 000)</b>	<b>(7 185 395)</b>	<b>150 007</b>	<b>150 008</b>	<b>(0)</b>
<b>District Municipality</b>											
Garden Route District Municipality	120 000	-	120 000	-	-	-	-	(120 000)	(0)	-	(0)
	-	-	-	-	-	-	-	-	-	-	-
<b>Total District Municipality Grants</b>	<b>120 000</b>	<b>-</b>	<b>120 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(120 000)</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>
<b>Other Grant Providers</b>											
ASLA Rosevalley Library Contribution	224 158	-	224 158	166 000	-	-	-	(122 732)	267 426	267 426	-
<b>Total Other Grant Providers</b>	<b>224 158</b>	<b>-</b>	<b>224 158</b>	<b>166 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(122 732)</b>	<b>267 426</b>	<b>267 426</b>	<b>-</b>
<b>Total Grants</b>	<b>41 026 340</b>	<b>-</b>	<b>41 026 340</b>	<b>170 307 000</b>	<b>-</b>	<b>(167 000)</b>	<b>(103 865 177)</b>	<b>(79 980 334)</b>	<b>27 320 829</b>	<b>27 320 830</b>	<b>(1)</b>

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	2022/23							2021/22
	Original Budget	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
	1	2	3	4	6	7	8	12
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	116 458	(303)	116 155	116 473	318	100.3%	100.0%	104 563
Service charges	438 314	(27 293)	411 020	408 896	(2 124)	99.5%	93.3%	403 757
Investment revenue	5 988	-	5 988	11 878	5 890	198.4%	198.4%	6 818
Transfers recognised - operational	102 682	27 364	130 046	103 865	(26 181)	79.9%	101.2%	96 933
Other own revenue	41 978	11 911	53 889	79 172	25 283	146.9%	188.6%	39 320
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>705 420</b>	<b>11 678</b>	<b>717 098</b>	<b>720 285</b>	<b>3 186</b>	<b>100.4%</b>	<b>102.1%</b>	<b>651 390</b>
Employee costs	287 809	4 308	292 117	282 136	(9 980)	96.6%	98.0%	269 809
Remuneration of councillors	11 936	-	11 936	11 375	(560)	95.3%	95.3%	10 950
Depreciation & asset impairment	43 851	2 537	46 388	52 884	6 496	114.0%	120.6%	48 248
Finance charges	10 552	(4 099)	6 453	10 726	4 273	166.2%	101.7%	6 959
Materials and bulk purchases	254 743	26 922	281 665	229 272	(52 393)	81.4%	90.0%	231 194
Transfers and grants	3 092	(100)	2 992	3 003	11	100.4%	97.1%	3 402
Other expenditure	123 162	23 568	146 730	139 301	(7 429)	94.9%	113.1%	106 519
<b>Total Expenditure</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>677 081</b>
<b>Surplus/(Deficit)</b>	<b>(29 725)</b>	<b>(41 457)</b>	<b>(71 182)</b>	<b>(8 413)</b>	<b>62 769</b>	<b>11.8%</b>	<b>28.3%</b>	<b>(25 691)</b>
Transfers recognised - capital	69 159	12 000	81 159	79 980	(1 178)	98.5%	115.6%	45 911
Contributions recognised - capital & contributed assets	166	-	405	722	-	-	-	266
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 600</b>	<b>(29 457)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 590</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>39 600</b>	<b>(29 457)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 590</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>								
Transfers recognised - capital	60 356	10 673	71 029	69 471	(1 558)	97.8%	115.1%	40 783
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	20 700	6 093	26 793	26 236	(557)	97.9%	126.7%	25 582
Internally generated funds	10 991	7 802	18 793	15 655	(3 137)	83.3%	142.4%	11 091
<b>Total sources of capital funds</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 362</b>	<b>(5 253)</b>	<b>95.5%</b>	<b>121.0%</b>	<b>77 455</b>
<b>Cash flows</b>								
Net cash from (used) operating	36 340	(12 204)	24 136	87 550	63 414	362.7%	240.9%	93 060
Net cash from (used) investing	(100 788)	(15 176)	(115 964)	(104 738)	11 226	90.3%	103.9%	(70 239)
Net cash from (used) financing	2 200	-	2 200	2 386	186	108.5%	108.5%	5 144
<b>Cash/cash equivalents at the year end</b>	<b>38 199</b>	<b>16 106</b>	<b>54 305</b>	<b>129 131</b>	<b>74 826</b>	<b>237.8%</b>	<b>338.1%</b>	<b>143 933</b>



