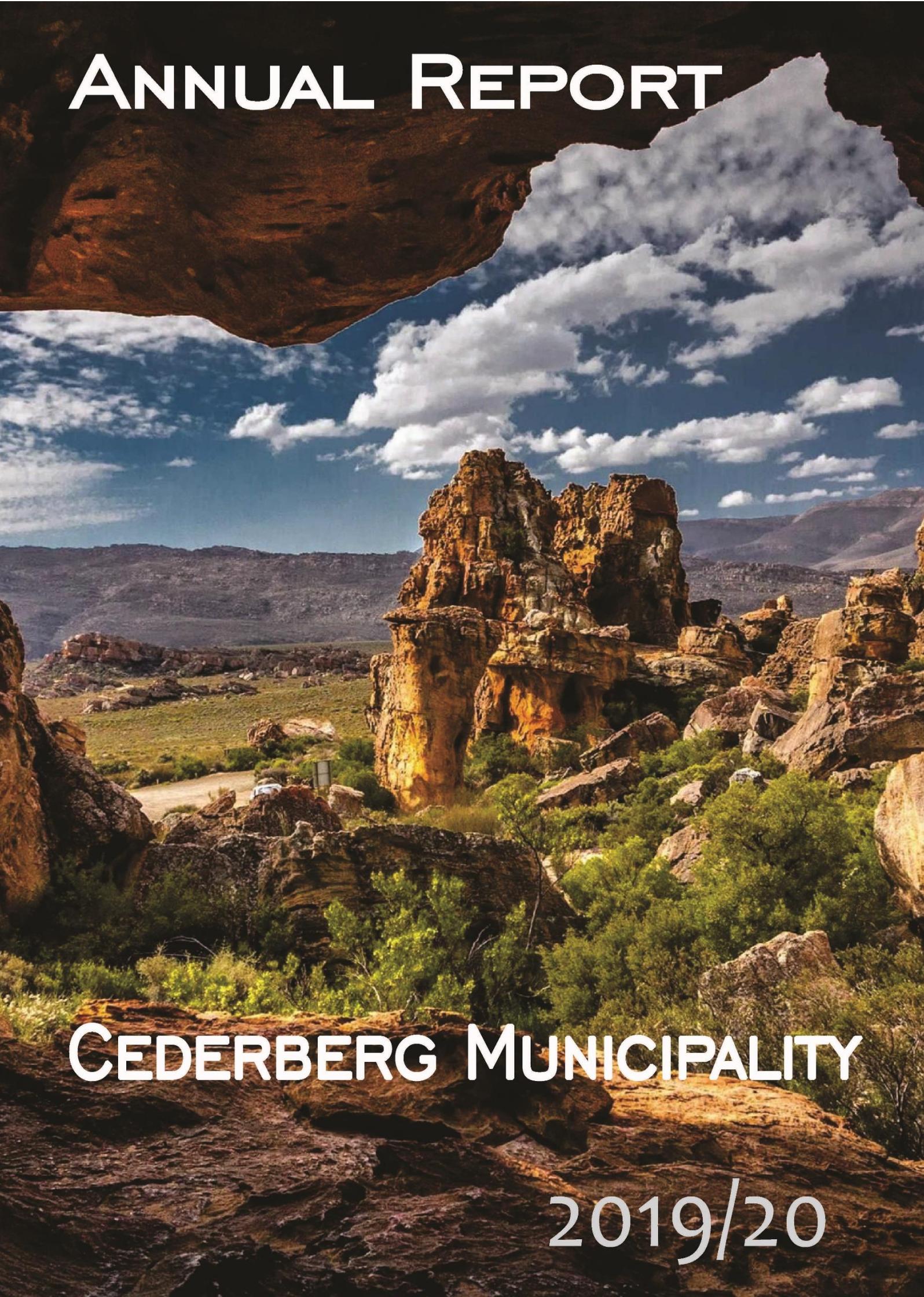


ANNUAL REPORT

The image is a cover for an annual report. It features a dramatic landscape view from the perspective of someone looking out from a cave or under a rock overhang. The foreground is dominated by the dark, textured interior of the cave. The middle ground shows a vast, open landscape with a prominent, tall, yellowish-brown rock formation in the center. The ground is covered with green grass and small shrubs. In the background, there are rolling hills and a clear blue sky with scattered white clouds. The overall scene is bright and scenic.

CEDERBERG MUNICIPALITY

2019/20



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MAYOR'S MESSAGE

It is a great pleasure to present to you the Annual Report of Cederberg Municipality for 2019/20. I submit this report reflecting on the devastating impact COVID-19 had on world, and more specifically Cederberg. The impact of COVID-19 has affected the work of the Auditor-General and adversely affected service delivery to our communities during the hard lockdown under level five.

During the last financial year Council was politically stable and could we focus on the core business of the Municipality. Feedback from residents, ward committees, intergovernmental and other stakeholders enables us to identify key trends and drivers of development, or under development. The diversity of the Cederberg area creates a unique variety of challenges and the Municipality strives to act within the parameters of a long term vision, understanding the challenges and taking into consideration inherited and current conditions. As a Municipality we strive to ensure proper alignment of our policies, budget and strategic plans. This is done, taking into consideration that all three spheres of government need to plan, development and implement service delivery plans to benefit the communities we serve.

Council took corrective action by ensuring that listed Key Performance Indicators are properly aligned with the IDP and Budget and that these KPI's are met. This was done through continuous assessment, evaluation and monitoring process we put in place. As Executive Mayor of Cederberg Municipality and collective leadership we are focused on ensuring that the SDBIP, Budget and IDP are implemented to ensure we are improving on our service delivery standards.

Public participation is at the heart of the Council and administration of Cederberg Municipality. We believe to plan with the people for the people. Through ensuring genuine public participation in municipal affairs, we are promoting collective good governance. In doing so we are allowing directly involved in the governance processes and taking ownership of service delivery within our area. The community could make inputs or give feedback through our social media platforms, suggestions, complaints, ward committees and public participation meetings.

It is with this that I will work tirelessly to maintain clean and good corporate governance as a cardinal pillar for serving the people of Cederberg Municipality.

We need to improve the delivery of core municipal services through the application of efficient and effective service delivery mechanisms, and the application of sound financial management principles. It is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities. In achieving this, greater collaboration is required with National and Provincial Government to ensure that adequate resources are allocated to enable the Municipality genuinely meet its constitutional mandate. Council is in the process to re-look its service standards to ensure we set basic standards to improve our service delivery and improve our customer care.



As Executive Mayor, I vigorously promote local economic development as part of our Revenue Enhancement and Budget Implementation Plan. We are of the opinion that the implementation of the Revenue Enhancement and Budget Implementation Plan is effective, and management will be able to reap the rewards of the said implementation within the next financial year. We have also embarked on a more vigorous approach to revenue collections to optimize the collection of debt owed by consumers through meaningful engagements.

My sincerest appreciation to the administration and fellow councillors for managing in extreme difficult financial conditions and for keeping their focus on our mandate.

Sylvia Nosiphiwo Qunta

Executive Mayor: Cederberg Municipality



MUNICIPAL MANAGER OVERVIEW

The 2019/20 Annual Report is hereby submitted to Council and the broader Cederberg community, knowing there is room for service delivery improvement as well as infrastructure backlogs that must be addressed. After my appointed in December 2019 as the Accounting Officer of Cederberg Municipality, I had to take charge of a municipality that is under severe financial strain compounded by the impact of COVID-19 and downwards economic growth in South Africa.

Cederberg Municipality had three consecutive clean audits between 2016- 2019. More detail will be disclosed after receiving the final Audited Financial Statements by the Auditor General for the financial year 2019/20.

Municipalities are empowered by the Constitution of the Republic of South Africa, 1996 to provide a broad range of services in a sustainable manner. This authority handbook for municipal finance officers, powers and functions section 2 emanates from 152(1) of the Constitution which stipulates the objects of local government, namely to:

- a) Provide democratic and accountable government for local communities;
- b) Ensure the provision of services to communities in a sustainable manner;
- c) Promote social and economic development;
- d) Promote a safe and healthy environment; and
- e) Encourage the involvement of community organizations in the matters of local government.

The main challenges of poverty, unemployment and inequality still remains and impact negatively on our revenue streams and together with infrastructure backlogs and financial sustainability remains a serious threat to the rendering of sustainable value- for- money services.

Cederberg is under severe financial constraints and a Revenue Enhancement and Budget Implementation Plan was implemented to ensure the financial viability and economic sustainability of the Municipality. This is evident in the service receivable bad debt book that is increasing, which are further compounded by tough economic conditions due to the negative impact of COVID-19 on the economy. Council is engaging with various stakeholders to bolster economic development as part of our economic recovery plan as well as the enhancing of the tourism potential of our region in local efforts to create employment and stimulating the local economy.

As Accounting Officer, I would like to convey a word of thanks to the Speaker, Executive Mayor, Deputy-Mayor, Mayoral Committee members and councillors for their continuous support under very difficult conditions. A special word of thanks to my senior management, staff and our communities in their support and understanding of the challenges we face as a service-rendering organization.

In conclusion, the interest of our citizens should reign supreme above all other interest, in pursuit of fulfilling our constitutional mandate.

Henry George Slimmert
Municipal Manager



CHAPTER 1

EXECUTIVE SUMMARY

1.1. MUNICIPAL OVERVIEW

This report addresses the performance of the Cederberg 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 2019/20 Annual Report reflects on the performance of the Cederberg Municipality for the period 1 July 2018 to 30 June 2019. The Annual Report is prepared in terms of Section 121(1) of the MFMA, in terms of which the Municipality must prepare an Annual Report for each financial year.

1.1.1. Vision and Mission

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

Vision:

“Cederberg Municipality, your future of good governance, service excellence, opportunities and a better life”

Mission:

We will achieve our vision by:

- Developing and executing policies and projects, which are responsive and providing meaningful redress
 - Unlocking opportunities with for economic growth and development for community prosperity
 - Ensure good governance, financial viability and sustainability
 - Ensure sustainable, efficient and effective service delivery in an environmental sustainable manner
- Promote quality services in a cost-effective manner through partnerships, information, knowledge management and connectivity.
 - Making communities safer
 - Advancing capacity building programs for both our staff and the community



1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 Population

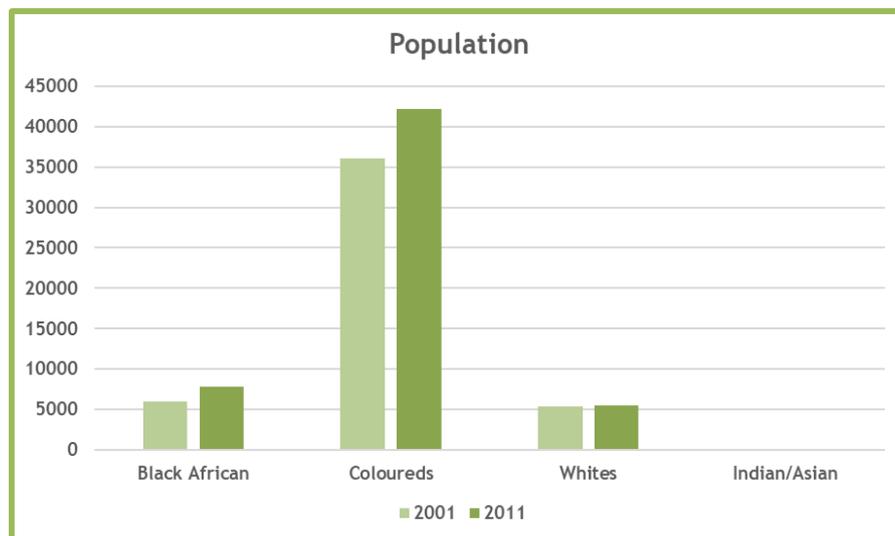
a) Total Population

The graph below indicates the total population within the municipal area:

Indicators	African		Coloured		White		Asian	
	2011	2017	2011	2017	2011	2017	2011	2017
Population size	5 970	7 830	36 087	42 214	5 326	5 534	116	161
Proportional share of total population	12.6%	14.0%	76.0%	75.7%	11.2%	9.9%	0.2%	0.3%
Number of households by population group	2 158	2 781	8 669	10 002	2 203	2 348	21	27
Year	African	Coloured	Indian	White	Total			
2011	5 970	36 087	116	5 326	47 499			
2017	7 830	42 214	161	5 534				

Source: Quantec

Table 1: Population



Graph 1: Population by Race



1.2.2 Demographic Information

Municipal Geographical Information

The jurisdiction of the Cederberg Municipality covers an area of 8 007 km², which constitutes 26% of the total area (31 119 km²) of the West Coast District municipality within which it lies. The Cederberg Municipality is in the northern segment of the district and wedged between the Matzikama municipality (to the north) and the Bergrivier Municipality (to the south). It is bordered to the east by the Hantam municipality in the Northern Cape province. Clanwilliam is the main town and is located more or less in the middle of the municipal area. The other settlements are Citrusdal, Graafwater, Leipoldtville, Wupperthal, Algeria, and the coastal towns of Elands Bay and Lamberts Bay.

The Cederberg municipal area is bisected by the N7 national road into a mountainous eastern part with the

land levelling out westwards towards the Atlantic Ocean as the western municipal boundary. Clanwilliam is situated about 230km north of Cape Town alongside the N7. This road has a north-south orientation and is the most prominent road link between towns (and rural areas) inside and outside the municipal area. Apart from the N7, the other prominent road is the R364. This road, with an east-west orientation, links Clanwilliam with Lamberts Bay past Graafwater to the west, and Calvinia in the Hantam municipal area to the east.

The table below lists some key points as summary of the geographic context within which integrated development planning for the municipality is performed:

Geographic summary	
Province name	Western Cape
District name	West Coast
Local municipal name	Cederberg Municipality
Main town	Clanwilliam
Location of main town	Central to the rest of the municipal area
Population size of main town (as a % of total population; 2011)	Slightly more than 15%
Major transport route	N7
Extent of the municipal area (km ²)	8 007 km ²
Nearest major city and distance between major town/city in the municipality	Cape Town (about 200 km)
Closest harbour and main airport outside the municipal area	Saldanha; Cape Town
Region specific agglomeration advantages	Agriculture: It is strategically located on the Cape-Namibia Corridor, and the N7 links the area with Cape Town (to the south) and the Northern Cape.
Municipal boundary: Most northerly point:	31° 50'37.82"S; 18° 27'5.76"E
Municipal boundary: Most easterly point:	32° 29'9.13"S; 19° 30'58.90"E
Municipal boundary: Most southerly point:	32° 52'40.60"S; 19° 7'14.37"E
Municipal boundary: Most westerly point:	32° 26'34.65"S; 18° 20'4.21"E

Table 2: Geographical Context

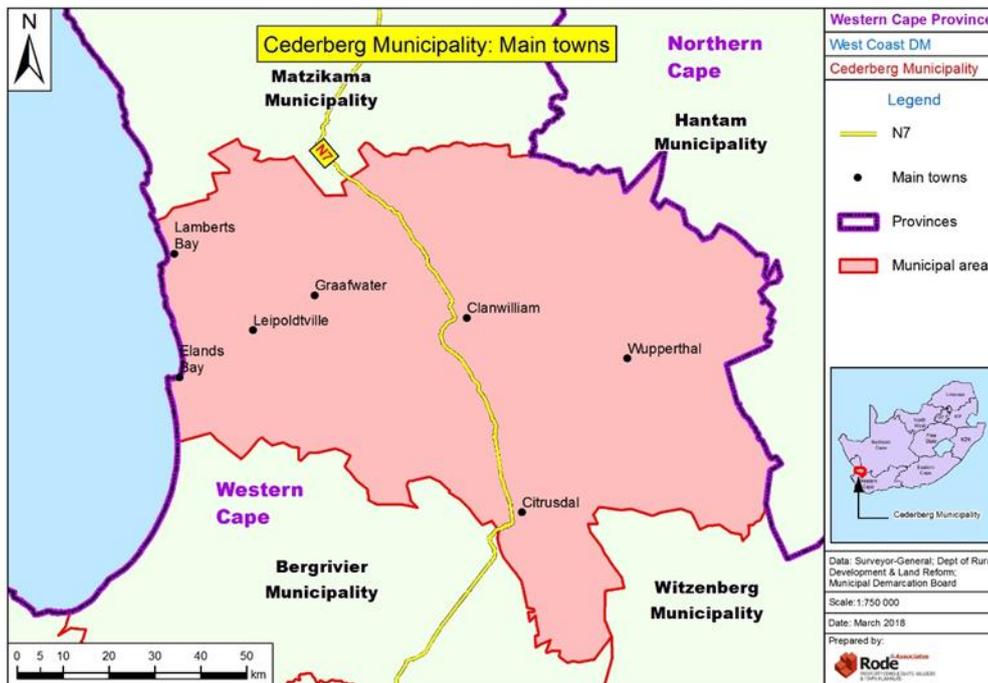
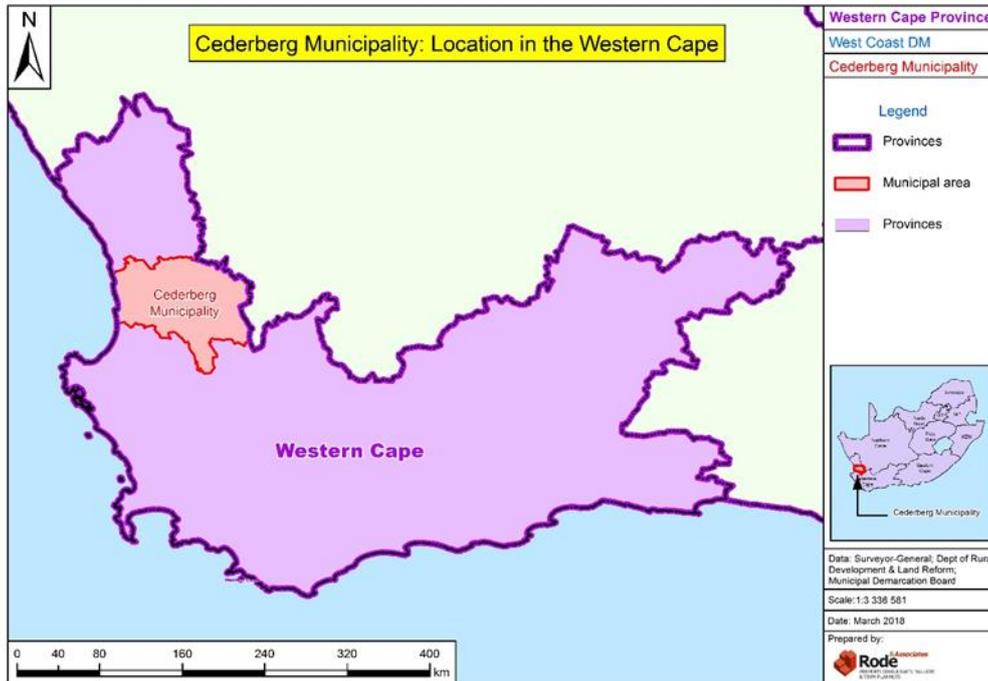
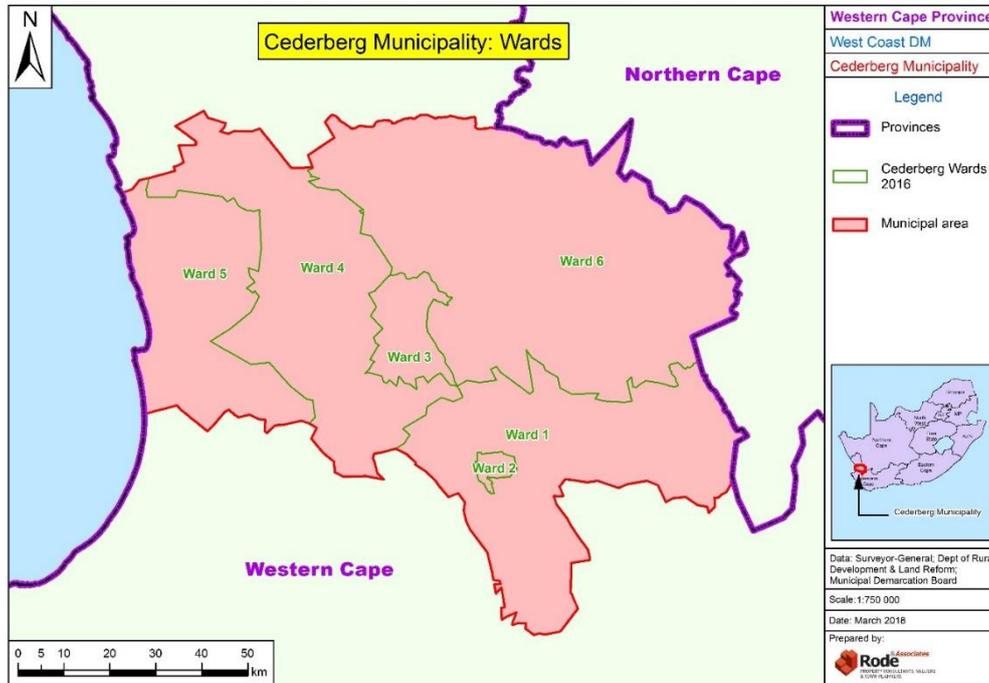


Figure 1: Cederberg Area Map



Wards

The Cederberg Municipality consists of 6 electoral wards, with wards 1, 4 and 6 being the largest in terms of size. In the table below, the 6 wards are listed with the approximate number of persons in each ward, size of the ward and population density.