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

Description	2022/23							2021/22
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	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	6	7	8	12
<b>Revenue - Standard</b>								
<b>Governance and administration</b>	205 645	8 744	214 390	232 256	17 867	108.3%	112.9%	186 807
Executive and council	84 985	8 148	93 132	111 751	18 619	120.0%	131.5%	78 926
Finance and administration	120 661	597	121 258	120 505	(753)	99.4%	99.9%	107 881
<b>Community and public safety</b>	18 271	2 617	20 889	31 577	10 688	151.2%	172.8%	33 044
Community and social services	8 006	274	8 280	7 850	(430)	94.8%	98.1%	14 019
Sport and recreation	281	894	1 176	1 124	(52)	95.6%	399.3%	1 848
Public safety	9 984	1 450	11 433	22 603	11 170	197.7%	226.4%	15 888
Housing	-	-	-	-	-	0.0%	0.0%	1 288
<b>Economic and environmental services</b>	34 760	1 870	36 630	36 438	(192)	99.5%	104.8%	24 646
Planning and development		1 870	1 870	1 870	-	100.0%	100.0%	130
Road transport	34 760	-	34 760	34 568	(192)	99.4%	99.4%	24 517
<b>Trading services</b>	516 068	10 685	526 753	500 716	(26 037)	95.1%	97.0%	463 823
Energy Sources	310 879	(20 304)	290 575	290 380	(194)	99.9%	93.4%	297 348
Water Management	114 462	40 753	155 215	128 645	(26 569)	82.9%	112.4%	89 010
Waste water management	57 933	(12 075)	45 859	46 297	438	101.0%	79.9%	47 501
Waste management	32 795	2 310	35 105	35 393	289	100.8%	107.9%	29 964
<b>Total Revenue - Standard</b>	<b>774 745</b>	<b>23 917</b>	<b>798 661</b>	<b>800 987</b>	<b>2 326</b>	<b>100.3%</b>	<b>103.4%</b>	<b>708 320</b>
<b>Expenditure - Standard</b>								
<b>Governance and administration</b>	180 950	10 760	191 710	179 950	(11 760)	93.9%	99.4%	153 518
Executive and council	77 936	8 467	86 403	89 605	3 202	103.7%	115.0%	77 332
Finance and administration	100 301	2 254	102 555	87 594	(14 961)	85.4%	87.3%	73 675
Internal audit	2 713	38	2 751	2 750	(1)	100.0%	101.4%	2 510
<b>Community and public safety</b>	119 146	(3 260)	115 886	114 412	(1 475)	98.7%	96.0%	119 093
Community and social services	25 207	24	25 231	24 465	(766)	97.0%	97.1%	21 895
Sport and recreation	40 838	(2 381)	38 457	37 839	(619)	98.4%	92.7%	37 159
Public safety	37 355	(217)	37 138	37 447	309	100.8%	100.2%	46 738
Housing	15 745	(686)	15 059	14 660	(399)	97.3%	93.1%	13 301
<b>Economic and environmental services</b>	64 547	25 411	89 958	63 797	(26 162)	70.9%	98.8%	57 058
Planning and development	24 937	(749)	24 188	22 673	(1 515)	93.7%	90.9%	21 262
Road transport	39 610	26 160	65 770	41 124	(24 646)	62.5%	103.8%	35 796
<b>Trading services</b>	370 501	20 225	390 726	370 540	(20 186)	94.8%	100.0%	358 165
Energy Sources	265 841	1 616	267 457	247 554	(19 903)	92.6%	93.1%	243 722
Water Management	45 222	10 647	55 869	56 296	427	100.8%	124.5%	56 729
Waste water management	28 083	3 853	31 936	31 018	(918)	97.1%	110.5%	27 493
Waste management	31 355	4 109	35 464	35 671	208	100.6%	113.8%	30 221
<b>Other</b>	-	-	-	-	-	0.0%	0.0%	-
<b>Total Expenditure - Standard</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>687 833</b>
<b>Surplus/(Deficit) for the year</b>	<b>39 600</b>	<b>(29 219)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 908</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>