Ward	Description	Population	Size	Population density
1	Citrusdal (rural area)	9 849	1 769.7 km ²	5.6 people per km ²
2	Citrusdal (town)	7 178	41.2 km ²	174.1 people per km ²
3	Clanwilliam	7 674	264.7 km ²	29.0 people per km ²
4	Graafwater	8 515	1 650.4 km ²	5.2 people per km ²
5	Elands Bay, Lamberts Bay and Leipoldtville	9 141	1 113.0 km ²	8.2 people per km ²
6	Wupperthal and Algeria	7 411	3 169.8 km ²	2.3 people per km ²

Table 3: Municipal Wards

Towns

Citrusdal



Citrusdal originated as a service centre for the agricultural sector in the Upper Oliphant's River Valley. The citrus industry is the main source of income in the town's hinterland. Because of the labour-intensive nature of the activity, the town experienced an influx of seasonal workers. Unemployment has increased along with a rise in population numbers. The local export economy is vulnerable to the fluctuating exchange rate of the Rand, and the concomitant decline in export value has negative implications for the economic base of the town. The nearby hot spring presents some tourism and recreation potential. However, only limited growth is expected here.

Clanwilliam



Originated as a "central place" town in an agriculturally orientated environment on fertile land and surrounded with abundant water resources. This town currently fulfills the function of main administrative town for the

municipal district, as well as being a service and commercial centre for the surrounding population. The environment presents a diversified resource potential, i.e. the natural beauty of the Cederberg Wilderness area, the Clanwilliam dam, wildflowers, the rock art at Boesmanskloof and various heritage resources (e.g. near Wupperthal). Although the economic base of the town is embedded in the agricultural sector, tourism also became a growing component. Other sectors of the economy include light industries, especially with respect to the town's two most important export products, namely shoe making and Rooibos tea cultivation. Clanwilliam has good accessibility on the N7 route between Cape Town, Northern Cape and Namibia.

Elands Bay



Elands Bay is to a certain extent an isolated settlement, which can partly be ascribed to the fact that the access routes to the town are mainly gravel roads. The town thus functions as a low order service center and holiday town that supplies mainly basic goods and services to its local inhabitants. The fishing industry forms the main economic base, but it is showing a declining trend as a consequence of the quota limitations on fishing for the local community. Agriculture, especially potato farming, makes a steady contribution to the economy. The town has also become known as one of the surfing venues in the world. In 2009, Baboon Point was declared a Provincial Heritage Site due to its unique

value and significance as the history of the Khoisan. The prominence of this point on the West Coast of South Africa, and the strong link to early evidence of Khoi and San interaction makes this area of national and international importance. To protect and use the site in a sustainable manner which can benefit Elands Bay and Cederberg community a conservation management plan is currently being developed. Heritage Western Cape, the provincial heritage resources authority and governing body responsible for the site is overseeing this process and has appointed Eco Africa Environmental Consultants.

Graafwater



Graafwater is located halfway between Clanwilliam and Lamberts Bay. The town originated as a railway station, but this function is no longer a driving force. Most of the people living here are seasonal workers on the surrounding farms as agriculture provides the economic base. This Sandveld town serves only as a service point for the most basic needs of the immediately surrounding farms. Rooibos tea and potatoes are the most important agricultural products.

Lamberts Bay

Lamberts Bay is a coastal town with its reason for existence linked to the fishing industry and the Harbour. The building of a processing factory for fishmeal, lobster packaging and potato chips led to sound growth that makes a substantial contribution to the town's economic base. The greatest asset of the



town is its impressive coastline and unique Bird Island, which is a favorite tourist destination.

Wupperthal

This picturesque place has been a Moravian mission station since 1865. The village today consists of an old thatched Church, a store, and terraces of neat thatched-roofed little cottages. Excellent velskoen (known throughout the country) are made and tobacco is dried and worked into rolls (roltabak). The other main products of the area are dried fruit, dried beans and rooibos tea. Since 1995 development aid to Wupperthal has come in the form of grants, interest free loans and donations from various sources. Among projects that benefited from these was a 4X4 route around the district, a caravan park, two guesthouses, the revamping of a tea production facility and a needlework centre.





Key Economic Activities

The Municipality is dependent on the following economic activities:

Key Economic Activities	Description
Agriculture and fishing	The biggest sector in the Cederberg Municipality is the agricultural and fishing sectors. It is well known that both these sectors are in decline due to fish stocks and the agricultural sector employing less people on a permanent basis and more people on a seasonal basis. The economy in Cederberg is highly seasonal with a huge influx of seasonal workers to harvest the citrus and grapes from January to July
Institutional, community, social and personal services	The second biggest employer in the Municipality is the institutional, community, social and personal services sectors with just over 20% of people employed
Tourism and agri-processing	The tourism (4%) and agricultural processing sectors are possibly the two sectors with the greatest chance to create sustainable jobs

Table 4: Key Economic Activities

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 Basic Service Delivery Highlights

The table below specifies the basic service delivery highlights for the year:

Highlights	Description
Construction of 1.5ML reservoir	The construction of a 1.5ML reservoir was completed to upgrade the storage capacity in Graafwater
Borehole development - Clanwilliam	Two boreholes were developed and connected to the Jan Dissels watercourse that discharge into the Jan Dissels Reservoir. From here the water is pumped to the Clanwilliam main supply 3ML Reservoir. Each borehole is equipped with a solar panel for electricity supply
Borehole development - Citrusdal	Two boreholes were developed to supplement the bulk water to Citrusdal. The one borehole was equipped with a solar energy supply system and the other with Eskom electrical supply
Desludging of Citrusdal Waste Water Treatment Works (WWTW)	The existing Citrusdal WWTW is overloaded with sewer sludge and the project was initiated to conduct desludging and transport sludge to Lamberts Bay WWTW. This improves final effluent discharging into the Olifants River
Elands Bay walkway	Streetlights were installed next to the walkway in Elands Bay to enhance the safety of the pedestrians
Electrification of low-cost houses in Lamberts Bay	180 Low-cost houses received electricity for the first time and 400 plots were fully serviced and ready for connections. Streetlights were also installed
Upgrade of bulk electrical supply in Lamberts Bay	Building of a 11KV switch station and upgrade of the MV network to ensure a better supply
Illegal dumping	Awareness campaigns, distribution of pamphlets and cleaning areas
Develop Recycling Implementation Plan	Council adopts the plan to implement recycling and avail land to the recyclers



Highlights	Description
Registration on Integrated Pollution and Waste Information System (IPWIS)	Electronic collection of data on the waste disposal facilities (WDFs)
Housing deliveries	184 Units transferred to beneficiaries
Cederberg mortgages	50 Cancellations of mortgages in favour of the Municipality cancelled - transfer of title deeds to follow soon
Handover of title deeds	239 Title deeds were transferred in Cederberg
Completed the rehabilitation of roads in Oranjeville, Citrusdal (Phase 4)	30mm Asphalt overlay of 3.5 km of roads in Oranjeville and construction of new road (Canna Street: 115 m)

Table 5: Basic Services Delivery Highlights

1.3.2 Basic Services Delivery Challenges

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

Challenges	Actions to address
Water quality failures from the Clanwilliam Dam during low water levels of the dam. No infrastructure to purify drinking water to acceptable standards as per SANS 241	The project is registered under a Regional Bulk Infrastructure Grant (RBIG), but the Municipality is not in a position to contribute the required co-funding. The proposal will be re-submitted to the Department of Water and Sanitation (DWS) to waver the co-funding
To provide sustainable drinking water to rural areas during peak season	The Municipality must appoint a consultant to conduct research and compile a feasibility report
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	Business plan for funding was submitted to DWS and the outcome was that funding will be availed during 2021/22 for the construction of a 3ML reservoir
Funding constraints to complete the Citrusdal WWTW	Re-submission of funding application to DWS and Department of Local Government to support the Municipality to alleviate the risks. Additional funding will enable the Municipality to complete the capital infrastructure in order to adhere to the general and/or special authorization compliance limits
Insufficient staff	Appoint more qualified personal
Insufficient bulk capacity in Clanwilliam	The construction of the 66KV line is in process. However, additional funds must be sourced to complete the line and to build a new substation in Clanwilliam
Insufficient refuse equipment	Budgetary provision must be made to replace old equipment and trucks
Waste removal: Informal settlements	Distribution of refuse bag to the community and collection of refuse
Influx of illegal residents	The Municipality is in the process of developing an Informal Settlement Policy in order to address the issue
Insufficient bulk infrastructure	The Municipality must follow a strategic approach to accelerate the upgrade of bulk infrastructure
Backlog of title deeds	The Title Deeds Restoration Program should be accelerated
PMS and Rural Roads Asset Management System (RRAMS) have identified roads requiring upgrades and repairs. Estimated costs require revision and budget secured for the implementation of recommendations	Utilise available PMS and RRAMS to identify roads requiring work to re-estimate costs required and budget accordingly or apply for funding

Table 6: Basic Services Delivery Challenges



1.3.3 Proportion of Households with Access to Basic Services

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

KPI	Municipal Achievement	
	2018/19	2019/20
Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2020	5 614	5 799
Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2020	7 690	7 907
Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2020	4 586	4 780
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020	5 512	5 873

Table 7: Households with Minimum Level of Basic Services

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 Financial Viability Highlights

The table below specifies the financial viability highlights for the year:

Highlights	Description
Reactivation of Credit Control Unit	More effective staff appointed in the unit resulting in an increase in collection of debt
Compliance	The Supply Chain Management Policy of Cederberg Municipality complies with the prescribed framework as set out in Section 110-119 of the MFMA, 2003
Transparency	Provide the public with timely, accessible and accurate information. All supply chain management contracts in terms of Section 75 (1)(g) of the MFMA are published on the municipal website

Table 8: Financial Viability Highlights

1.4.2 Financial Viability Challenges

The table below specifies the financial viability challenges for the year:

Challenges	Action to address
Implementing Municipal Standard Chart of Accounts (mSCOA)	Continuous challenges for the Municipality and service providers to integrate programmes and work streams. An action and project plan were compiled and closely adhered to
Increase in indigent population	Council approved a new Indigent Policy and also provided for an increase in subsidising the Indigent client base
Increase in bad debt	Council approved a new Credit Control Policy with incentives to clients with arrear accounts
Financial constraints and cash flow	No counter funding available as a low capacity Municipality. Municipality to sell non-core assets to build capital replacement reserves
Inadequate sourcing of goods and services	The setting of clear objectives for all projects and procurement. Development of procurement strategies for each project
Too much decentralisation of the procurement system	Centralisation of the procurement system

Table 9: Financial Viability Challenges

1.4.3 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 MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & Indicator	Basis of Calculation	2018/19	2019/20
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.24	-0.51
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.25	0.18
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	40.21	40.10

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

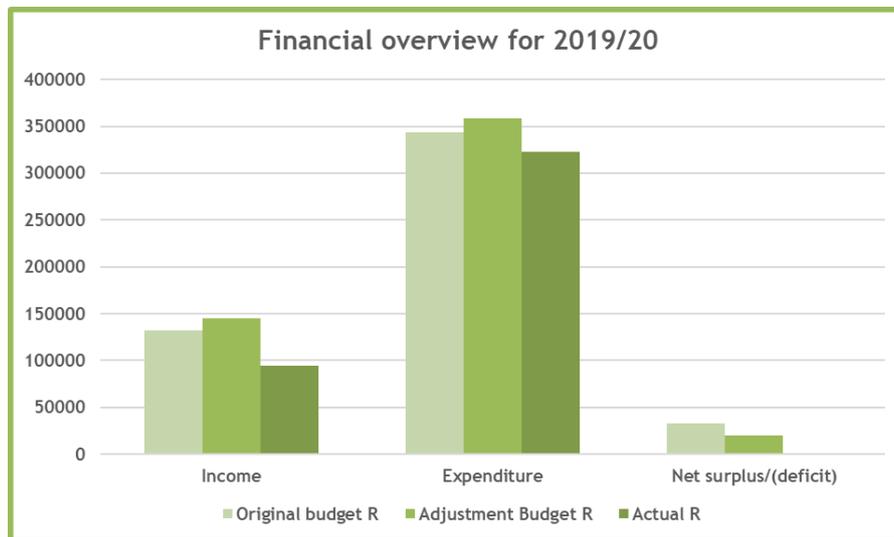


1.4.4 Financial Overview

The table below indicates the financial overview for the year:

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants	132 137	144 862	94 307
Taxes, Levies and tariffs	203 398	192 295	190 795
Other	41 742	41 551	31 538
Sub Total	377 277	378 708	316 640
Less Expenditure	344 082	358 462	323 348
Net surplus/(deficit)	33 195	20 246	-6 708

Table 11: Financial Overview



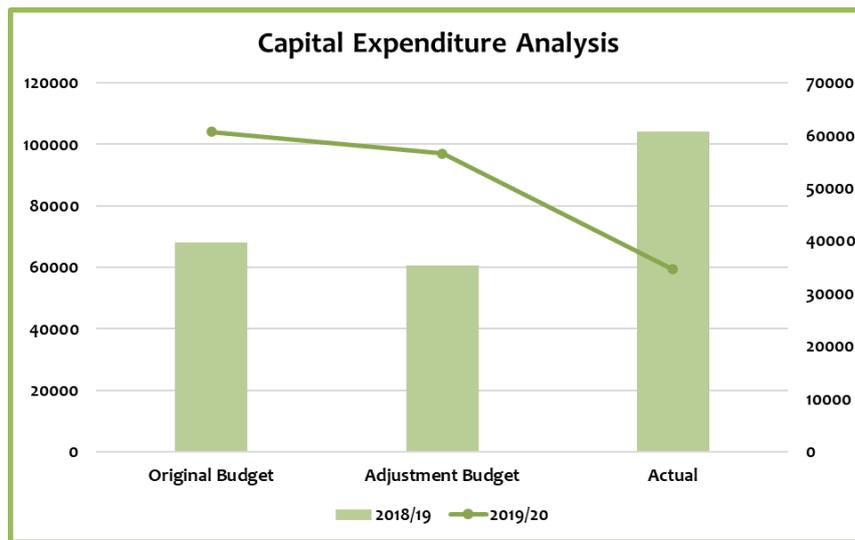
Graph 2: Financial Overview

1.4.5 Total Capital Expenditure

The table below indicates the total capital expenditure for the year:

Detail	2018/19	2019/20
	R'000	
Original Budget	68 091	60 699
Adjustment Budget	105 620	56 606
Actual	104 238	34 584
% Spent	98.69%	61.10%

Table 12: Total Capital Expenditure



Graph 3: Capital Expenditure Analysis

1.5 AUDITOR-GENERAL REPORT

1.5.1 Audited Outcomes

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the auditor-general checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the Municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follow:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless we express a clean audit come, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or these insufficient evidences for us to conclude that specific amounts included in the financial statements are not materially misstated.