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

Vote Description	2022/23								2021/22
	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
<b>Revenue by Vote</b>									
Executive & Council	68 175	995	69 170	96 657		27 487	139.7%	141.8%	71 792
Municipal Manager	8 810	7 153	15 963	15 094		(868)	94.6%	171.3%	7 134
Corporate Services	698	300	998	832		(166)	83.4%	119.2%	744
Financial Services	127 963	297	128 260	119 673		(8 587)	93.3%	93.5%	107 137
Community and Public Safety	51 066	4 927	55 993	66 970		10 977	119.6%	131.1%	61 720
Technical Services	518 033	8 375	526 408	499 891		(26 517)	95.0%	96.5%	458 375
Human Settlement		-	-	-		-	0.0%	0.0%	1 288
Strategic Services		1 870	1 870	1 870		-	100.0%	100.0%	130
<b>Total Revenue by Vote</b>	<b>774 745</b>	<b>23 917</b>	<b>798 661</b>	<b>800 987</b>		<b>2 326</b>	<b>100.3%</b>	<b>103.4%</b>	<b>708 320</b>
<b>Expenditure by Vote</b>									
Executive & Council	56 047	9 169	65 215	71 523	-	6 308	109.7%	127.6%	60 204
Municipal Manager	25 727	(661)	25 066	21 916	-	(3 150)	87.4%	85.2%	20 800
Corporate Services	28 184	2 549	30 733	28 587	-	(2 145)	93.0%	101.4%	25 594
Financial Services	65 478	(1 219)	64 259	51 403	-	(12 855)	80.0%	78.5%	41 985
Community and Public Safety	134 756	1 535	136 291	135 423	-	(868)	99.4%	100.5%	136 013
Technical Services	384 271	43 198	427 469	382 512	-	(44 957)	89.5%	99.5%	368 674
Human Settlement	15 745	(686)	15 059	14 660	-	(399)	97.3%	93.1%	13 301
Strategic Services	24 937	(749)	24 188	22 673	-	(1 515)	93.7%	90.9%	21 262
<b>Total Expenditure by Vote</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>-</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>687 833</b>
<b>Surplus/(Deficit) for the year</b>	<b>39 600</b>	<b>(29 219)</b>	<b>10 381</b>	<b>72 289</b>		<b>61 908</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>





Oudtshoorn Municipality - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2022/23							2021/22
	Original Budget	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
<b>Revenue By Source</b>								
Property rates	116 458	(303)	116 155	116 473	318	100.3%	100.0%	104 563
Service charges - electricity revenue	300 621	(23 802)	276 819	276 893	74	100.0%	92.1%	280 729
Service charges - water revenue	65 835	6 692	72 528	70 499	(2 029)	97.2%	107.1%	64 355
Service charges - sanitation revenue	48 443	(12 253)	36 190	35 771	(419)	98.8%	73.8%	37 693
Service charges - refuse revenue	23 414	2 069	25 484	25 733	250	101.0%	109.9%	20 979
Rental of facilities and equipment	1 669	700	2 368	3 191	823	134.7%	191.2%	2 120
Interest earned - external investments	5 988	-	5 988	11 878	5 890	198.4%	198.4%	6 818
Interest earned - outstanding debtors	6 389	2 253	8 641	8 848	207	102.4%	138.5%	6 478
Fines, penalties and forfeits	4 389	4	4 393	15 032	10 640	342.2%	342.5%	9 507
Licences and permits	397	19	416	381	(34)	91.7%	96.1%	265
Agency services	5 656	1 311	6 967	5 647	(1 319)	81.1%	99.9%	5 628
Transfers and subsidies	102 682	27 364	130 046	103 865	(26 181)	79.9%	101.2%	96 933
Other revenue	15 479	7 625	23 104	25 092	1 988	108.6%	162.1%	17 936
Gains	8 000	-	8 000	20 980	12 980	262.3%	262.3%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>705 420</b>	<b>11 678</b>	<b>717 098</b>	<b>720 285</b>	<b>3 186</b>	<b>100.4%</b>	<b>102.1%</b>	<b>654 005</b>
<b>Expenditure By Type</b>								
Employee related costs	287 809	4 308	292 117	282 136	(9 980)	96.6%	98.0%	269 809
Remuneration of councillors	11 936	-	11 936	11 375	(560)	95.3%	95.3%	10 950
Debt impairment	9 538	22 140	31 678	47 567	15 889	150.2%	498.7%	31 070
Depreciation & asset impairment	43 851	2 537	46 388	52 884	6 496	114.0%	120.6%	48 248
Finance charges	10 552	(4 099)	6 453	10 726	4 273	166.2%	101.7%	6 959
Bulk purchases	227 670	(1 669)	226 001	201 997	(24 004)	89.4%	88.7%	209 247
Other materials	27 073	28 591	55 664	27 275	(28 390)	49.0%	100.7%	21 948
Contracted services	43 138	(1 499)	41 639	27 682	(13 956)	66.5%	64.2%	27 079
Transfers and grants	3 092	(100)	2 992	3 003	11	100.4%	97.1%	3 402
Other expenditure	62 486	2 927	65 413	62 681	(2 732)	95.8%	100.3%	52 400
Loss	8 000	-	8 000	1 371	(6 629)	17.1%	17.1%	(1 414)
<b>Total Expenditure</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>679 695</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers recognised - capital	69 159	12 000	81 159	79 980	(1 178)	98.5%	115.6%	45 911
Contributed assets	166	239	405	722	317	178.4%	434.9%	266
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 600</b>	<b>(29 219)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 908</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>