- **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- **Disclaimer of Audit opinion:** The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements

The table below indicates the audit opinion received in 2018/19 and 2019/20 financial years:

Year	2017/18	2018/19	2019/20
Opinion received	Unqualified with no findings/ Clean Audit	Unqualified with no findings/ Clean Audit	Unqualified with findings

Table 13: Opinion Received

1.6 2019/20 IDP/BUDGET PROCESS

The table below provides details of the 2019/20 IDP/Budget process:

No	Activity	Responsible person	Date
Pre-Budgeting Processes/Tasks			
1	Make public the projections, targets and indicators as set out in the SDBIP (no later than 10 days after the approval of the SDBIP)	IDP/PMS	10 July 2018
2	Make public the performance agreements of the Municipal Manager and senior managers (no Later than 14 days after the approval of the SDBIP)	IDP/PMS	10 July 2018
3	Submit monthly report on the budget for period ending 30 June 2018 within 10 working days to the Executive Mayor	Manager Budget	13 July 2018
4	Submit the Draft IDP/PMS/BUDGET Process Plan to Council	IDP/PMS	30 June 2018
5	Advertise Draft IDP/PMS/BUDGET Process Plan for public comments	IDP/PMS	05 August 2018
6	2017/2018 4 th Quarter Performance (Section 52) Report tabled to Council	IDP/PMS	30 August 2018
7	Submit monthly report on the budget for period ending 31 July 2018 within 10 working days to the Executive Mayor	Manager Budget	15 August 2018
8	Table Final IDP/PMS/BUDGET Time Schedule to Council for adoption	IDP/PMS	30 August 2018
9	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS/CFO	30 August 2018
10	Submit the Annual Performance Report and Annual Financial Statements to the Auditor General	IDP/PMS/ CFO	31 August 2018
11	Advertisement of IDP/PMS/BUDGET Time Schedule on website/local newspaper/notice boards	IDP/PMS	07 September 2018
12	Provincial IDP Managers Forum	IDP/PMS	06 & 07 September 2018
13	Submit monthly report on the budget for period ending 31 August 2018 within 10 working days to Executive Mayor	Manager Budget	14 September 2018
14	IDP Meetings with Ward Committees	IDP/PMS	11-30 September 2018
15	Submit 1 st Quarter Performance Report (Section 52) to Council	IDP/PMS	30 October 2018
16	Submit monthly report on the budget for period ending 30 September 2018 within 10 working days to the Executive Mayor	Manager Budget	12 October 2018



No	Activity	Responsible person	Date
17	Submit monthly report on the budget for period ending 31 October 2018 within 10 working days to the Executive Mayor	Manager Budget	14 November 2018
18	Provincial IDP Managers Forum	IDP/PMS	06-07 December 2018
19	Submit Monthly Report on the Budget for period ending 30 November 2018 within 10 working days to Executive Mayor	Manager Budget	14 December 2018
20	Submit Monthly Report on the budget for period ending 31 December 2018 within 10 working days to the Executive Mayor	Manager Budget	15 January 2019
21	Submit Mid-Year Performance Assessment Report to Executive Mayor	IDP/PMS & CFO	25 January 2019
22	Submit Mid-Year Budget Assessment to Executive Mayor	IDP/PMS & CFO	22 January 2019
23	Submit 2 nd Quarter Performance Report to Council	IDP/PMS	31 January 2019
24	Table Draft Annual Report 2017/2018 to Council	Municipal Manager	31 January 2019
25	Submit Mid-Year Budget & Performance Report to Council	IDP/PMS & CFO	31 January 2019
26	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	Municipal Manager	31 January 2019
27	Make Public the Annual Report for public comments	IDP/PMS	07 February 2019
28	Make Public the Mid-Year Budget and Performance Report	Municipal Manager	07 February 2019
29	Submit monthly report on the budget for period ending 31 January 2019 within 10 working days to the Executive Mayor	Manager Budget	14 February 2019
30	Council considers and adopts 2018/2019 Adjustment Budget and potential revised / 2018/2019 SDBIP	Municipal Manager	28 February 2019
31	Advertise the approved 2018/2019 Adjustment Budget and submit budget and B Schedule to National Treasury as required per legislation (within 10 working days)	Municipal Manager	03 March 2019
32	Provincial IDP Managers Forum Meeting	IDP/PMS	28 February 2019 & 01 March 2019
33	Submit monthly report on the budget for period ending 28 February 2019 within 10 working days to Executive Mayor	Manager Budget	14 March 2019
34	Budget Steering Committee Meeting	CFO	20 March 2019
35	Table Draft IDP/Budget/SDBIP to Council	Municipal Manager	28 March 2019
36	Table Oversight Report to Council	Municipal Manager	28 March 2019
37	Submit the draft IDP/SDBIP and budget to West Coast District Municipality	IDP/PMS	05 April 2019
38	Submit the draft IDP/SDBIP and budget to Department of Local Government, National and Provincial Treasury	IDP/PMS CFO	05 April 2019
39	Advertise the Draft IDP/SDBIP/Budget and other required documents and provide at least 21 days for public comments and submissions	IDP/PMS CFO	05 April 2019
40	Make public the Oversight Report within 7 days of adoption (MFMA Sec 129)	IDP/PMS	04 April 2019
41	Submit the Annual Report and Oversight Report to the Provincial Legislature as per circular (MFMA-Sec 132)	IDP/PMS	05 April 2019
42	Submit monthly report on the budget for period ending 31 March 2019 within 10 working days to the Executive Mayor	Manager Budget	15 April 2019
43	Community Roadshow to consult the Draft IDP, SDBIP and Budget	IDP/PMS	16-30 April 2019
44	Submit monthly report on the budget for period ending 30 April 2019 within 10 working days to the Executive Mayor	Manager Budget	15 May 2019



No	Activity	Responsible person	Date
45	Budget Steering Committee Meeting	CFO	22 May 2019
46	Mayco meeting to approve Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	17 May 2019
47	Submit 3 rd Quarter Performance Report to Council	IDP/PMS	30 May 2019
48	Council to adopt Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	30 May 2019
49	Provincial IDP Managers Forum Meeting	IDP/PMS	06&07 June 2019
50	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	IDP/PMS CFO	07 June 2019
51	Submit a copy of the revised IDP to MEC for LG (within 10 days of the adoption of the plan)	IDP/PMS	10 June 2019
52	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	10 June 2019
53	Give notice to the public of the adoption of the IDP (within 14 days of the adoption of the plan) and budget (within 10 working days)	IDP/PMS CFO	14 June 2019
54	Submit to the Executive Mayor the SDBIP and performance agreements for the budget year (no later than 14 days after the approval of the annual budget)	Municipal Manager	14 June 2019
55	Submit monthly report on the budget for period ending 31 May 2019 within 10 working days to the Executive Mayor	Manager Budget	14 June 2019
56	Executive Mayor takes all reasonable steps to ensure that SDBIP is approved (within 28 days after approval of budget)	Municipal Manager	28 June 2019
57	Place Performance agreements on the website	Municipal Manager	28 June 2019
58	Submit copies of the performance agreements to Council and the MEC for Local Government as well as the national minister responsible for local government (within days after concluding the employment contract and performance agreements)	IDP & PMS	28 June 2019
59	Submit the SDBIP to National and Provincial Treasury within 10 working days of the approval of the plan	IDP& PMS	12 July 2019
60	Make public the projections, targets and indicators as set out in the SDBIP (No later than 10 working days after the approval of the SDBIP)	IDP & PMS	12 July 2019
61	Make public the performance agreements of the Municipal Manager and senior managers (no later than 14 days after the approval of the SDBIP)	IDP & PMS	12 July 2019
Community Participation Process			
62	Ward 1 - Citrusdal farms	Ward Councillor	08 April 2019
63	Ward 2 - Citrusdal Town	Ward Councillor	09 April 2019
64	Ward 3 - Clanwilliam	Ward Councillor	10 April 2019
65	Ward 4 - Graafwater	Ward Councillor	11 April 2019
66	Ward 5 - Elands Bay	Ward Councillor	04 April 2019
67	Ward 5 - Lamberts Bay	Ward Councillor	03 April 2019
68	Ward 6 - Algeria	Ward Councillor	15 April 2019
Budget Preparatory Process			
69	Budget process plan approved by Council 2019/20	Executive Mayor	20 May 2019
Budgetary Policies			



No	Activity	Responsible person	Date
71	<ul style="list-style-type: none"> • Customer Care Improvement Policy • EPWP Policy • Funding and Reserves Policy • Grants-In-Aid-Policy • Indigent Support Policy • Infrastructure Investment and Capital Policy • Investment Policy • Long-Term Financial Plan Policy • Performance Management Framework Policy • Petty Cash Policy • Property Rates Policy • Relocation Policy • Supply Chain Management • Policy Special Rating • Arrears Policy Study Aid Policy • Study Bursary Policy • Tariff Rules Building Development Management Tariff Structure for 2015-2016 • Tariff Rules Town Planning Tariff Structure for 2015-2016 Tariff Structure Policy • Travel and Subsistence Allowances Policy • Virement Policy • Accounting Policy to AFS • Asset Management Policy • Borrowing Policy • Budget Policy • Capital Contribution for Bulk Services Policy • Creditors- Councillors and Staff Payment Policy • Customer Care Credit Control and Debt • Collection Policy • Revenue Enhancement Policy • Policy on the Writing-off of Irrecoverable Debt • Property Rates By-law 2015 (To give effect to Property Rates Policy) • Cash Management and Investment Policy • The Municipal Finance Management Internship Policy • Insurance Management Policy 	Executive Mayor	31 May 2019
Tabling of Budget			
72	Annual Report 2018/19 approved	Executive Mayor	13 December 2019
73	Draft budget approved by Council & Draft IDP 19/20 approved	Executive Mayor	29 March 2019
74	Final Budget approved by Council	Executive Mayor	31 May 2019
Finalising			
75	Oversight Report with Annual Report 2018/19 approved by Council	Executive Mayor	30 January 2020

Table 14: 2019/20 IDP/Budget Process



1.7 COVID-19

On 15 March 2020 President Cyril Ramaphosa declared South Africa COVID-19 epidemic a national state of disaster under the Disaster Management Act 57 of 2002. This was done primarily, as the President stated it to enable the government to “have an integrated and coordinated disaster management mechanism that will focus on preventing and reducing the outbreak of this virus.” The declaration enabled the government to issue a slew of regulations, directions, and guidelines to contain and mitigate the impact of the pandemic.

During a state of disaster, the DMA allows the government to issue regulations to restrict, *inter alia*, movement of persons and goods “to, from or within the disaster-stricken or threatened area, ... the suspension or limiting of the sale, dispensing or transportation of alcoholic beverages in the disaster-stricken or threatened area... [or] any other steps that may be necessary to prevent an escalation of the disaster, or to alleviate, contain and minimise the effects of the disaster...” (section 27(2).)

Similarly, the Disaster Management Regulations of 2004 (DMR) (as amended) state that:

“any Minister may issue and vary directions, as required, within his or her mandate, to address, prevent and combat the spread of COVID-19, from time to time, as may be required, including...steps that may be necessary to prevent an escalation of the national state of disaster, or to alleviate, contain and minimise the effects of the national state of disaster.” (section 10(8).)

These regulations and the pandemic itself have had a major impact on the basic service delivery and operations of local government, who had to adjust with immediate effect not only identified risks, projects, manpower but also budgets.

1.7.1 COVID-19 Response Committee

On the 30th of March 2020 Cederberg Municipality established the COVID-19 Response Committee. The committee comprises of members from all spheres of government.

The Covid-19 Response Committee had the following functions:

- Respond to all COVID-19 Infections
- Establish administrative Covid-19 protocols and policy
- Dealing of all risk identified areas
- Provide support mechanisms such as PPE, food parcels, basic services such as access to water
- Curb the spreading of the virus through preventative planning measures
- Monitor the implementation of COVID-19 Regulations
- Ensure that identified areas are duly sanitize and disinfect
- Report to District JOC on a weekly basis



The table below indicates the members that serve on the COVID-19 Response Committee and the dates of the meetings held:

Name of representative	Representative forum	Meeting dates
Henry Slimmert	Municipal Manager	4 May 2020 11 May 2020 18 May 2020 5 June 2020
Ben Schippers	Water and Sanitation	
Sylvia Qunta	Executive Mayor	
Collin Julies	OHS Officer	
Jennifer Maarman	Covid Convener Graafwater	
Sylvia Newman	Covid Convener Elands Bay	
Maria Ludick	Covid Convener Citrusdal	
Jacques van Zyl	Covid Convener Lamberts Bay	
Jacob Klaase	Covid Convener Clanwilliam	
Shirly-Ann Mouton	Human Settlements/ Homeless Project	
Christo Filander	Disaster Management Officer	
Riaan Mathys	Traffic and Disaster Services	
Petronella Horn	Communication	
Henry Witbooi	Human Resource	
Andries Titus	Rural Development	
Bino Farmer	Resorts	
GW Hermanus	Acting Director Community Services	
Erika Visser	Finance	
Andre Dirks	Protection Services	

Table 15: Committee Members

1.7.2 COVID-19: Statistical Information

The table below indicates the documented statistical information for COVID-19 within the Cederberg area from 26 March 2020 to 30 June 2020.

Description	March 2020	April 2020	May 2020	June 2020
Infections	0	0	8	43
Deaths	0	0	0	0
Recoveries	0	0	8	43

Table 16: COVID-19: Statistical Information



1.7.3 Challenges: COVID-19

The table below gives a brief description of the COVID-19 challenge during the 2019/20 financial year:

Challenge	Corrective Action
Personal protective equipment	Buying of PPE through tender process
Sanitizing of offices	Establish local response teams
Nutritional support for needy communities	Provide 2400 parcels to communities
Financial support	Received grants from provincial/national departments
Essential services support team	Continue to provide services delivery to the community
Generation lower financial income	Financial Recovery and Enhancement Plan

Table 17: Challenges: COVID-19

1.7.4 Action Plan to Address the COVID-19 Associated Risks

The table below provide the actions implemented/that will be implemented to address the COVID-19 associated risks:

Risk	Action implementation
High risk areas (Khayelitsha/Riverview)	Hot Spot Response Plan
Lamberts Bay fishing harbour over crowding	JOC team were established
Overcrowding of towns	Manage through traffic control and law enforcement
Influx of seasonal workers from high-risk areas	Establish 24-hour road block
Personal protective clothing	Buy PPE and also distribute to communities
Management of workers	Essential Services Plan were drafted
Positive cases and infected areas	Sanitize and disinfect on regularly basis
Monitoring COVID-19 Regulations	Inspections to work stations on a weekly basis
Communication to communities regularly	Establish municipal Facebook site/social media
Administrative challenges	Establish essential team - provide essential services
Municipal Systems Functions	Compliance were dealt with in the following manner: <ul style="list-style-type: none"> • COVID-19 Policy • Safety Representative COVID-19 inspections • Workplace preparedness standard operating procedure (SOP) • Isolation Protocol • Covid-19 Risk Assessments
Homeless people	Provide shelters to homeless people

Table 18: Action Plan to Address the COVID-19 Associated Risks



1.7.5 COVID - 19 Communication/ Awareness

The table below indicates the different communication/awareness statistical information the municipality has implemented:

Communication/ Awareness campaign	Platform/ channel utilised	Date
Municipal Facebook	Social media	12 April 2020
Community Outreach Program	Loud hailing in towns/positive messaging	16-17 July 2020
Pamphlet distribution	Distribute pamphlets into community	Monthly
Awareness Program - door to door	Employ 49 youth participants	20 July 2020

Table 19: COVID - 19 Communication/ Awareness

CHAPTER 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

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	Unit of measurement	Municipal Achievement	
		2018/29	2019/20
The percentage of the municipal capital budget actually spent on capital projects by 30 June [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects by 30 June 2019	98.69%	58.11%

Table 20: National KPIs - Good Governance and Public Participation Performance

2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The table below specifies the highlights for the year:

Highlights	Description
Clean audit achieved in 2019/20 financial year (3 consecutive years)	The Municipality maintained its clean audit status
Establishment of shelters for the homeless during COVID-19 pandemic	The Municipality restored the dignity of the homeless people not only by offering a shelter, but also offered life skills, entrepreneurial skills and development programmes

Table 21: Good Governance and Public Participation Performance Highlights

2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The table below specifies the challenges for the year:

Challenges	Actions to address
Improvement of Municipality's financial position	Adopt and implement turnaround strategy through measures such as administrative restructuring, financial monitoring, control and financial oversight
COVID-19	The Municipality instituted stringent measures to effectively and efficiently manage COVID-19 funding pertaining to personal protective equipment (PPE)
Incomplete infrastructure projects	To secure MIG funding as well as co-funding for the completion of incomplete infrastructure projects
Housing project in Lamberts Bay	Formal applications have been submitted to the Department of Human Settlements
Review of macro and micro-organogram	To reorganise the macro and micro-organogram to improve good corporate governance and service delivery

Table 22: Good Governance and Public Participation Challenges

2.4 GOVERNANCE STRUCTURE

2.4.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Mayor and the Executive 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.

a) Council

The Municipal Council comprises of 11 elected councillors, made up from 6 ward councillors and 5 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties. Below is a table that categorised the councillors within their specific political parties and wards for the 2019/20 financial year:

Name of Councillor	Capacity	Political Party	Ward representing or proportional
Nosiphiwo Qunta	Executive Mayor and PR Councillor	ANC	PR
Lorna Scheepers	Deputy Executive Mayor and PR Councillor	ANC	PR
Evelyn Majikejela	Member of Executive Mayoral Committee and PR Councillor	ANC	PR
Maxwell Heins	Member of the Executive Mayoral Committee and Ward Councillor	ANC	Ward 3



Name of Councillor	Capacity	Political Party	Ward representing or proportional
Francois Kamfer	MPAC Chair and PR Councillor	ANC	PR
Francina Sokuyeka	PR Councillor	ADC	PR
Jan Meyer	Ward Councillor	DA	Ward 1
Raymond Pretorius	Ward Councillor	DA	Ward 2
Paulus Strauss	Speaker and Ward Councillor	ANC	Ward 4
William Farmer	Ward Councillor (Resigned as EM on 16 October 2019)	DA	Ward 5
Rhoda Witbooi	Ward Councillor	DA	Ward 6
Marianne Nel	Resigned as PR Councillor in October 2019	ANC	PR

Table 23: Council 2019/20

b) Executive Committee

The Executive Mayor of the Municipality, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the 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 Mayor operates in concert with the Executive Committee.

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

Name of member	Capacity
Nosiphiwo Qunta	Executive Mayor
Lorna Scheepers	Deputy Executive Mayor
Evelyn Majikijela	Member of Mayoral Committee
Maxwell Heins	Member of Mayoral Committee

Table 24: Executive Committee 2019/20

c) Portfolio Committees

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision-making powers. Just like Section 80 committees they can also make recommendations to Council. Once their ad hoc task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees. The portfolio committees for the period 1 July 2019 until 30 June 2020 were as follow:



Financial and Administrative Services Committee	
Chairperson	Other members
Nosiphiwo Qunta	Maxwell Heins
	Francois Kamfer
	Rhoda Witbooi
	Jan Meyer
Integrated Development Services Committee	
Chairperson	Other members
Evelyn Majikijela	Lorna Scheepers
	Maxwell Heins
	Raymond Pretorius
	Jan Meyer
Municipal Public Accounts Committee	
Chairperson	Other members
Francois Kamfer	Fransiena Sokuyeka

Table 25: Portfolio Committees

d) Political decision-taking

Section 53 of the MSA stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the Municipal Manager must be defined. The section below is based on the Section 53 role clarification.

Municipal Council

- governs by making and administrating laws, raising taxes and taking decisions that affect people’s rights
- is a tax authority that may raise property taxes and service levies
- is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers, individual Councillors or officials
- can delegate responsibilities and duties for the purposes of fast and effective decision making
- must strive towards the constitutional objects of local government
- must consult the community with respect to local government matters
- is the only decision maker on non-delegated matters such as the approval of the IDP and budget

Executive Mayor

- is the executive and political leader of the Municipality and is in this capacity supported by the Executive Committee
- is the social and ceremonial head of the Municipality
- must identify the needs of the Municipality and must evaluate progress against key performance indicators



- is the defender of the public’s right to be heard
- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters
- performs the duties and exercise the responsibilities that were delegated to him by the Council

Executive Committee

- its members are elected by the Mayor from the ranks of Councilors
- its functional responsibility area is linked to that of the Mayor to the extent that he must operate together with the members of the Executive Committee
- its primary task is to assist the Mayor in the execution of his powers - it is in fact an “extension of the once of Mayor”
- the committee has no powers of its own - decision making remains that of the Mayor

2.4.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team.

Council approved an organisational structure on 20 September 2018 and the Management Team and directorates were as follow:

Name of Official	Position
Louis Volschenk (Resigned 21/01/2020)	Municipal Manager
Henry Slimmert (Council resolved to appointed MM on 29/05/2020 with effect from 01/07/2020)	Municipal Manager
Elrico Alfred (Resigned 31/01/2020)	Director: Financial and Administrative Services
Reginald Bent (Resigned 30/06/2020)	Director: Integrated Development Services

Table 26: Administrative Governance Structure

COMPONENT B: 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, adhering to agreed procedures and avoid legal proceedings against one another.