Oudtshoorn Municipality - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2022/23							2021/22
	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
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure</b>								
Community and Public Safety	16 946	(5 250)	11 695	12 872	1 176	110%	76%	362
Technical Services	54 540	15 459	69 999	67 393	(2 606)	96%	124%	43 361
<b>Capital multi-year expenditure</b>	<b>71 486</b>	<b>10 209</b>	<b>81 694</b>	<b>80 265</b>	<b>-</b>	<b>98%</b>	<b>112%</b>	<b>43 723</b>
<b>Single-year expenditure</b>								
Corporate Services	48	150	198	186	(12)	94%	387%	31
Financial Services	875	388	1 263	1 261	(2)	100%	144%	1 563
Community and Public Safety	5 689	423	6 112	4 611	(1 500)	75%	81%	12 545
Technical Services	13 800	11 295	25 095	23 228	(1 867)	93%	168%	19 036
Human Settlement	50	-	50	-	(50)	0%	0%	-
Strategic Services	100	2 102	2 202	1 918	(284)	87%	1918%	519
<b>Capital single-year expenditure</b>	<b>20 562</b>	<b>14 359</b>	<b>34 920</b>	<b>31 204</b>	<b>-</b>	<b>89%</b>	<b>152%</b>	<b>33 732</b>
<b>Total Capital Expenditure - Vote</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 469</b>	<b>-</b>	<b>96%</b>	<b>121%</b>	<b>77 455</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>923</b>	<b>538</b>	<b>1 461</b>	<b>1 447</b>	<b>-</b>	<b>99%</b>	<b>157%</b>	<b>1 631</b>
Executive and council	-	-	-	-	-	0%	#DIV/0!	38
Finance and administration	923	538	1 461	1 447	(14)	99%	157%	1 594
Internal audit	-	-	-	-	-	0%	#DIV/0!	-
<b>Community and public safety</b>	<b>22 684</b>	<b>(4 827)</b>	<b>17 857</b>	<b>17 483</b>	<b>(374)</b>	<b>98%</b>	<b>77%</b>	<b>11 483</b>
Community and social services	1 816	239	2 055	1 397	(658)	68%	77%	8 053
Sport and recreation	19 500	(5 170)	14 330	15 386	1 056	107%	79%	3 175
Public safety	1 318	104	1 422	700	(722)	49%	53%	255
Housing	50	-	50	-	(50)	0%	0%	-
Health	-	-	-	-	-	0%	0%	-
<b>Economic and environmental services</b>	<b>12 840</b>	<b>1 785</b>	<b>14 625</b>	<b>14 542</b>	<b>(83)</b>	<b>99%</b>	<b>113%</b>	<b>13 854</b>
Planning and development	100	2 102	2 202	1 918	(284)	87%	1918%	519
Road transport	12 740	(317)	12 423	12 624	201	102%	99%	13 335
Environmental protection	-	-	-	-	-	0%	0%	-
<b>Trading services</b>	<b>55 600</b>	<b>27 072</b>	<b>82 672</b>	<b>77 997</b>	<b>(4 675)</b>	<b>94%</b>	<b>140%</b>	<b>50 486</b>
Energy Sources	6 250	5 306	11 556	9 841	(1 715)	85%	157%	9 667
Water Management	48 100	21 766	69 866	67 154	(2 712)	96%	140%	38 376
Waste water management	1 250	-	1 250	1 002	(248)	80%	80%	1 020
Waste management	-	-	-	-	-	0%	0%	1 424
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 469</b>	<b>(5 132)</b>	<b>96%</b>	<b>0%</b>	<b>77 455</b>
<b>Funded by:</b>								
National Government	59 790	4 430	64 220	63 089	(1 131)	98%	106%	33 325
Provincial Government	400	5 900	6 300	6 278	(22)	100%	1570%	7 361
District Municipality	-	104	104	104	0	100%	100%	-
Other transfers and grants	166	239	405	-	(405)	0%	0%	96
<b>Transfers recognised - capital</b>	<b>60 356</b>	<b>10 673</b>	<b>71 029</b>	<b>69 471</b>	<b>-</b>	<b>98%</b>	<b>115%</b>	<b>40 783</b>
<b>Public contributions &amp; donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>107</b>	<b>100%</b>	<b>100%</b>	<b>-</b>
<b>Borrowing</b>	<b>20 700</b>	<b>6 093</b>	<b>26 793</b>	<b>26 236</b>	<b>(557)</b>	<b>98%</b>	<b>127%</b>	<b>25 582</b>
<b>Internally generated funds</b>	<b>10 991</b>	<b>7 802</b>	<b>18 793</b>	<b>15 655</b>	<b>(3 137)</b>	<b>83%</b>	<b>142%</b>	<b>11 091</b>
<b>Total Capital Funding</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 469</b>	<b>(5 146)</b>	<b>96%</b>	<b>121%</b>	<b>77 455</b>



Oudtshoorn Municipality - Reconciliation of Table A7 Budgeted Cash Flows

Description	2022/23							2021/22
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates	110 635	(1 450)	109 185	104 006	(5 179)	95.3%	94.0%	98 930
Service charges	427 075	(27 402)	399 673	380 713	(18 959)	95.3%	89.1%	384 838
Other revenue	24 586	9 878	34 464	32 829	(1 635)	95.3%	133.5%	22 339
Transfers and Subsidies - Operational	102 682	27 364	130 046	128 967	(1 079)	99.2%	125.6%	102 807
Transfers and Subsidies - Capital	32 675	8 015	40 690	41 340	650	101.6%	126.5%	38 439
Interest	5 988	-	5 988	19 739	13 751	329.6%	329.6%	12 875
<b>Payments</b>								
Suppliers and employees	(653 657)	(32 809)	(686 466)	(609 106)	77 359	88.7%	93.2%	(591 072)
Finance charges	(10 552)	4 099	(6 453)	(7 935)	(1 482)	123.0%	75.2%	(4 881)
Transfers and Grants	(3 092)	100	(2 992)	(3 003)	(11)	100.4%	97.1%	(3 402)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>36 340</b>	<b>(12 204)</b>	<b>24 136</b>	<b>87 550</b>	<b>63 414</b>	<b>362.7%</b>	<b>240.9%</b>	<b>60 874</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	-	-	100.0%	100.0%	-
<b>Payments</b>								
Capital assets	(100 788)	(15 176)	(115 964)	(104 738)	11 226	90.3%	103.9%	(70 239)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(100 788)</b>	<b>(15 176)</b>	<b>(115 964)</b>	<b>(104 738)</b>	<b>11 226</b>	<b>90.3%</b>	<b>103.9%</b>	<b>(70 239)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	20 700	-	20 700	20 700	-	100.0%	100.0%	20 500
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
<b>Payments</b>								
Repayment of borrowing	(18 500)	-	(18 500)	(18 314)	-	99.0%	99.0%	(15 356)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2 200</b>	<b>-</b>	<b>2 200</b>	<b>2 386</b>	<b>-</b>	<b>108.5%</b>	<b>108.5%</b>	<b>5 144</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(62 248)</b>	<b>(27 380)</b>	<b>(89 628)</b>	<b>(14 802)</b>				<b>(4 221)</b>
Cash/cash equivalents at the year begin:	100 447	43 486	143 933	143 933				115 967
Cash/cash equivalents at the year end:	38 199	16 106	54 305	129 131	74 826	0.0%	0.0%	143 933