2.5 INTERGOVERNMENTAL RELATIONS

2.5.1 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
Cederberg Local Drug Action Committee (LDAC)	Cederberg Municipality, Department of Health (DoH), Department of Social Development (DSD), Cederberg NGO`s, West Coast District Municipality (WCDM), Police	Collective effort to address substance abuse in Cederberg. Quarterly meetings to report on programs and projects
Cederberg Early Childhood Development (ECD) Forum launch	Cederberg Municipality; DSD; Grassroots; WCDM; ECD centres across Cederberg	Monitoring and evaluation of ECD activities. Partnership with Grassroots and DSD to ensure optimum involvement and assistance to Cederberg ECD centres
Cederberg Social Development Forum	Cederberg Municipality, DSD, Initiative for Community Advancement (ICA), Rural Impact, Stop Crime Against Children (SCAC), DoH, Cederberg Matzikama AIDS Network (CMAN)	Integrated approach to tackle social ills in Cederberg as the umbrella structure. Draft a framework to guide Cederberg on how to respond to the social challenges in the respective communities. Implement the MOU between DSD and Cederberg Municipality
Codebridge Youth (Not yet established)	Cederberg Municipality, Open-Up, ICA	To Make youth more involved in municipal affairs through technology and social platforms
Council of Stakeholders (CRDP) - Elands Bay and Graafwater	Cederberg Municipality, SCAC, SALDA, Verlorenvlei, Department Agriculture	Comprehensive Rural Development Programme
District Communication Forum	All Local Communicators in the West Coast	Sharing best practices and collaboration
Provincial Comms Tech	All communicators at municipals in the Province	Sharing best practices campaigns / management / training

Table 27: Intergovernmental Structures

2.5.2 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 has to 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
Archaeological and Paleontological Heritage Route in Elands Bay linked to Diepkloof Rock Shelter	Establishment of museum and interpretation centre in Elands Bay	Department of Cultural Affairs and Sport (DCAS), Department of Economic Development and Tourism (DEDAT), WESGRO
Red tape reduction interventions	Creation of online portal to process building control applications, supply chain transactions and event applications	DEDAT
Integrated waste management initiatives	Capacity building programmes, technical support to recyclers, awareness campaigns and education	DEADP
Economic development support and entrepreneur support	Support to local SMME's and entrepreneurs by means of training and other capacity building initiatives to promote local economic development	Department of Water & Sanitation (DWS), Department of Agriculture
National Rural Youth Service Corps (Narysec)	Recruit young people from Cederberg to take part in two-year program	Department Rural Development & Land Reform & Cederberg IDS
Comprehensive Rural Development Programme (CRDP) youth intervention	Intensify youth development with a core group in rural node, ward 5 in Cederberg	Department of Agriculture
National Youth Development Agency (NYDA) info sessions	NYDA to establish a footprint in Cederberg. Make the youth aware of the services NYDA can provide for young people in Cederberg	National Youth Development Agency, Cederberg Municipality and Cederberg NGO`s.
MIG - Municipal Infrastructure Grant Coordination Meetings	For MIG reporting and Information sharing	Western Cape Municipalities, DCOG, DLG, DWS, DHS, MISA, EPWP
Quarterly Municipal Infrastructure Forum	Western Cape Municipalities, DCOG, DLG, DWS, DHS, MISA, EPWP	Share infrastructure Information (Continuous development session)
(B2B) Back to Basics Meeting (DLG)	Municipal support to unlock projects and programmes	Cederberg Municipalities, DLG, DWS, DHS, MISA, Provincial Treasury, SALGA
West Coast JDA (Joint District Approach) - Presidency	Planning on District Level	Municipalities in West Coast, DLG, DEADP, WCDM, DRDLR
Waste Management Forum	Discussing waste issues, Integrated waste planning, waste management and services,	Municipalities, DEADP and invitees
Green Deeds	Environmental issues, Air pollution, Coastal management and related	Municipalities in Province
WSIG - Water Service Infrastructure Grant Coordination meetings	To coordinate projects and funding from Department Water Affairs	Municipalities in Province, DWA

Table 28: Joint Projects and Functions with Sector Departments

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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

2.6 PUBLIC MEETINGS

2.6.1 Ward Committees

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees' function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

a) Ward 1: Citrusdal (Farms)

Name of representative	Capacity representing
Louween Bok	ALG
Susanna Douries	Health and Welfare
Karools Farao	Churches
Kido Owies	Crime
Jeanetta Titus	Women, Elderly and Disabled
Royleen Frans	Farm Workers
Gertro Douries	Sport and Culture
Frederik Lenee	Geographic and Housing
Barend Titus	Rural Development

Table 29: Ward 1: Committee Members

b) Ward 2: Citrusdal (Town Area)

Name of representative	Capacity representing
Abraham Lategan	Geographic
Willem Andrew	Crime
Petrus Smith	Education and Youth



Name of representative	Capacity representing
Jolanda Basson	Tourism
Anitha Kotze	Women, Elderly and Disabled
Charles Ningi	Geographic
Roelf Hugo	Chamber of Commerce
Nicolaas Waterboer	Churches
Jawano Zimri	Sport and Culture
Shireez Hector	Health

Table 30: Ward 2: Committee Members

c) **Ward 3: Clanwilliam**

Name of representative	Capacity representing
Lionel Jantjies	Education and Youth
Wellington Nkebetwane	Community - Khayelitsa
Elizabeth Witbooi	Women, Elderly and Disabled
Gerda De Wet	Economic Development and Tourism
Daniel Ludick	Crime
Jan Oosthuizen	Community - Clanwilliam
Nickey Crosney	Sport
Ilse Lochner	Chamber of Commerce
Johannes Beukes	Health
Louisa Swartz	Churches

Table 31: Ward 3: Committee Members

d) **Ward 4: Graafwater**

Name of representative	Capacity representing
Arnold Boois	Geographic - Graafwater North
Dina Joubert	Geographic - Graafwater South
Maria Karools	Health and Welfare
Washiela Meniers	Small Farmers
Margaritha Strauss	Churches
Christo Hammers	Sport
Vacant	Chamber of Commerce
BJ Burger	Crime
Jonathan van der Westerhuizen	Rural and Economic
Nashwill Hanekom	Education and Youth

Table 32: Ward 4: Committee Members



e) **Ward 5: Lamberts Bay, Elands Bay and Leipoldtville**

Name of representative	Capacity representing
Sarah Foentjies	Education
Annalize Friesley	Youth
Arend de Waal	Chamber of Commerce
Neels Mostert	Geographic
Willem Auret	Health
Jeff Schalk	Geographic
Winston Abrahams	Sport
Gerrit Alfred	Geographic
Henry Arangie	Crime
Getrude Angle	Geographic

Table 33: Ward 5: Committee Members

f) **Ward 6: Wupperthaland Algeria**

Name of representative	Capacity representing
Ricardo Hoorn	Geographic
Brenda Farmer	Geographic
Magrieta Afrika	Geographic
Amelia Koopman	Geographic
Malvern Fabrik	Geographic
Megan Salomo	Geographic
Renee Veloen	Geographic
Gregory Koopman	Geographic
Richolene Coetzee	Geographic
Barnett Cornellison	Geographic

Table 34: Ward 6: Committee Members

2.6.2 Representative Forums

a) **Labour Forum**

The table below specifies the members of the Labour Forum for the 2019/20 financial year:

Name of representative	Capacity
Councillor Lorna Scheepers	Chairperson
Councillor Maxell Heins	Member
Henry Slimmert	Act. Municipal Manager
Nico Smit	Act. Director: Financial & Administration Services
GW Hermanus	Act. Director: Integrated Development Services



Name of representative	Capacity
Zukile Xhoma	SAMWU Shop Steward
Dinah Saiet	SAMWU Shop Steward
Aletta Meyer	SAMWU Shop Steward
Shirley-Ann Mouton	IMATU Shop Steward
Janine Fredericks	IMATU Shop Steward
Niklaas Fryer	IMATU Shop Steward
Muriel Links	IMATU Shop Steward
Jacobus Van Maro	IMATU Shop Steward
Henry Witbooi	Manager: Human Resources
Enrico Sampson	HR Practitioner: Labour Relations
Jessica Cloete	Committee Services Officer
Collin Julies	Health and Safety Officer
Izak Van Der Westhuizen	HR Practitioner: Skills Development

Table 35: Labour Forum

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.

2.7 RISK MANAGEMENT

In terms of Section 62 of the MFMA (1)(c)(i) *“the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems - of financial and risk management and internal control;”*...

The management of risk is the process by which the Accounting Officer, the CFO and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Purpose and Scope

This policy addresses key elements of the risk management framework to be implemented and maintained by the Municipality, which will allow for the management of risks within defined risk/return parameters, risk appetite and tolerances as well as risk management standards. As such, it provides a framework for the effective identification, evaluation, management measurement and reporting of the Municipality's risks.

Objectives



The objective of the risk policy is to ensure that a strategic plan is developed that should address the following:

- an effective risk management architecture
- a reporting system to facilitate risk reporting
- an effective culture of risk assessment

The role of the service departments is to identify, review and manage their risks on an ongoing basis, making risk management an integral or natural part of the organisational processes and procedures. Risk management should be embedded in the organisation, it becomes an intrinsic part of business planning and decision making - there is no direction taken without looking at potential risks.

The table below include the top strategic and operational risks of the Municipality:

Risk	Current Controls	Risk Type	Residual Risk Exposure	Risk Owner
Lack of financial viability and economic sustainability	3-year strategic plan	Strategic Risk	Within risk appetite	All Directorates - All Directors
Inability to provide timely and effective services to the community	Master plans and asset register	Operational Risk	Within risk appetite	Technical Service Manager PMU
Events not complying with Safety regulations which could lead to litigation against the Municipality	Events Management Policy	Operational Risk	Within risk appetite	Office of the Municipal Manager
Inability to deliver projects due to lack of financial resources and current government funding model	Received MIG funds to implement the water and storm water pipes	Operational Risk	Within risk appetite	Technical Service Manager PMU
Uncontrolled growth of informal settlements	<ul style="list-style-type: none"> • Relocation of informal settlements • Funds received from Department of Human Settlements 	Strategic Risk	Below risk appetite	Integrated Development Service
Loss of income and/or legal fines for the non-compliance of landfill sites in the region	<ul style="list-style-type: none"> • Establish Intern Municipal Cooperation Forum • Memorandum of agreement between municipalities and the district 	Strategic Risk	Below risk appetite	Technical Service Manager PMU
WWTW are overloaded and generates poor risky sewer final effluent	<ul style="list-style-type: none"> • Desludging of oxidation pounds 	Strategic Risk	Below risk appetite	Technical Service Manager PMU
Cost of compliance, under-funded mandates and insufficient equitable share	Legal instruments as MOA, MOU etc.	Operational Risk	Within risk appetite	Office of the Municipal Manager
The unwillingness of farmers to extend contracts to extract underground water from their land (Lamberts bay)	<ul style="list-style-type: none"> • Water restrictions • Water awareness campaigns • Implementation of the draft tariff structure 	Strategic Risk	Exceeds risk tolerance level	Technical Service Manager PMU



Risk	Current Controls	Risk Type	Residual Risk Exposure	Risk Owner
Inability to provide the community with water services	Water and electricity meters-audit conducted	Strategic Risk	Exceeds risk tolerance	Technical Service Manager PMU
Risk of power failures and possible safety concerns due to overloading of network	Audit conducted on the electricity supply	Operational Risk	Exceeds risk tolerance level	Technical Service Manager PMU

Table 36: Top Risks

The role of the Risk Committee is to provide timely and useful enterprise risk management report to the Audit Committee of the Municipality. The report contains the current top risks of the Municipality, which includes:

- the key strategic and financial risks facing the Municipality (all extreme and high-risk exposures)
- the key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

Further detail of the roles of the Risk Committee is included in the approved Risk Committee Charter.

Name of Committee Member	Capacity
Louis Volschenk	Municipal Manager
Craig Sheldon	Risk/Legal/Compliance Section Head
Joylyon Goeieman	Internal Auditor
Phemelo Majeni	Technical Services Manager PMU
Elrico Alfred	Chief Financial Officer (CFO)
Nigel Mercuur	Manager: Strategic Services
Ben Schippers	Manager: Water and Sanitation
Henry Witbooi	Manager: Human Resources
Henry Slimmert	Manager: Administration Services
Jacob Klaase	Manager: Waste
Reginald Bent	Director: Integrated Development Services
Collin Julies	Officer: OHS and Risk Management

Table 37: Risk Committee

2.8 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.



2.8.1 Developed Strategies

Name of strategy	Developed (Yes/No)	Date adopted
Fraud and Corruption Prevention Policy	Yes	30 May 2019
Fraud and Corruption Prevention Strategy	Yes	30 May 2019

Table 38: Strategies

2.8.2 Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Code of Ethics	Use of consultants where not necessary	The new organogram makes provision for a Risk Officer. Position not filled yet. The OHS Officer is responsible for Risk Management until the position is advertised and filled
Whistle Blowing Policy	Inadequate risk management capacity	The Internal Audit Department is in charge of the whistle blowing hotline. Incidence reporting register/database is in place. Awareness workshops took place December 2018

Table 39: Implementation of the Strategies

2.9 AUDIT COMMITTEE

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

- (a) 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
 - risk management
 - performance Management
 - effective Governance

The Audit Committee have the following main functions as prescribed in section 166 (2)(a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

2.9.1 Functions of the Audit Committee

- To advise the Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation



- Respond to the council on any issues raised by the Auditor-General in the audit report
- To review the quarterly reports submitted to it by the internal audit
- To evaluate audit reports pertaining to financial, administrative and technical systems
- The compilation of reports to Council, at least twice during a financial year
- To review the performance management system and make recommendations in this regard to Council
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the Municipality
- Review the plans of the internal audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Provide support to the internal audit function
- Ensure that no restrictions or limitations are placed on the internal audit section
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation

2.9.2 Members of the Audit Committee

The following table indicates the members of the audit committee:

Name of representative	Capacity
Omar Valley	Member
Charles Beukes	Member
Nico Smit	Member

Table 40: Members of the Audit Committee

2.10 PERFORMANCE AUDIT COMMITTEE

The Municipal Planning and Performance Management Regulations require that the Performance Audit Committee is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the Municipality. Section 14(2)(b) of the Municipal Planning and Performance Management Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the Performance Audit Committee who is neither a Councillor nor an employee of the Municipality as the chairperson of the committee.

In terms of Section 166(4)(a) of the MFMA, an Audit Committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the Municipality.

Section 166(5) of the MFMA, requires that the members of an Audit Committee must be appointed by the Council of the Municipality. One of the members, not in the employ of the Municipality, must be appointed as the chairperson of the committee. No Councillor may be a member of an Audit Committee.



Both the Municipal Planning and Performance Management Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a Performance Audit Committee. While the regulations preclude the appointment of a councillor as chairperson of the Performance Audit Committee, the MFMA excludes the involvement of a councillor in the composition of a Performance Audit Committee entirely.

Section 14(3)(a) of the Municipal Planning and Performance Management Regulations requires that the Performance Audit Committee of a Municipality must meet at least twice during each financial year. However, additional special meetings of the Performance Audit Committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Municipal Planning and Performance Management Regulation.

2.10.1 Functions of the Performance Audit Committee

In terms of Section 14(4)(a) of the Municipal Planning and Performance Management Regulations the performance audit committee has amongst others the responsibility to -

- i) review the quarterly reports produced and submitted by the internal audit process;
- ii) review the Municipality’s performance management system and make recommendations in this regard to the Council of the Municipality; and
- iii) at least twice during each financial year submit a performance audit report to the Council of the Municipality.

2.10.2 Members of the Performance Audit Committee

The following table indicates the members of the Performance Audit Committee:

Name of representative	Capacity
Omar Valley	Member
Charles Beukes	Member
Nico Smit	Member

Table 41: Members of the Performance Audit Committee

2.11 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, 1996 and other statutory enactments all impose an obligation on local government 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:

Newsletters

Type of Newsletter	Distributed
Internal	Monthly
External	Monthly

Table 42: Newsletter

Awareness Campaigns

Topic	Dates	Target Groups
Outreach Programme (Municipal Services)	Continuous	General public - ratepayers and general enquiries
Mayoral Service Delivery Oversight Campaign	Continuous	Internal - Municipal Technical teams and Senior Management
16 Days of Activism	25 November - 10 December	General Public
COVID-19 Awareness Campaign	Continuous	General Public
Women day	10/11 August	Women

Table 43: Awareness Campaigns

Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes
Call system and whatsapp	Yes

Table 44: Additional Communication Channels Utilised

2.12 WEBSITE

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

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

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

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

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2019/20	Yes
Adjusted Budget 2019/20	Yes
Asset Management Policy	Yes
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
Virement Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP 2019/20	Yes
Budget and Treasury Office Structure	No
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2019/20	Yes
IDP Process Plan for 2019/20	Yes
Supply Chain Management (Sections 14(2), 33, 37 & 75(1)(e) & (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long term borrowing contracts	Yes
SCM contracts above R30 000	Yes
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	Yes
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2018/19	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the MSA)	



Description of information and/or document	Yes/No
LED Strategy	Yes
LED Policy Framework	No
Economic Profile	No
LED projects	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of MSA	Yes

Table 45: Website Checklist



CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2019/20 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

3.1 OVERVIEW OF PERFORMANCE WITHIN 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 effectiveness and the impact of service delivery by the Municipality.

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

The Constitution of South Africa, Section 152, dealing with the objectives of local government paves the way for performance management with 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
- And 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 Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery Budget Implementation Plan (SDBIP).

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 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 roles of the different role players. "Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.



3.1.1 Legislative Requirements

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 performance in 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 Organisational Performance

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

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

3.1.3 Performance Management System Used in the Financial Year 2019/20

a) *Adoption of a Performance Management Framework*

The Municipality reviewed a performance framework in the 2019/20 financial year and was approved by Council on 31 May 2019.

b) *The IDP and the Budget*

The reviewed IDP for 2019/20 and the budget for 2019/20 were approved by Council on 31 May 2019. The IDP process and the performance management processes 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.

c) *The Service Delivery Budget Implementation Plan*

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the SDBIP at directorate and departmental levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.



The MFMA Circular No. 13 prescribes that:

- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months
- The SDBIP should form the basis for measuring the performance against goals set during the budget/IDP processes

The SDBIP were prepared as per legislation and the Top Layer SDBIP was approved by the Executive Mayor on 28 June 2019. The Top Layer SDBIP was revised with the Adjustment Budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and an adjusted Top Layer SDBIP was approved by the Council on 28 February 2020.

d) *The Municipal Scorecard (Top Layer SDBIP)*

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council/senior management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- One-year detailed plan
- Monthly projections of revenue to be collected (not billed) for each source
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Output not input / internal management objectives
- Level and standard of service being provided to the community
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):

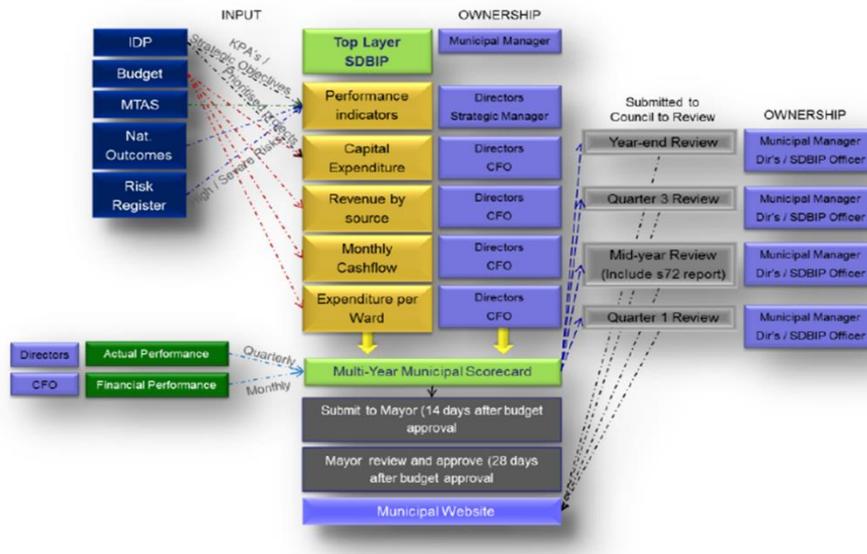


Figure 1: Components of the Municipal Scorecard (Top Layer)

Top Layer KPI's were prepared based on the following:

- Key Performance Indicators (KPI's) for the programmes/activities identified to address the strategic objectives as documented in the IDP
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements

e) Actual Performance

The Municipality utilizes 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
- The output/outcome of achieving the KPI
- The calculation of the actual performance reported (if %)
- 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 updated.



3.1.4 Performance Management

(a) Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved on 28 June 2019
- The web-based system sent automated e-mails to the users of the system as a reminder for updating their actual performance against key performance indicator targets every month for the previous month's performance
- Additionally, the performance system administrator reminded all departments on a monthly basis to update their actual performance on the web-based system

(b) Individual Performance Management - Municipal Managers and Managers directly accountable to the Municipal Manager

The MSA prescribes that the Municipality must enter into performance based agreements with all s57 managers 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 2019/20 financial were signed during 24 July 2019.

The appraisal of the performance in terms of the signed agreements takes place twice per annum as regulated.

During the 2019/20 financial year, no appraisals were done due to the fact that Senior Managers were only were only acting/ appointed on a temporary basis. Therefore, there where no Senior Managers to evaluate for this period.

The appraisal is done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Performance Audit Committee
- Municipal Manager from another municipality



3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2019/20

3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality’s strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

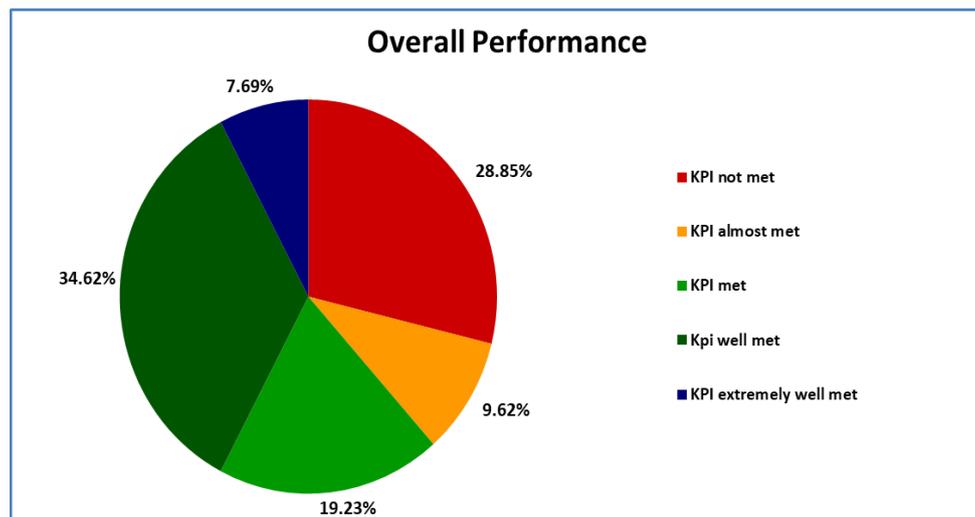
In the paragraphs below the performance achieved is illustrated against the Top layer SDBIP according to the IDP (strategic) objectives.

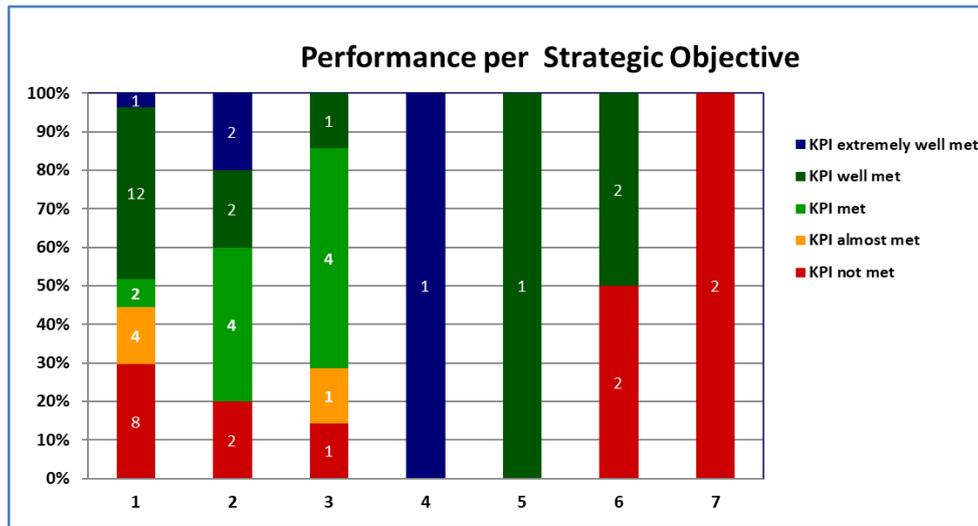
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi’s) of the SDBIP is measured:

Category	Colour	Explanation
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

Figure 2: SDBIP Measurement Criteria

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the tables and graphs below:





Graph 4: Top Layer SDBIP per Strategic Objectives

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7	Total
	Improve and sustain basic service delivery and infrastructure development	Financial viability and economically sustainability	Good governance, community development & public participation	Facilitate, expand and nurture sustainable economic growth and eradicate poverty	Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade	To facilitate social cohesion, safe and healthy communities	Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council	
KPI Not Met	8	2	1	0	0	2	2	15
KPI Almost Met	4	0	1	0	0	0	0	5
KPI Met	2	4	4	0	0	0	0	10
KPI Well Met	12	2	1	0	1	2	0	18
KPI Extremely Well Met	1	2	0	1	0	0	0	4
Total	27	10	7	1	1	4	2	52

Table 46: Top Layer SDBIP per Strategic Objectives

a) *Improve and sustain basic service delivery and infrastructure development*

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL2	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2020 (Actual amount spent on capital projects/Total amount budgeted for capital projects)x100	% of the municipal capital budget actually spent on capital projects as at 30 June 2020	All	98.69%	0.00%	20.00%	60.00%	90.00%	90.00%	58.11%	R
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									
TL3	90% of the approved capital budget spent for the upgrade of the Clanwilliam Sports Field by 30 June 2020 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2020	All	100%	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2
TL8	90% of the approved capital budget spent on phase 2 of the Lamberts Bay Housing electrification project by 30 June 2020 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2020	All	100%	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2
TL9	90% of the approved maintenance budget spent for electricity services by 30 June 2020 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2020	All	101.99%	0.00%	20.00%	60.00%	90.00%	90.00%	62.00%	R
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									
TL10	90% of the approved maintenance budget spent for roads and stormwater by 30 June 2020 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2020	All	117.79%	0.00%	20.00%	60.00%	90.00%	90.00%	67.79%	O
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL11	90% of the approved maintenance budget spent for waste water by 30 June 2020 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2020	All	97.96%	0.00%	20.00%	60.00%	90.00%	90.00%	87.96%	O
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									
TL12	100% of the MIG grant spent by 30 June 2020 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2020	All	100%	20.00%	40.00%	70.00%	100.00%	100.00%	100.00%	G
TL13	95% of the water samples comply with SANS 241 micro biological parameters {(Number of water samples that comply with SANS 241 indicators/Number of water samples tested)x100}	% of water samples complying with SANS 241 micro biological parameters	All	88.26%	95.00%	95.00%	95.00%	95.00%	95.00%	83.96%	O
Corrective action		Source funding for the upgrade of water treatment plants in the remote areas including Algeria, Leipoldville, Paleisheuvel and Wupperthal									
TL14	90% of the approved maintenance budget spent for water by 30 June 2020 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2020	All	103.54%	0.00%	20.00%	60.00%	90.00%	90.00%	98.00%	G2
TL16	90% of the approved capital budget spent for the upgrade of the electricity network within Cederberg by 30 June 2020 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2020	All	71.58%	0.00%	20.00%	60.00%	90.00%	90.00%	32.00%	R
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									
TL17	90% of the approved capital budget spent for the replacement of street lights in Cederberg by 30 June 2020 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2020	All	51.93%	0.00%	20.00%	60.00%	90.00%	90.00%	57.97%	R

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									
TL18	Limit unaccounted for water to less than 15% by 30 June 2020 {(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	All	10.31%	15.00%	15.00%	15.00%	15.00%	15.00%	11.09%	B
TL19	90% of the approved capital budget spent for the upgrade of community facilities in Cederberg by 30 June 2020 {(Actual expenditure divided by the total approved project budget) x 100}	% of budget spent by 30 June 2020	All	94.58%	0.00%	20.00%	60.00%	90.00%	90.00%	94.74%	G2
TL20	Develop 2 boreholes for Clanwilliam and 2 boreholes for Citrusdal by 30 June 2020	Number of boreholes developed by 30 June 2020	All	0	0	0	0	4	4	4	G
TL21	90% of the INEP funding for Clanwilliam spent by 30 June 2020 [(Actual expenditure on INEP funding received/total INEP funding received)x100]	% of INEP funding spent by 30 June 2020	All	New KPI for 2019/20	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2
TL22	90% of the approved capital budget spent to upgrade the Graafwater oxidation ponds by 30 June 2020 {(Actual expenditure divided by the total approved project budget) x 100}	% of budget spent by 30 June 2020	All	New KPI for 2019/20	0.00%	20.00%	60.00%	90.00%	90.00%	8.13%	R
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									
TL23	90% of the approved capital budget spent to upgrade the Graafwater raw-water infrastructure by 30 June 2020 {(Actual expenditure divided by the total approved project budget) x 100}	% of budget spent by 30 June 2020	All	New KPI for 2019/20	0.00%	20.00%	60.00%	90.00%	90.00%	17.21%	R
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL40	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2020	Number of residential properties which are billed for water or have pre paid meters	All	5 614	4 980	4 980	5 779	5 779	5 779	5 799	G2
TL41	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2020	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	7 690	7 615	7 615	7 877	7 877	7 877	7 907	G2
TL42	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2020	Number of residential properties which are billed for sewerage	All	4 586	4 315	4 315	4 758	4 758	4 758	4 780	G2
TL43	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020	Number of residential properties which are billed for refuse removal	All	5 512	4 950	4 950	5 862	5 862	5 862	5 873	G2
TL44	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2020	Number of households receiving free basic water	All	2 040	2 500	2 500	2 001	2 001	2 001	2 181	G2
TL45	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2020	Number of households receiving free basic electricity	All	2 041	2 500	2 500	2 280	2 280	2 280	2 115	O
Corrective action		Expand the indigent survey to ensure all members of the community are aware of the process and are assisted to apply									
TL46	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2020	Number of households receiving free basic sanitation services	All	1 951	2 500	2 500	1 911	1 911	1 911	2 100	G2



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL47	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2020	Number of households receiving free basic refuse removal	All	2 008	2 500	2 500	2 009	2 009	2 009	2 262	G2
TL53	Report bi-annually to Council during the 2019/20 financial year on the progress made with the implementation of the regional dump site plan as per agreement with West Coast DM	Number of reports submitted	All	1	0	1	0	1	2	0	R
Corrective action		Report will be tabled to Council in the new financial year									
TL54	90% of the approved capital budget spent for the development of boreholes in Lamberts Bay by 30 June 2020 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20	0.00%	0.00%	60.00%	90.00%	90.00%	4.80%	R
Corrective action		Due to the COVID-19 pandemic and the application of regulations and directions issued in terms of Section 27(2) of the Disaster Management Act no 57 of 2002, targets could not be reached. All projects and activities will resume with the relaxation of COVID-19 regulations									

Table 47: Improve and sustain basic service delivery and infrastructure development

b) Financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL30	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2020 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing +	% of debt coverage by 30 June 2020	All	7.99%	0.00%	0.00%	0.00%	45.00%	45.00%	5.62%	B

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20							Actual	R
					Target					Actual	R		
					Q1	Q2	Q3	Q4	Annual				
	Long Term Lease) / Total Operating Re												
TL31	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors by 30 June 2020	All	25%	0.00%	0.00%	0.00%	30.00%	30.00%	67.00%	B		
TL32	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	0.14%	0	0	0	1	1	0	R		
Corrective action		Adjustment Budget to be approved on 30th July to cut cost and limit non-core expenditure. Overtime reduction as well as salary cost											
TL33	90% of the Financial Management Grant spent by 30 June 2020 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2020	All	100%	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2		
TL34	90% of the approved capital budget spent for Fleet Management by 31 May 2020 [(Total actual expenditure / Approved capital budget for fleet management)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20	0.00%	20.00%	60.00%	90.00%	90.00%	0.00%	R		
Corrective action		Budget were adjusted during the adjustment budget											
TL35	Submit financial statements to the Auditor-General by 31 August 2019	Approved financial statements submitted to the Auditor-General by 31 August 2019	All	1	1	0	0	0	1	1	G		
TL36	Achievement of a payment percentage of 85% by 30 June 2020 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2020	All	86.74%	85.00%	85.00%	85.00%	85.00%	85.00%	85.17%	G2		
TL37	Achieve an unqualified audit opinion for the 2018/19 financial year	Unqualified Audit opinion received	All	1	0	0	1	0	1	1	G		



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL38	Submit the draft main budget to Council by 31 March 2020	Draft main budget submitted to Council by 31 March 2020	All	1	0	0	1	0	1	1	G
TL39	Submit the adjustments budget to Council by 28 February 2020	Adjustment budget submitted to Council by 28 February 2020	All	1	0	0	1	0	1	1	G

Table 48: Financial viability and economically sustainability

c) **Good governance, community development & public participation**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Complete the annual Risk Assessment and submit the strategic and operational risk register to the Risk Committee by 30 June 2020	Strategic and operational risk register submitted to the Risk Committee by 30 June 2020	All	1	0	0	0	1	1	0	R
Corrective action		The Risk assessment sessions has been planned and rescheduled for August 2020									
TL4	Develop and submit the risk based audit plan for 2020/21 to the Audit Committee by 30 June 2020	Risk based audit plan submitted to the Audit Committee by 30 June 2020	All	1	0	0	0	1	1	0.8	O
Corrective action		The Audit & Performance Audit committee members were appointed by Council at a Special Council meeting held on Thursday, 25 June 2020									
TL5	Compile and submit the draft annual report for 2018/19 to Council by 31 January 2020	Draft annual report for 2018/19 submitted to Council by 31 January 2020	All	1	0	0	1	0	1	1	G
TL6	Compile and submit the final annual report and oversight report for 2018/19 to Council by 31 March 2020	Final annual report and oversight report for 2018/19 submitted to Council by 31 March 2020	All	1	0	0	1	0	1	1	G
TL7	Submit the final reviewed IDP to Council by 31 May 2020	Final IDP submitted to Council by 31 May 2020	All	1	0	0	0	1	1	1	G
TL28	90% of the approved maintenance budget spent for municipal buildings by 30 June 2020 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2020	All	97.93%	0.00%	20.00%	60.00%	90.00%	90.00%	95.78%	G2

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL29	Address 100% of ICT Audit findings by 30 June 2020	% of Audit findings addressed by 30 June 2020	All	100%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	G

Table 49: Good governance, community development & public participation

d) Facilitate, expand and nurture sustainable economic growth and eradicate poverty

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL50	Create 200 jobs opportunities in terms of EPWP by 30 June 2020	Number of job opportunities created in terms of EPWP by 30 June 2020	All	200	0	0	0	200	200	394	B

Table 50: Facilitate, expand and nurture sustainable economic growth and eradicate poverty

e) Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL24	Construct 84 top structures in Lamberts Bay Pr.No.114 by 30 June 2020	Number of top structures constructed by 30 June 2020	All	100	0	0	0	84	84	106	G2

Table 51: Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade

f) To facilitate social cohesion, safe and healthy communities

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL48	Develop a Social Development Framework and submit to Council by 30 June 2020	Social Development Framework submitted to Council by 30 June 2020	All	New KPI for 2019/20	0	0	0	1	1	0	R
Corrective action		Report will be tabled to Council in the new financial year									
TL49	Spend 90% of the approved project budget to assist vulnerable groups by 30 June 2020 [(Total expenditure on project/ Approved budget for the project)x100]	% of budget spent by 30 June 2020	All	100%	0.00%	20.00%	60.00%	90.00%	90.00%	41.85%	R

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20							Actual	R
					Target					Actual	R		
					Q1	Q2	Q3	Q4	Annual				
Corrective action		Management to ensure that spending is in line with the procurement plans											
TL51	90% of the approved capital budget spent to upgrade the vehicle test centre equipment in Clanwilliam by 30 June 2020 [(Total actual expenditure / Approved capital budget for the project)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2		
TL52	90% of the approved capital budget spent to upgrade the vehicle test centre equipment in Citrusdal by 30 June 2020 [(Total actual expenditure / Approved capital budget for the project)x100]	% of budget spent by 30 June 2020	All	New KPI for 2019/20	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2		

Table 52: To facilitate social cohesion, safe and healthy communities

g) Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2018/19	Overall Performance 2019/20							Actual	R
					Target					Actual	R		
					Q1	Q2	Q3	Q4	Annual				
TL25	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan as at 30 June	Number of people employed	All	1	0	0	0	1	1	0	R		
Corrective action		The position of the Municipal Manager was advertised in the 2019/20 financial year and appointment was made on 1 July 2020											
TL26	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2020 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2020 (Actual amount spent on training/total personnel budget)x100	All	0.84%	0.00%	0.00%	0.00%	0.50%	0.50%	0.15%	R		
Corrective action		Training could not take place as per the Workplace Skills Plan due to the COVID-19 pandemic. Training will resume as soon as possible											

Table 53: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council



3.2.2 Service Providers Strategic 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 into a service delivery agreement. A service provider:

- means a person or institution or any combination of persons and institutions which provide a municipal service to or for the benefit of the local community
- means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- service delivery agreement means an 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.

3.2.3 Municipal Functions

a) Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting services	MOU with District
Local tourism	Yes
Municipal airports	Yes
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	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No

Municipal Function	Municipal Function Yes / 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 sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlors 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	No
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 54: Functional Areas

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 WATER PROVISION

3.3.1 Introduction to Water Services

Water is probably the most fundamental and indispensable of natural resources - fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to portable water supply systems and domestic waste water and sewerage disposal systems as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 metres of a household. As a result of the drought situation in the Western Cape, Cederberg Municipality was compelled to conduct an assessment of the various bulk water supply systems. Surface water provision was at risk and assistance from the Department of Local Government was requested. With their funding support, exploration of boreholes was initiated.