# Annexure B

## Report of the Auditor General

# Report of the auditor-general to Western Cape Provincial Parliament and the 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 116, which comprise the, statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oudtshoorn Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

### Basis for opinion

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

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2023 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 the impairment of trade and other receivables from exchange transactions amounting to R40.3 million (2021-22: R41.5 million).
9. As disclosed in note 9 to the financial statements, the municipality provided impairment of trade and other receivables from non-exchange transactions amounting to R43.8 million (2021-22: R30.1 million).
10. As disclosed in the statement of financial performance, material losses of R35,0 million (2021-22: R28,4 million) was incurred as a result of a write-off of irrecoverable trade receivables.

## Underspending of conditional grants

11. As disclosed in note 17 to the financial statements, the municipality underspent its conditional grants by R27,3 million (2021-22: R41 million).

## Other matters

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

## Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## Unaudited supplementary schedules

14. *Unaudited supplementary schedules*: The supplementary information set out on pages 117 to 125 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the of GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

### Report on the audit of the annual performance report

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
20. I selected the following strategic objective presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a strategic objective that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page numbers	Strategic goal
Strategic objective 5	12-14	To provide basic services to all residents in an environmentally sustainable manner

21. I evaluated the reported performance information for the selected strategic objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
22. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements measures taken to improve performance.

23. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

24. I did not identify any material findings on the reported performance information for the municipal strategic objective:

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

### **Other matters**

25. I draw attention to the matters below.

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

26. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

#### **Material misstatements**

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for strategic objective 5 - To provide basic services to all residents in an environmentally sustainable manner. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

### **Report on compliance with legislation**

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.



30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
31. I did not identify any material non-compliance with the selected legislative requirements.

### Other information in the annual report

32. We did not audit the information in the annual report except for the financial statements and the objective in the annual performance My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
33. However, the auditing standards require us to read the unaudited information and consider whether it is materially inconsistent with the information we audited or the knowledge we obtained during the audit, or otherwise appears to be materially misstated.
34. Parts of annual report were not received in time for us to perform this procedure. We will report this in the auditor's report and indicate that any material misstatements identified when we receive it that are not corrected might result in us retracting the auditor's report and reissuing an amended report.

### Internal control deficiencies

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

Auditor General

Cape Town

30 November 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

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

#### Professional judgement and professional scepticism

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

#### Financial statements

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

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

## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)

Legislation	Sections or regulations
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



# Annexure C

Audit and Performance Audit

Committee Report

# **REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OUDTSHOORN MUNICIPALITY FOR THE YEAR ENDING 30 JUNE 2023**

The Audit Committee presents its report for the financial year ending 30 June 2023 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 March 2023, 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 2023, the APAC consists of five members, namely:

1. Mr. LH Fourie – appointed October 2020 as Chairperson, serving a first term of 3 years.
2. Mr. A Dippenaar – 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.

Mr Dippenaar and Miss Mooney rendered their resignations at the end of their current period.

Council resolved at their meeting held on 21 June 2023, inter alia, that:

1. Council appointed the following existing members (Mr LH Fourie and Adv D Block) for a period of three years starting 1 December 2023 until 30 November 2026.
2. Council appointed Mr PP Hayward for a period of two years starting from 1 December 2023 until 30 November 2025:
3. The vacancies on the committee be advertised.

## **AUDIT COMMITTEE ACTIVITIES**

The Audit Committee met 5 times during the financial year ended 30 June 2023 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 considering 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 2022, 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. 26 August 2022,
2. 23 September 2022,
3. 17 January 2023,
4. 28 March 2023 and
5. 22 June 2023.

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**

### **2021/22 EXTERNAL AUDIT PROCESS**

The municipality received an unqualified with findings audit opinion for the 2021/22 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 (2020/21) 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 90.63%. 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 2023 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 are in the process to 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 several 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 regarding 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 regarding 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 is planned to be conducted.

## APAC RECOMMENDATIONS OR CONSIDERATIONS

The Municipal Finance Management Act, Act 56 of 2003 section 166 stipulates that APAC is an advisory body which must advise; 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 downturn and the implications 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.

PP   
\_\_\_\_\_  
LOUIS FOURIE - CHAIRPERSON

  
\_\_\_\_\_  
DATE