3.3.2 Highlights: Water Services

The table below specifies the highlights for the year:

Highlights	Description
Construction of 1.5ML reservoir	The construction of a 1.5ML reservoir was completed to upgrade the storage capacity in Graafwater
Borehole development - Clanwilliam	Two boreholes were developed and connected to the Jan Dissels watercourse that discharge into the Jan Dissels Reservoir. From here the water is pumped to the Clanwilliam main supply 3ML Reservoir. Each borehole is equipped with a solar panel for electricity supply
Borehole development - Citrusdal	Two boreholes were developed to supplement the bulk water to Citrusdal. The one borehole was equipped with a solar energy supply system and the other with Eskom electrical supply

Table 55: Water Services Highlights



3.3.3 Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Water quality failures from the Clanwilliam Dam during low water levels of the dam. No infrastructure to purify drinking water to acceptable standards as per SANS 241	The project is registered under a Regional Bulk Infrastructure Grant (RBIG), but the Municipality is not in a position to contribute the required co-funding. The proposal will be re-submitted to the Department of Water and Sanitation (DWS) to waver the co-funding
Unwillingness of farmers at Lamberts Bay to allow Cederberg Municipality to develop additional boreholes on their land	Schedule 1: Permissible use of water is described in the National Water Act (Act 36 of 1998). The Municipality is compelled to react in terms of the above-mentioned Act to establish an agreement with the farmers. As a result of the COVID-19 epidemic no meetings could take place between stakeholders, but Cederberg Municipality submitted a concept agreement to the farmers to enable them to peruse and comment where applicable
To provide sustainable drinking water to rural areas during peak season	The Municipality must appoint a consultant to conduct research and compile a feasibility report
Upgrade and completion of water treatment facilities are delayed because of funding restrictions	Re-submission for funding will be provided to DWS and the Department of Local Government
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	Business plan for funding was submitted to DWS and the outcome was that funding will be availed during 2021/22 for the construction of a 3ML reservoir
Funding requirements to complete the desalination plant at Lamberts Bay	The application for funding is pending with the DWS although the funding allocation was presented in the Government Gasette

Table 56: Water Services Challenges

3.3.4 Service Delivery Levels: Water Services

Below is a table that specifies the different water service delivery levels per household for the financial years 2018/19 and 2019/20:

Description	2018/19	2019/20
	Actual	Actual
Household		
Water: (above minimum level)		
Piped water inside dwelling	5 614	5 799
Piped water inside yard (but not in dwelling)	1 410	1 410
Using public tap (within 200m from dwelling)	111	111
Other water supply (within 200m)	0	0
Minimum Service Level and Above Sub-total	7 135	7 320
Minimum Service Level and Above Percentage	98.44%	98.48%
Water: (below minimum level)		

Description	2018/19	2019/20
	Actual	Actual
Household		
Water: (above minimum level)		
Using public tap (more than 200m from dwelling)	1 252	1 252
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Sub-total	1 252	1 252
Below Minimum Service Level Percentage	14.92%	14.60%
Total number of Households (formal and informal)	8 387	8 572
<i>Include informal settlements</i>		

Table 57: Water Service Delivery Levels: Households

3.3.5 Employees: Water Services

The following table indicates the staff composition for this division:

Employees: Water Services					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	15	13	2	13.3
4 - 6	3	11	3	8	72
7 - 9	7	9	6	3	33.3
10 - 12	3	3	3	0	0
13 - 15	2	3	1	2	66.6
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	27	46	26	18	39.1

Table 58: Employees: Water Services

3.3.6 Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Citrusdal boreholes rehabilitation (Drought Relief Grant)	0	1 043 478	1 208 438	116%
Clanwilliam boreholes (Drought Relief Grant)	0	2 000 000	2 030 818	102%
Desalination Plant (Drought Relief Grant)	0	233 729	0	0%
Fencing high pressure reservoir Citrusdal	300 000	431 160	431 160	100%
Generator - Amber road	145 000	0	0	0%
New building chlor gas Citrusdal	60 000	0	0	0%
New building toilette Citrusdal	26 250	0	0	0%
Office Furniture/Equipment Clanwilliam	7 500	13 304	13 817	104%
Reseal of reservoir Citrusdal	150 000	-	-	0%
Water Equipment Citrusdal	-	1 950	-	0%
Water Equipment Clanwilliam	50 000	92 485	91 185	(99%)
Water: Equipment	40 000	145 842	177 997	122%
Water: Equipment Elands Bay & Lamberts Bay	0	69 963	50 913	(73%)
Water: Equipment Graafwater	0	650	0	0%
WSIG: Lamberts Bay borehole development	8 695 652	8 695 652	448 150	(5%)
WSIG: Upgrade of Graafwater raw water infrastructure	8 695 652	8 695 652	1 521 721	(17%)

Table 59: Capital Expenditure 2019/20: Water Services

3.4 WASTE WATER (SANITATION) PROVISION

The DWS commenced with the regulation of water services in South Africa as early as 2004, but intensified this approach with the introduction of the much celebrated incentive-based regulatory approaches which includes the Green Drop and the newly introduced No Drop Certification programmes. These programmes excelled beyond expectations since it stimulated politicians. Despite the good efforts it remains a massive challenge for Cederberg Municipality to comply with all standards set by local government. The funding requirement to address the infrastructure backlogs in the waste water sector deteriorates every year as a result of an increase of the inflation rate. However, Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems, domestic waste water and sewerage disposal systems as a local government function. Cederberg Municipality

would like to enhance the backlog eradication in order to improve the overall compliance in operations and management.

3.4.1 Highlights: Waste Water (Sanitation) Provision

The table below specify the highlight for the year:

Highlight	Description
Desludging of Citrusdal Waste Water Treatment Works (WWTW)	The existing Citrusdal WWTW is overloaded with sewer sludge and the project was initiated to conduct desludging and transport sludge to Lamberts Bay WWTW. This improves final effluent discharging into the Olifants River

Table 60: Waste Water (Sanitation) Provision Highlights

3.4.2 Challenges: Waste Water (Sanitation) Provision

The table below specify the challenge for the year:

Description	Actions to address
Funding constraints to complete the Citrusdal WWTW	Re-submission of funding application to DWS and Department of Local Government to support the Municipality to alleviate the risks. Additional funding will enable the Municipality to complete the capital infrastructure in order to adhere to the general and/or special authorization compliance limits

Table 61: Waste Water (Sanitation) Provision Challenges

3.4.3 Service Delivery Levels: Waste Water (Sanitation) Provision

Below is a table that specifies the different sanitation service delivery levels per household for the financial years 2018/19 and 2019/20:

Description	2018/19	2019/20
	Actual	Actual
Household		
Sanitation/Sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	4 586	4 780
Flush Toilet (with Septic tank)	514	512
Chemical Toilet	20	20
Pit Toilet (ventilated)	0	0
Other toilet provisions (above minimum service level)	379	379
Minimum Service Level and Above Sub-Total	5 499	5 693
Minimum Service Level and Above Percentage	83.39%	84%
Bucket Toilet		
Bucket Toilet	0	0

Description	2018/19	2019/20
	Actual	Actual
Household		
Sanitation/Sewerage: (above minimum level)		
Other Toilet provisions (below minimum service level)	0	0
No toilet provisions	2 152	2 152
Below Minimum Service Level Sub-Total	2 152	2 152
Below Minimum Service Level Percentage	28.13%	27.43%
Total number of households	7 651	7 845

Table 62: Waste Water (Sanitation) Provision Service Delivery Levels

3.4.4 Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Employees: Sanitation Services					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	14	23	12	11	47.8
4 - 6	2	10	3	7	70
7 - 9	4	5	2	3	60
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	20	39	17	22	56.4

Table 63: Employees Waste Water (Sanitation) Provision

3.4.5 Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Elands Bay stormwater pipe	70 000	0	0	0%
MIG: Citrusdal new WWTW	0	3 106 217	3 363 278	108%
Office furniture/ equipment Clanwilliam	7 500	6 937	6 401	(92%)

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Purchase of land: Graafwater oxidation ponds	0	200 000	200 000	100%
Sewerage: Equipment Citrusdal	50 000	36 645	36 645	100%
Sewerage: Equipment Clanwilliam	10 000	0	0	0%
Sewerage: Equipment Elands Bay	75 000	11 673	37 209	319%
Sewerage: Equipment Graafwater	50 000	26 780	26 780	100%
Sewerage: Equipment Lamberts Bay	100 000	82 901	27 845	(34%)
Sewerage: Infrastructure Lamberts Bay	500 000	0	0	0%
Upgrade of sewerage pump station	65 000	44 801	42 561	(95%)
Upgrade of sewerage pump station Lamberts Bay	125 000	0	0	0%
WSIG: Upgrade of Graafwater oxidation ponds	8 695 652	8 695 652	1 562 449	(18%)

Table 64: Capital Expenditure 2019/20: Waste Water (Sanitation) Provision

3.5 ELECTRICITY

3.5.1 Introduction to Electricity

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.

Service Backlogs

The Municipality cannot allow any development in Clanwilliam due to a shortage of electricity from the Eskom bulk intake point. Negotiations between Eskom and the Municipality are on-going. The Department of Mineral Resources and Energy (DMRE) committed a contribution of 40% of the cost to build a 66 KV line and substation. Negotiations with other departments to secure the additional funding are in progress.

Infrastructure

The Municipality is responsible for the distribution of electricity in all urban areas including Clanwilliam, Citrusdal, Lamberts Bay, Elands Bay and Graafwater. Eskom distributes electricity to the areas not serviced by the Municipality.



3.5.2 Highlights: Electricity

The table below specifies the highlights for the year:

Highlights	Description
Elands Bay walkway	Streetlights were installed next to the walkway in Elands Bay to enhance the safety of the pedestrians
Electrification of low-cost houses in Lamberts Bay	180 Low-cost houses received electricity for the first time and 400 plots were fully serviced and ready for connections. Streetlights were also installed
Upgrade of bulk electrical supply in Lamberts Bay	Building of a 11KV switch station and upgrade of the MV network to ensure a better supply

Table 65: Electricity Highlights

3.5.3 Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Insufficient staff	Appoint more qualified personal
Insufficient bulk capacity in Clanwilliam	The construction of the 66KV line is in process. However, additional funds must be sourced to complete the line and to build a new substation in Clanwilliam

Table 66: Electricity Challenges

3.5.4 Service Delivery Levels: Electricity

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

Description	Households	
	2018/19	2019/20
	Actual	Actual
	No.	No.
	Households	
Electricity	7 690	7 873
Total number of households	10 200	10 486
<i>Number of debtors according to the billing system</i>		

Table 67: Electricity Service Delivery Levels

3.5.5 Employees: Electricity

The following table indicates the staff composition for this division:

Employees: Electricity Services					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	6	10	5	5	50
7 - 9	3	7	3	4	57.1
10 - 12	4	4	4	0	0
13 - 15	1	0	0	0	0
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	14	22	13	9	40.9

Table 68: Employees: Electricity Services

3.5.6 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Electricity: Equipment	100 000	17 441	17 441	100%
Electricity: Office furniture/equipment	0	940	939	100%
Electricity: Upgrade network	150 000	283 609	247 660	(87%)
Electrification of low-cost houses - Lamberts Bay Ph1 & 2 - co-funding	700 000	891 596	806 400	(90%)
Generator (Citrusdal - Boschklouf boreholes)	0	29 094	0	0%
INEP - Bulk electricity upgrade - Clanwilliam	4 637 217	4 637 217	4 636 333	100%
INEP - electrification of low-cost houses - Lamberts Bay Ph1 & 2	3 747 130	3 747 130	3 747 130	100%
MIG: New street lighting for housing Ph1 - Lamberts Bay	0	407 997	407 996	100%
MIG: New street lighting for housing Ph2 - Lamberts Bay	0	1 102 420	1 102 373	100%
MIG: New street lighting for housing Riverview - Citrusdal	0	210 309	210 308	100%

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Replacement of streetlights - Elands Bay	100 000	0	0	0%
Streetlights and spotlights	225 000	191 000	162 297	(85%)
Streetlights - Graafwater	37 500	37 500	22 295	(59%)

Table 69: Capital Expenditure 2019/20: Electricity

3.6 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

3.6.1 Introduction to Waste Management

The fragmented and uncoordinated way pollution and waste has been dealt with, as well as insufficient resources to implement and monitor existing legislation, contributes largely to the unacceptably high levels of pollution and waste in South Africa. Through the promulgation and implementation of various pieces of policies, legislation, standards and guidelines, as well as the implementation of co-operative governance as envisaged in the Constitution this situation will be improved. The current fragmentation, duplication and lack of co-ordination will be eliminated.

Pollution and waste management is not the exclusive preserve of government. The private sector and civil society have crucial roles to play. The fostering of partnerships between government and the private sector is a prerequisite for sustainable and effective pollution and waste management to take place. Similarly, the spirit of partnerships and co-operative governance between organs of state is equally important due to the cross-cutting nature of pollution and waste management.

3.6.2 Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
Illegal dumping	Awareness campaigns, distribution of pamphlets and cleaning areas
Develop Recycling Implementation Plan	Council adopted the plan to implement recycling and avail land to the recyclers
Registration on Integrated Pollution and Waste Information System (IPWIS)	Electronic collection of data on the waste disposal facilities (WDFs)

Table 70: Waste Management Highlights

3.6.3 Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Insufficient refuse equipment	Budgetary provision must be made to replace old equipment and trucks
Waste removal: Informal settlements	Distribution of refuse bag to the community and collection of refuse

Table 71: Waste Management Challenges

3.6.4 Service Delivery Levels: Waste Management

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

Description	Households	
	2018/19	2019/20
	Actual	Actual
	No.	No.
<i>Solid Waste Removal: (Minimum level)</i>		
Removed at least once a week	5 512	5 512
<i>Minimum Service Level and Above sub-total</i>	5 512	5 512
<i>Minimum Service Level and Above percentage</i>	100%	100%
<i>Solid Waste Removal: (Below minimum level)</i>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level percentage</i>	0%	0%
Total number of households	5 512	5 512

Table 72: Waste Management Service Delivery Levels

3.6.5 Employees: Waste Management

The following table indicates the staff composition for this division:

Employees: Solid Waste Services					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	30	32	32	0	0
4 - 6	2	4	0	4	100
7 - 9	7	12	9	3	25
10 - 12	0	2	0	2	100
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	40	51	42	9	17.6

Table 73: Employees: Waste Management

3.6.6 Capital: Waste Management

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Building dump site - Clanwilliam	90 000	57 306	56 755	(99%)
Fencing dump site - Clanwilliam	30 000	0	0	0%
Fencing dump site - Citrusdal	100 000	0	0	0%
Office furniture & equipment dump site - Citrusdal	34 500	0	0	0%
Purchase of lockers	40 000	0	0	0%
Refuse: Equipment Clanwilliam	50 000	1 392	1 391	100%

Table 74: Capital Expenditure 2019/20: Waste Management

3.7 HOUSING

3.7.1 Introduction to Housing

Housing need:

The need for an integrated residential development approach that address the whole spectrum of residential needs has been identified and the following main combined income categories have been considered:

A. Full Subsidy Housing Opportunities

Description	R per month
Top Structure	R0 - R3 500
Service Site	R3 501 - R7 000

Table 75: Subsidy Housing Opportunities

B. Finance Linked Subsidy Housing Opportunity

Gap/ Finance Linked Individual Subsidy Programme (FLISP) housing with approved home loan R7 000 - R22 000 per month.

Given the strategic decision to focus on subsidy and gap housing, the needs can be summarized as follows:

Description	Number
Subsidy	4 005
Gap	1 257

Table 76: Housing Needs

3.7.2 Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Housing deliveries	184 Units transferred to beneficiaries
Cederberg mortgages	50 Cancellations of mortgages in favour of the Municipality cancelled - transfer of title deeds to follow soon
#Nolitterinmyarea campaign	Clean-up campaign in Khayelitsha informal settlement
Handover of title deeds	239 Title deeds were transferred in Cederberg
COVID-19 homeless shelter	Securing 21 homeless people under lockdown regulations
Food relief project during COVID-19	Assisting 5 000 vulnerable households with vegetable parcels

Table 77: Housing Highlights

3.7.3 Challenges: Housing

The table below specifies the challenges for the year:

Description	Actions to address
Influx of illegal residents	The Municipality is in the process of developing an Informal Settlement Policy in order to address the issue
Insufficient bulk infrastructure	The Municipality must follow a strategic approach to accelerate the upgrade of bulk infrastructure
Backlog of title deeds	The Title Deeds Restoration Program should be accelerated

Table 78: Housing Challenges

3.7.4 Service Delivery Levels

Applicants on the Western Cape Housing Demand Database (waiting list) as per income category

Category	R per month	Number
Full Subsidy	R0 - R3 500	4 018
Service Site	R3 501 - R7 000	808
FLISP	R7001 - R22 000	650

Table 79: Applicants on the Western Cape Housing Demand Database

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2018/19	5 262	(18.2%)
2019/20	5 476	4%

Table 80: Housing Waiting List

A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2018/19	44 021	43 578	98.99%	184	356
2019/20	3 903	3 387	97.99%	0	240

Table 81: Houses Built and Sites Service

3.7.5 Employees: Housing

The following table indicates the staff composition for this division:

Employees: Housing					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalentents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	2	2	0	0
10 - 12	2	3	3	0	0
13 - 15	1	2	1	1	50
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	7	6	1	14.2

Table 82: Employees: Housing

3.7.6 Capital: Housing

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
HSDG - Riverview: Upgrade existing main bus routes (Ph1)	0	672 922	672 922	100%
Office Furniture - Clanwilliam	10 000	0	0	0%
Office Furniture - Citrusdal	10 000	0	0	0%
Office Furniture - Lamberts Bay	5 000	0	0	0%

Table 83: Capital Expenditure 2019/20: Housing

3.8 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.8.1 Introduction

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than R3 600 per month will receive the free basic services as prescribed by national policy. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years.

The table below indicates that 25.55% of the total number of households received free basic services in 2019/20 financial year:

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	%
2018/19	2 041	2 041	100%	2 040	99%	1 951	95.5%	2 008	98%
2019/20	2 262	2 115	93%	2 251	99%	2 160	95.4%	2 262	100%

Table 84: Free Basic Services to Indigent 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			R			R
2018/19	2 041	50	132 215	7 690	200	3 306 204	22	120	188 765
2019/20	2 115	50	134 704	7 907	200	3 626 056	22	120	190 653

Table 85: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R			R
2018/19	2 040	6	14 229	5 614	20	617 993
2019/20	2 251	6	15 701	5 799	20	669 969

Table 86: 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	R value per HH	Value
			R			R
2018/19	1 951	172	335 572	4 586	206	538 896

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R			R
2019/20	2 160	190	410 400	4 780	220	561 963

Table 87: 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	R value per HH	Value
			R			R
2018/19	2 008	130	261 040	5 512	130	478 400
2019/20	2 262	153	346 086	5 873	153	552 483

Table 88: Free Basic Refuse Removal Services to Indigent Households

Financial Performance 2019/20: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2018/19	2019/20		
	Actual	Budget	Adjustment Budget	Actual
	R			
Water	894 976	961 099	961 099	896 080
Sanitation	3 363 793	3 562 057	3 562 057	3 578 558
Electricity	67 574	78 202	262 877	64 264
Refuse	420 366	450 143	450 143	422 514

Table 89: Cost to Municipality of Free Basic Services Delivered



COMPONENT B: ROAD TRANSPORT

3.9 ROADS AND STORMWATER

3.9.1 Introduction to Roads and Stormwater

Cederberg Municipality has a Pavement Management System (PMS) which was compiled in 2013. This document comprises of network level proposals for the maintenance of paved and unpaved roads in the municipal area, through an assessment of the network based on methodical visual ratings of each road section. Although it was envisaged that the PMS would be updated every two years, there is still a major backlog in the total length of the network which requires upgrading or rehabilitation. This backlog is as a result of limited funding provisions for operations and maintenance of infrastructure over the years.

The total length of our paved network is 101km. The average condition of the network can be rated as poor to very poor, with more than 50% of the surfacing in the poor to very poor category.

The total unpaved network is 18km. The average condition of the unpaved network can be rated as fair to poor.

The Citrusdal Upgrade Roads and Stormwater Infrastructure Project was registered with the Municipal Infrastructure Grant (MIG) following prioritisation through the PMS. The total project estimate at project registration was R61 180 161. The MIG registered amount is R38 543 501, which requires counter-funding by the Municipality of R22 636 660. R31 million has been spent to date on the project with the implementation of Phases 1 to 4.

In the financial year under review, Phase 4 of this Citrusdal multi-year roads and storm water project was implemented and R9 332 665 was spent from the MIG allocation.

The objective of Phase 4, implemented in the 2019/20 financial year, was to rehabilitate the existing roads in Oranjeville in the town of Citrusdal, by means of repairing base failures with a 100mm Emulsion treated base (ETB) patch, resurfacing the roads with a 30mm asphalt overlay and constructing a new road (Canna Avenue). Other ancillary work such as replacing kerbs, road signs and markings were performed.

- 30mm Asphalt overlay: Fuchia Street (248m)
- 30mm Asphalt overlay: Eureka Street (261m)
- 30mm Asphalt overlay: Disa Street (275m)
- 30mm Asphalt overlay: Clarkia Street (262m)
- 30mm Asphalt overlay: Botterblom Street (218m)
- 30mm Asphalt overlay: Anemoon Street (324m)
- 30mm Asphalt overlay: Eike Street (475m)
- 30mm Asphalt overlay: Denne Street (215m)
- 30mm Asphalt overlay: Cedar Street (215m)
- 30mm Asphalt overlay: Bohemia Street (234m)
- 30mm Asphalt overlay: Akasia Street (190m)



- Repair of bituminous treated base (BTB) failures with ETB: Titus Street (344m)
- Repair of BTB failures: Kooperasie Street (220m)
- New road construction: Canna Street (115m)

It is a challenge to secure sufficient funding for the maintenance of our roads, therefore the Municipality utilises the Expanded Public Works Programme (EPWP) for most of the yearly maintenance programmes. Approximately R 100 689 was spent from own funds on the maintenance and rehabilitation of roads and stormwater in the 2019/20 financial year.

The Municipality’s stormwater drainage network consists of 31km of a piped system and open drainage channels. The drainage system of Citrusdal is the poorest and this is being addressed with the MIG project currently being implemented for the upgrade of roads and stormwater infrastructure. Maintenance and cleaning of the existing stormwater system is conducted on an annual basis to alleviate blockages that cause flooding.

3.9.2 Highlights: Roads and Stormwater

The table below specify the highlight for the year:

Highlight	Description
Completed the rehabilitation of roads in Oranjeville, Citrusdal (Phase 4)	30mm Asphalt overlay of 3.5 km of roads in Oranjeville and construction of new road (Canna Street: 115 m)

Table 90: Roads and Stormwater Highlights

3.9.3 Challenges: Roads and Stormwater

The table below specify the challenge for the year:

Description	Actions to address
PMS and Rural Roads Asset Management System (RRAMS) have identified roads requiring upgrades and repairs. Estimated costs require revision and budget secured for the implementation of recommendations	Utilise available PMS and RRAMS to identify roads requiring work to re-estimate costs required and budget accordingly or apply for funding

Table 91: Roads and Stormwater Challenge

3.9.4 Service Delivery Levels and Statistics: Roads

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

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads (km)	New gravel roads constructed (km)	Gravel roads upgraded to tar (km)	Gravel roads graded/maintained (km)
2018/19	18	1.75	0	2
2019/20	18	0	0.12	0.16

Table 92: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads (km)	New tar roads (km)	Existing tar roads re-tarred (km)	Existing tar roads re-sheeted (km)	Tar roads maintained (km)
2018/19	101	5.26	0.71	0.645	4
2019/20	106	0.12	3.5	0	2

Table 93: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
	R'000	R'000	R'000	R'000	R'000	R'000
2018/19	0	0	0	34 324	4 371	2 600
2019/20	0	0	0	9 333	0	101

Table 94: Cost of Construction/Maintenance of Roads

3.9.5 Services Delivery Levels and Statistics: Stormwater

The table below shows the total kilometers of stormwater system maintained and upgraded, as well as the kilometers of new stormwater pipes installed:

Stormwater Infrastructure: Kilometres				
Year	Total stormwater measures (km)	New stormwater measures (km)	Stormwater measures upgraded (km)	Stormwater measures maintained (km)
2018/19	31	2.06	0	3
2019/20	31	0	0	12

Table 95: Stormwater Services Delivery Statistics

The table below indicates the amount of money spend on stormwater projects:

Stormwater Measures			
Year	New	Upgraded	Maintained
2018/19	1 200 000	0	270 290
2019/20	0	0	101 000

Table 96: Stormwater Services Delivery Statistics - Financials

3.9.6 Employees: Roads

The following table indicates the staff composition for this division:

Employees: Roads					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	23	25	21	4	16
4 - 6	1	9	1	8	88.8
7 - 9	9	11	9	2	18.1
10 - 12	0	0	0	0	0
13 - 15	1	1	0	1	100
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	35	47	32	15	31.9

Table 97: Employees: Roads

3.9.7 Employees: Stormwater

The following table indicates the staff composition for this division:

Employees: Stormwater					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	3	3	0	0

Table 98: Employees: Waste Water (Stormwater)

3.9.8 Capital: Roads and Stormwater

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Infrastructure services - Roads - Clanwilliam	180 000	0	0	0%
Roads: Equipment - Citrusdal	50 000	17 567	17 567	100%
Roads: Equipment - Clanwilliam	90 000	16 249	16 249	100%
Roads: Equipment Graafwater	90 000	9 980	9 980	100%
Roads: Equipment - Lamberts Bay	90 000	34 673	17 236	(50%)
Speedbumps Dwars Street & Skool Street - Clanwilliam	45 000	40 406	40 406	100%
Upgrade sidewalks Annemoon Ave - Citrusdal	50 000	0	0	0%

Table 99: Capital Expenditure 2019/20: Roads and Stormwater

COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)

3.10 PLANNING

3.10.1 Introduction to Planning

Land use planning for Cederberg Municipality is handled by the Department of Town Planning, Building Control and Environmental Management. The 2018/19 planning challenges rolled over to the 2019/20 financial year due to budget constraints. The Municipality managed to attain and appoint an Environmental Officer. Council has approved the Cederberg Municipality Zoning Scheme By-law, which will be adopted in the 2020/21 financial year.

3.10.2 Highlights: Planning

The table below specifies the highlights for the year:

Highlights	Description
Cederberg Municipality Zoning Scheme By-law	Council has approved the Cederberg Municipality Zoning Scheme By-law that complies with Spatial Planning and Land Use Management Act (SPLUMA). The scheme will be implemented in the 2020/21 financial year
Appointment of an Environmental Officer	Appointed an Environmental Officer in June 2019 to start in July 2019 to assist the Municipality with environmental compliances
Air Quality By-law	Air Quality By-law was adopted by Council on 13 December 2019 and published in Government Gazette on 13 May 2020
Environmental Protection and Infrastructure Programmes (EPIP)	A 2019-2021 Working for the Coast Project has been established through the EPIP in order to support the



Highlights	Description
	Municipality through funding initiatives to enhance the protection of the environment
Air Quality Management Plan	The Air Quality Management Plan and Coastal Management Programme were adopted by Council on 13 December 2019
Coastal Management Programme	Coastal clean-ups were done with local schools in Lamberts Bay in February 2020 to create awareness and to ensure a clean coastal environment
Estuarine Management Plans	The final Jakkalsvlei and Wadrift Estuarine Management Plans were received by the Department of Environmental Affairs and Development Planning in October 2019 and provided to Cederberg Municipality
Awareness Programmes	Held waste awareness and litter clean-up campaign at an informal settlement in December 2019 together with Clanwilliam tourism and Crystal Waters Homeowners Association. Water saving sign boards were placed on dustbins in Clanwilliam, Citrusdal and Lamberts Bay in January 2020 as a water conservation initiative for Cederberg Recycling awareness talks were presented to local schools within Cederberg in September 2019 as well as a tree planting initiative for Arbor Month
Operational Plan for Public Launch Sites (PLS)	An operational plan for the public launch site in Elands Bay was completed in June 2020
Building Control Portal	The building control portal, Collaborator was introduced by the Red Tape Reduction Unit of the Department of Economic Development and Tourism (DEDAT) in the 2019/20 financial year to fast track building plan submissions. The main objective is to reduce the bureaucratic blockages (non-essential procedures, forms etc) to make it easier and more cost-effective to do business

Table 100: Planning Highlights

3.10.3 Challenges: Planning

The table below specifies the challenges for the year:

Description	Actions to address
Lack of human resources	Provision must be made to appoint an Administrative Assistant and a Building Control Officer
Budgetary constrains	Budgetary provision must be made to procure the necessary capital assets, i.e. vehicle for building inspector, training and attendance of workshops
Temporary offices	Moved to temporary offices that is not equipped with the necessary facilities and storage areas. Permanent space must be obtained and equipped

Table 101: Planning Challenges

3.10.4 Service Delivery Levels: Planning

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

Applications for Land Use Development				
Detail	Formalisation of Townships		Rezoning	
	2018/19	2019/20	2018/19	2019/20
Planning application received	0	0	100	82
Applications not approved	0	0	1	0
Applications closed	0	0	97	1
Applications outstanding at year end	0	0	2	4
Awaiting DEA&DP decision	0	0	1	0

Table 102: Applications for Land Use Development

Type of service	2018/19	2019/20
Building plans application processed	227	116
Total surface (m ²)	39 713	25 293
Approximate value	R187 040 861	R164 404 500
Residential extensions	6 716m ²	13 748m ²
Land use applications processed	97	89

Table 103: Additional Performance Town Planning and Building Control

3.10.5 Employees: Planning

The following table indicates the staff composition for this division:

Employees: Planning					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	1	0	1	100
10 - 12	3	5	3	2	40
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	5	8	5	3	37.5

Table 104: Employees: Planning

3.10.6 Capital: Project Management and Town Planning

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Citrusdal WWTW (acceleration of housing delivery)	0	607 007	607 007	100%
Elands Bay new pedestrian pathway lightning - MIG co-funding	117 000	117 000	86 927	(74%)
Building of vault door	30 000	0	0	0%
MIG PMU computer equipment	20 000	22 609	14 639	(65%)
MIG: Upgrade roads and stormwater infrastructure - Citrusdal	12 942 304	8 115 361	8 830 716	109%
Office furniture and equipment - Clanwilliam	10 000	0	0	0%
Town planning: Equipment	30 000	0	0	0%

Table 105: Capital Expenditure 2019/20: Project Management and Town Planning

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

3.11.1 Introduction to LED

Local Economic Development (LED) is a cross-cutting discipline and is reliant upon all the departments within the Municipality in order to be successful. The Municipality has recognised the importance of LED as a vehicle for growth and poverty alleviation and has committed itself to create an enabling environment within which economic growth and development can be achieved.

The Cederberg Municipality LED Unit is working hard to create institutional capacity and the necessary policies and procedures to ensure that LED becomes ingrained in the way that we do things in the Municipality.

3.11.2 Highlights: LED

The table below include the highlight with the implementation of the LED Strategy:

Highlight	Description
Waste management initiatives	The Municipality approved the allocation of land for various waste management initiatives, especially small businesses in waste management

Table 106: LED Highlights

3.11.3 Challenges: LED

The table below includes the challenges with the implementation of the LED Strategy:

Description	Actions to address
Lack of bulk infrastructure to support investment and economic development	The Municipality should consider the sale of unutilised land to fund bulk infrastructure
Servicing of land available for sale	The Municipality must budget annually to equip key land parcels that are to be sold/alienated with bulk services and relevant land use rights
Cederberg is not the preferred investment destination	Development of prospectus of investment opportunities with key competitive advantages highlighted, including land that is ready for development

Table 107: Challenges LED

3.11.4 Employees: LED

The following table indicates the staff composition for this division:

Employees: LED					
Job Level (T-grade)	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	2	2	2	0	0

Table 108: Employees: LED

3.12 TOURISM

3.12.1 Introduction to Tourism

The Cederberg Integrated Tourism Development and Marketing Strategy that was developed in 2013 continues to serve as the guide for all the activities of this department.

Tourism is one of the main growths and job-creating sectors in the local economy. The strategy will guide the enhancement of existing tourism products and develop new sustainable tourism commodities to achieve an optimum mix that will attract specific economy.

Five strategic objectives were identified:

Strategic Objective	Sub-Objective
<p>1. Tourism Development: Unlock the true tourism potential of the Cederberg through the development of a range of new and existing tourism products, experiences and events that fulfil visitor requirements and maximize income, contributing to LED and growth</p>	<p>1.1 Community Based Tourism: Mainstream community-based tourism initiatives by implementing a portfolio of marketable tourism products and services in hitherto marginalized, rural communities of the Cederberg e.g. Elands Bay and Wupperthal</p> <p>1.2 Catalytic Tourism Development Projects: Identify and develop new and existing portfolio of high-profile catalytic tourism products that will enhance the profile of the Cederberg as a national tourism destination of note</p> <p>1.3 Extreme Sports Tourism: Develop the Cederberg's extreme and adventure sports potential as a vibrant tourism sub-sector in the region</p> <p>1.4 Niche Tourism: Develop viable niche tourism sectors specifically birding, mountain biking routes, cultural and heritage routes, botanical/herb-tourism and agro-tourism</p> <p>1.5 Events Tourism: Develop an exciting, well-planned portfolio of major and community events that stimulates inclusive economic growth, job-creation and promote social cohesion and community development</p>
<p>2 Tourism Transformation: Create conditions conducive for genuine, bottom-up tourism transformation and specifically the inclusion of previously disadvantaged areas and individuals in the Cederberg Tourism Association industry</p>	<p>2.1 Institutional Arrangements: Review and improve the current local tourism institutional arrangements in line with national policy guidelines</p> <p>2.2 Representativeness: Develop and implement a realistic blueprint for participation and inclusion of all sectors of the community with a stake in tourism</p> <p>2.3 Compliance with relevant legislation: Establish a mechanism that will facilitate and enforce applicable laws and regulations in the local tourism industry i.e. Tourism BEE Codes, BBEE prescripts and others</p>
<p>3 Tourism Marketing: Market and promote the Cederberg area as a world class, year-round, outdoor-adventure and cultural tourism destination</p>	<p>3.1 Digital destination marketing strategy: Develop and implement a cutting-edge digital marketing strategy based on a cost-effective and efficient electronic marketing portal and website</p> <p>3.2 Media exposure: Exploit the region's media exposure to increase tourist numbers</p> <p>3.3 Information Portal: Develop a comprehensive information portal where users can access current and accurate regional tourism and related information</p> <p>3.4 Communication Strategy: Develop an internal and external communication plan to improve lines of communication to fast track tourism development</p>
<p>4. Tourism Funding and Resource Mobilization: Develop and implement a sustainable tourism funding and resource model in support of Cederberg's development, growth and marketing objectives</p>	<p>4.1 Funding of Local Tourism Office (LTO): Review and strengthen the current Municipal-LTO funding model in order to maximize marketing and development return on investment</p> <p>4.2 Resource Mobilization: Lobby national and provincial government, public entities, international funders and private companies to become partners in tourism development and marketing</p>
<p>5. Tourism Monitoring and Evaluation: Develop and implement a practical monitoring and evaluation system to monitor, review and assess the progress in tourism development and marketing</p>	<p>5.1 Tourism Research Intelligence: Set up a reliable tourism research and intelligence unit linked to a monitoring and evaluation component</p> <p>5.2 Source reliable tourism marketing statistics and development data that will assist in evaluating current initiatives and provide options for future developments</p>

Table 109: Tourism Strategic Objectives



3.12.2 Highlights: Tourism

The table below includes the highlights with the implementation of the Tourism Strategy:

Highlights	Description
Partnering with Exchange, an international support agency	The Municipality partnered with Exchange to develop a new strategic approach for tourism. The strategy focuses on attracting key events to the Cederberg region and ensure that events draw increased visitor numbers
Adventure tourism growth	Adventure tourism is drawing huge numbers because of the Cederberg mountains, beaches and natural environment

Table 110: Highlights: Tourism

3.12.3 Challenges: Tourism

The table below includes the challenges with the implementation of the Tourism Strategy:

Description	Actions to address
Governance: <ul style="list-style-type: none"> Fragmented marketing approach by tourism authorities Over-reliance on role of tourism information offices as sources of information Institutional arrangements to maximize utilization of funding 	<ul style="list-style-type: none"> The Cederberg region to be marketed under a singular brand Tourism information offices to be transformed into income-generating visitor centres that provide additional services and products and to become more attractive to a wide range of tourists Complete re-evaluation required of marketing initiatives and use of funding on overheads instead of programs and developmental initiatives
Mainstreaming of community-based tourism initiatives	Whilst there has been improvement, tourism authorities including the Municipality need to incorporate community-based tourism initiative into mainstream tourism industry, through developing a range of bankable tourist products
Emphasis on traditional tourist attractions	Given the vast range of natural assets, there are plenty of opportunities that do not receive adequate coverage. Flowers and Rooibos are already established and highly popular attractions, therefore attention needs to shift towards emerging attractions like bouldering, mountain biking, surfing and heritage tourism

Table 111: Challenges: Tourism

3.12.4 Employees: Tourism

The following table indicates the staff composition for this division:

Employees: Tourism					
Job Level (T-grade)	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	1	1	0	0

Table 112: Employees: Tourism

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.13 LIBRARIES

3.13.1 Introduction to Libraries

Cederberg Municipality have 6 libraries and 1 wheelie wagon. The libraries are in the following areas:

Town	Number of libraries
Citrusdal	1
Clanwilliam	1
Graafwater	1
Lamberts Bay	1
Elands Bay	1
Wupperthal	1
Algeria	1 Wheelie Wagon
Seekoeivlei	1 Satellite Library

Table 113: Libraries in the Municipal Area

3.13.2 Highlights: Libraries

The table below specify the highlight for the year:

Highlight	Description
Elandskloof Library	A temporary library has been opened in Elanskloof and it will be formally opened in 2020/21

Table 114: Libraries Highlights

3.13.3 Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Budgetary decrease	The Municipality have to add own funding because the Library Grant just make provision for salaries
Wupperthal Library moved to another building	Once the temporary housing project is completed, one of the structures can be used for a library

Table 115: Libraries Challenges

3.13.4 Service Statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2018/19	2019/20
Library members	6 569	10 050
Books circulated	135 569	155 136
Exhibitions held	228	216
Internet users	7 092	8 235
New library service points or wheelie wagons	1	1
Children programs	20	15
Visits by school groups	180	220
Book group meetings for adults	0	0
Primary and Secondary Book Education Sessions	8	0

Table 116: Service Statistics for Libraries

3.13.5 Employees: Library Services

The following table indicates the staff composition for this division:

Employees: Libraries					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	6	2	4	66.6
4 - 6	8	8	7	1	12.5
7 - 9	0	0	0	0	0
10 - 12	7	7	7	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	17	21	16	5	23.8

Table 117: Employees: Libraries

3.14 CEMETERIES

3.14.1 Introduction to Cemeteries

Cemeteries play a crucial role in our communities in terms of the preservation of heritage. Cemeteries hold deep significance for families with loved ones buried in the municipal area. They also help to offer a space that brings comfort to families as they struggle with their grief while remembering their loved ones. Cederberg Municipality recognizes the importance of cemeteries for the community to cherish and honour their departed loved ones.

3.14.2 Highlights: Cemeteries

The table below specifies the highlights for the year:

Highlights	Description
Expansion of the Clanwilliam Cemetery	The cemetery in Clanwilliam was expanded by 2 500 m ² and fenced. The work started in the previous financial year and was completed in 2019/20
Upgrade and replace fence of the Clanwilliam Cemetery	The upgrade and replacement of the Clanwilliam Cemetery fence was finalised. The fence on the river side and the golf course side was in a poor condition
Cemeteries listed as Community Works Program (CWP`s) priority	Cemeteries was listed on the CWP`s priority tasks as part of the "clean & green" initiative. Previously the CWP teams only worked within towns, at schools and churches

Table 118: Cemeteries Highlights

3.14.3 Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Insufficient space in Citrusdal	Identify and acquire land for a new cemetery
Vandalism and theft	Appoint security services at the cemeteries
Graafwater fencing	Procurement was done and will be completed in the new financial year

Table 119: Cemeteries Challenges

3.14.4 Service Statistics for Cemeteries

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

Type of service	2018/19	2019/20
Burials	179	111

Table 120: Service Statistics for Cemeteries

3.14.5 Capital: Community and Social Services

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Upgrade community facilities	70 000	28 106	28 106	100%
Upgrade taxi ranks - Citrusdal	0	29 160	29 160	100%

Table 121: Capital Expenditure: Community and Social Services

COMPONENT G: SECURITY AND SAFETY

This component includes: traffic; law enforcement; fire and disaster management

3.15 LAW ENFORCEMENT

The Law Enforcement Section is responsible for enforcing municipal by laws in the area of jurisdiction

3.15.1 Highlights: Law Enforcement

The table below specifies the highlights for the year:

Highlights	Description
Addressing of illegal structures	About 480 inspection/visits to informal settlements were conducted
Addressing illegal house shops	About 210 inspections were conducted

Table 122: Law Enforcement Highlights

3.15.2 Challenges: Law Enforcement

The table below specifies the challenges for the year:

Description	Actions to address
Limited skills	Budgetary provision must be made to provide training for skills development
Limited patrol vehicles, uniforms and safety equipment	Budgetary provision must be made to procure vehicles, uniform and safety equipment

Table 123: Law Enforcement Challenges

3.15.3 Service Statistics for Law Enforcement

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

Details	2018/19	2019/20
Number of by-law infringements attended	129	276
Number of officers in the field on an average day	3.6	5
Number of officers on duty on an average day	4	8

Table 124: Service Statistics for Law Enforcement

3.15.4 Employees: Law Enforcement

The following table indicates the staff composition for this division:

Employees: Law Enforcement					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	18	13	5	27.7
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	18	13	5	27.7

Table 125: Employees: Law Enforcement

3.16 TRAFFIC SERVICES

The core function of the Traffic Services is to ensure a safe road environment, for all road users. This can only be achieved through the promotion of effective and efficient traffic law enforcement. Furthermore, the following services are rendered;

- Learner licenses
- Driving licenses
- Registration and licensing of vehicles
- Roadworthiness of vehicles

3.16.1 Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
Combat illegal taxi operators in the area of jurisdiction	Many illegal taxis are being impounded and fined
Promote safety roads	With the limited resources and staff our officers keep our communities safe. No serious accidents occurred in CBD areas of our towns
COVID-19 awareness campaigns conducted in conjunction with other roll players	Visit the different towns with sports personalities and creating awareness about COVID-19
Daily roadblocks on promoting safe entrances to our towns	Daily roadblocks established in Clanwilliam and Citrusdal

Table 126: Traffic Services Highlights



3.16.2 Challenges: Traffic Services

The table below specifies the challenges for the year:

Challenges	Actions to address
Vacant positions	Vacant positions must be advertised and filled
Shortage of vehicles/defective vehicles and equipment	Additional vehicles/defective vehicles and equipment must be procured to address the shortage
Inadequate uniforms and protective clothing for officers	Uniforms and protective clothing must be procured
After hours services	Budgetary provision must be made to accommodate an officer on standby after hours
Aging testing station infrastructure	Budgetary provision must be made
Non-compliance of Citrusdal test yard to national prescripts	Budgetary provision must be made for the fencing of the Citrusdal Traffic Centre
Higher accident rate in Citrusdal area and N7	Budgetary provision must be made to deploy more personnel

Table 127: Traffic Services Challenges

3.16.3 Additional Performance Service statistics for Traffic Services

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

Details	2018/19	2019/20
Motor vehicle licenses processed	24 144	14 243
Learner driver licenses processed	1 550	370
Driver licenses processed	1 352	353
Driver licenses issued	481	844
Fines issued for traffic offenses	50 367	26 155
R-value of fines collected	3 205 800	3 917 100
Roadblocks held	50	245
Complaints attended to by Traffic Officers	67	73
Awareness initiatives on public safety	3	2
Number of road traffic accidents during the year	328	139
Number of officers in the field on an average day	0.3	3
Number of officers on duty on an average day	2.6	3

Table 128: Service Statistics for Traffic Services

3.16.4 Employees: Traffic Services

The following table indicates the staff composition for this division:

Employees: Traffic Services					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	1	1	50
4 - 6	3	10	4	6	60
7 - 9	1	3	2	1	33.3
10 - 12	8	22	6	16	75.7
13 - 15	0	0	0	0	0
16 - 18	1	1	0	1	100
19 - 20	0	0	0	0	0
Total	15	38	13	25	65.7

Table 129: Employees: Traffic Services

3.17 FIRE SERVICES AND DISASTER MANAGEMENT

Introduction to Fire Services and Disaster Management

A memorandum of understanding exists between West Coast District Municipality and Cederberg Municipality to perform the responsibilities of the Municipality regarding the structural phase and other related fire and rescue services. The Municipality's Fire and Disaster Department consist of only a Disaster and Fire Officer supported by the district municipality.

3.17.1 Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Delay in the spread of COVID-19 in the municipal area	Application of strict curfew regulations and controlling and monitoring of the Disaster Management Act
Non-drowning festive season	Employment of lifeguards and awareness programmes contributed to a non-drowning festive season
Fire and disaster awareness campaigns	Transferring of skills, fire education and mitigation of fire and disaster with the community

Table 130: Fire Services and Disaster Management Highlights

3.17.2 Challenges: Fire Services and Disaster Management Services

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Limited staff, vehicles and equipment	Budgetary provision must be made to procure additional vehicles and equipment
Accessibility to roads in informal settlements	Control and monitor the growth of the informal settlements

Table 131: Fire Services and Disaster Management Challenges

3.17.3 Service Statistics for Fire Services and Disaster Management

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

Details	2018/19	2019/20
Operational callouts	149	115
Awareness initiatives on fire safety	14 initiatives / 5 137 people	10 initiatives/ 5 000
Total fires attended in the year	112	115
Average turnout time - urban areas	2 hours	2 hours
Average turnout time - rural areas	3 hours	3 hours

Table 132: Service Statistics for Fire Services

3.17.4 Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	19	0	19	100
7 - 9	0	1	0	1	100
10 - 12	0	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	21	1	20	95.2

Table 133: Employees: Fire Services and Disaster Management

3.17.5 Capital: Public Safety

The following table indicates the capital expenditure for this division:

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Fencing of Traffic Centre Citrusdal	100 000	0	0	0%
Firearm safes	30 000	0	0	0%
Office furniture Citrusdal	22 500	6 412	0	0%
Office furniture Clanwilliam	0	1 300	0	0%
Office furniture Clanwilliam	22 500	1 735	1 735	100%
Office furniture Lamberts Bay	5 000	0	0	0%
Upgrade traffic building Clanwilliam	100 000	0	0	0%
Upgrade - Vehicle Test Centre equipment Citrusdal	580 368	567 859	493 790	(87%)
Upgrade - Vehicle Test Centre equipment Clanwilliam	580 368	567 859	493 790	(87%)

Table 134: Capital Expenditure 2019/20: Public Safety

COMPONENT H: SPORT AND RECREATION

3.18 SPORT AND RECREATION

3.18.1 Introduction to Sport and Recreation

Sport and recreation continue to be important components of social and community well-being. The 2019/20 financial year was characterized by significant events that took place in the municipal area and a number of previously peripheral codes have become popular.

3.18.2 Highlights: Sport and Recreation

The table below specifies the highlights for the year:

Highlights	Description
Sport councils were established in three of the major towns in Cederberg	The sport council will work in conjunction with the Municipality on sport issues and provide community level guidance on sport development initiatives
Processes to develop a Cederberg Sport Policy and Sport Facilities Policy started in October 2019 with the establishment of sport councils	This draft policy needs to be tabled before Council. If approved, this will be the guiding document with regards to our engagements with partners in the sport arena and sport development for Cederberg

Table 135: Sport and Recreation Highlights

3.18.3 Challenges: Sport and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Clanwilliam sports field incomplete	New service provider was appointed and construction commenced in June 2019
Lamberts Bay sports field (pavilion)	Apply for MIG funding to complete the construction of the pavilion
Citrusdal sports field (soccer field ablution incomplete)	Budget for the completion of the soccer field ablution facility
Lack of adequate seating at all sports fields	Council to consider the procurement of temporary seating
Vandalism	Budget for fencing of all play parks
Graafwater sports field needs urgent attention	Budgetary provision must be made and application for external funding

Table 136: Sport and Recreation Challenges

3.18.4 Service Statistics for Sport and Recreation

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

Type of service	2018/19	2019/20
Community parks		
Number of parks with play park equipment	5	5
Number of wards with community parks	4	4
Sport fields		
Number of wards with sport fields	6	6
Number of sport associations utilizing sport fields	20	20
R-value collected from utilization of sport fields	R60 268.36	R37 562.26
Sport halls		
Number of wards with sport halls	3	3
Number of sport associations utilizing sport halls	13	13
R-value collected from rental of sport halls	R10 386.01	R6 321.36

Table 137: Service Statistics for Sport and Recreation

3.18.5 Employees: Resorts and Caravan Parks

The following table indicates the staff composition for this division:

Employees: Resorts and Caravan Parks					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	15	15	12	3	20
4 - 6	6	7	6	1	14.2
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	22	23	19	4	17.3

Table 138: Employees: Resorts and Caravan Parks

3.18.6 Employees: Parks and Gardens

The following table indicates the staff composition for this division:

Employees: Parks and Gardens					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	22	33	25	8	24.2
4 - 6	2	5	0	5	100
7 - 9	3	4	3	1	25
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	27	42	28	14	33.3

Table 139: Employees: Parks and Gardens

3.18.7 Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Lamberts Bay sport field - upgrade pavilion	200 000	0	0	0%
Office furniture & equipment - Citrusdal	22 500	2 422	2 450	101%
Office furniture & equipment - Clanwilliam	7 500	6 937	6 401	92%
Office furniture/equipment resorts - Clanwilliam	22 500	27 805	29 783	107%
Office furniture/equipment resorts - Lamberts Bay & Elands Bay	20 000	4 805	4 155	86%
Parks & gardens: Elands Bay tables and chairs	14 000	0	0	0%
Parks & gardens: Equipment Graafwater	0	24 000	24 000	100%
Parks & gardens: Equipment - Lamberts Bay	50 000	8 261	8 261	100%
Parks & gardens: Equipment - Citrusdal	25 000	21 235	21 235	100%
Upgrade & beautification: Caravan park- Elands Bay	50 000	0	0	0%
Upgrade & beautification: Caravan park - Lamberts Bay	150 000	136 998	136 998	100%
Upgrade ablution facilities: Cemeteries - Lamberts Bay	300 000	0	0	0%
Upgrade kitchen - sports ground - Citrusdal	20 000	0	0	0%
Upgrade playpark Jakaranda - Clanwilliam	25 000	0	0	0%
Upgrade sport fields - Clanwilliam	3 000 000	82 249	82 249	100%
Vehicles - trailer - Citrusdal	45 000	0	0	0%

Table 140: Capital Expenditure 2019/20: Sport and Recreation



COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

3.19 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor, councillors and municipal manager).

3.19.1 Highlights: Executive and Council

The table below specifies the highlights for the year:

Highlights	Description
Clean audit achieved in 2019/20 financial year (3 consecutive years)	The Municipality maintained its clean audit status
Establishment of shelters for the homeless during COVID-19 pandemic	The Municipality restored the dignity of the homeless people not only by offering a shelter, but also offered life skills, entrepreneurial skills and development programmes

Table 141: Executive and Council Highlights

3.19.2 Challenges: Executive and Council

The table below specifies the challenges for the year:

Description	Actions to address
	Adopt and implement turnaround strategy through measures such as administrative restructuring, financial monitoring, control and financial oversight
COVID-19	The Municipality instituted stringent measures to effectively and efficiently manage COVID-19 funding pertaining to personal protective equipment (PPE)
Incomplete infrastructure projects	To secure MIG funding as well as co-funding for the completion of incomplete infrastructure projects
Housing project in Lamberts Bay	Formal applications have been submitted to the Department of Human Settlements
Review of macro and micro organogram	To reorganise the macro and micro organogram to improve good corporate governance and service delivery

Table 142: Executive and Council Challenges

3.19.3 Employees: Area Management

The following table indicates the staff composition for this division:

Employees: Area Management					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0
4 - 6	2	2	2	0	0
7 - 9	0	0	0	0	0
10 - 12	3	3	1	2	66.6
13 - 15	2	3	1	2	66.6
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	10	11	7	4	36.3

Table 143: Employees: Area Management

3.19.4 Employees: Administrative Services

The following table indicates the staff composition for this division:

Employees: Administrative Services					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0
4 - 6	10	11	8	3	27.2
7 - 9	1	1	1	0	0
10 - 12	7	7	6	1	14.2
13 - 15	2	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	23	23	19	4	17.3

Table 144: Employees: Administrative Services

3.19.5 Employees: Thusong Centres

The following table indicates the staff composition for this division:

Employees: Thusong Centres					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	2	4	2	2	50
7 - 9	0	0	0	0	0
10 - 12	0	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	6	4	2	33.3

Table 145: Employees: Thusong Centres

3.20 FINANCIAL SERVICES

The Finance Department is responsible for the Financial Strategy and overall financial management. This department is also responsible for ensuring financial balance in the Municipality, compliance with relevant legislation, regulation and governance practices and the MFMA.

3.20.1 Highlights: Financial Services

The table below specify the highlight for the year:

Highlight	Description
Reactivation of Credit Control Unit	More effective staff appointed in the unit resulting in an increase in collection of debt

Table 146: Financial Services Highlights

3.20.2 Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Implementing Municipal Standard Chart of Accounts (mSCOA)	Continuous challenges for the Municipality and service providers to integrate programmes and work streams. An action and project plan were compiled and closely adhered to



Description	Actions to address
Increase in indigent population	Council approved a new Indigent Policy and also provided for an increase in subsidising the Indigent client base
Increase in bad debt	Council approved a new Credit Control Policy with incentives to clients with arrear accounts
Financial constraints and cash flow	No counter funding available as a low capacity Municipality. Municipality to sell non-core assets to build capital replacement reserves

Table 147: Financial Services Challenges

3.20.3 Debt Recovery

The following table represents the debt recovery for the financial years 2018/19 and 2019/20:

Details of the types of account raised and recovered	Debt Recovery					
	2018/19			2019/20		
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %
Property Rates	42 146 144	38 334 319	90.96%	45 526 373	40 582 028	89.14%
Electricity	84 699 555	81 914 243	96.71%	97 603 904	92 474 038	94.74%
Water	25 746 763	16 155 875	62.75%	28 020 766	18 156 897	64.80%
Sanitation	9 648 703	7 230 185	74.93%	9 105 511	5 074 283	55.73%
Refuse	8 792 479	6 502 622	73.96%	10 032 749	6 230 478	62.10%

Table 148: Debt Recovery

3.20.4 Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Finance					
Job Level	2018/19	2019/20			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100
4 - 6	14	14	11	3	21.4
7 - 9	13	13	9	4	30.7
10 - 12	9	14	11	3	21.4
13 - 15	2	6	5	1	16.6
16 - 18	3	3	2	1	33.3

Employees: Finance					
Job Level	2018/19	2019/20			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0
Total	35	51	38	13	25.4

Table 149: Employees: Financial Services

3.20.5 Capital: Finance and Administration

The following table indicates the capital expenditure for this division:

Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Backup & recovery project	80 000	0	0	0%
Computer equipment	0	15 014	0	0%
Fencing & safety gate Citrusdal head office	0	28 275	28 275	100%
Fencing of workshop - Citrusdal	200 000	0	0	0%
New vehicles (loan)	3 000 000	0	0	0%
Office furniture/equipment	20 000	650	15 013	2310%
Office furniture (telephone system)	0	0	748 550	0%
Office furniture (computer equipment)	12 500	0	0	0%
Office furniture EPWP own	10 000	0	0	0%
Office furniture/equipment	155 000	139 738	92 474	66%
Office furniture/equipment - Citrusdal	10 000	0	0	0%
Office furniture/equipment - Elands Bay	10 000	0	0	0%
Office furniture/equipment - Elands Bay	10 000	0	0	0%

Table 150: Capital Expenditure 2019/20: Finance and Administration



3.21 HUMAN RESOURCE SERVICES

3.21.1 Introduction to Human Resources

The Human Resource Department has a staff component comprising of the following positions:

- Manager: Human Resources
- 3 Human Resources Practitioners responsible for:
 - Training, EAP and EPAS
 - Health and Safety
 - Recruitment & Selection and Support
 - Labour Relations
- A Human Resource Administrator responsible for all administrative functions pertaining to leave, medical aid, pension, UIF, etc
- The Human Resource Department also made provision for two succession planning positions (for the 2019/20 financial year) in order to ensure a smooth transition and seamless continuation of the service when current senior HR staff members opt to retire

(i) Filing of vacant posts

The Cederberg Municipality, a low to medium capacity Municipality, is rated as a Category 3 Municipality and it must still compete with higher graded, higher income municipalities for the available skills in the region, the province and ultimately the country. With that challenge in mind, the Municipality must still endeavour to appoint the right people with the right skills and competencies at the right time to achieve the organisation's strategic plan. Filling vacant, critical positions is a challenge for a municipality sized and categorised as the Cederberg Municipality, because skilled people can earn much more at a higher graded municipality or in the private sector.

In the 2019/20 financial year, the Cederberg Municipality has filled 44 vacancies, of which 43 were external appointments, whilst 22 staff members left the employment of the Municipality during the same financial year.

(ii) Recruitment and selection

The Cederberg Municipality adopted a revised Recruitment and Selection Policy, and such policy was reviewed in May 2019 for the 2020/21 financial year. The aim of the policy is to streamline the appointment of personnel whilst keeping within the legal framework as enshrined in the various pieces of labour related legislation.

(iii) Labour relations

It is imperative that good industrial relations are fostered between the employer and employees. Employees are engaged on certain structures created by the Local Government Bargaining Council to address issues of mutual interest to the employer and the employees. These structures are:



○ Health and Safety

Occupational Health & Safety 2019/20				
Injuries		Compensation for Occupational Injuries and Diseases (COID) Applications	Disabling Injuries	Schedule 8 Investigations (Ill Health)
Temp	0	0	0	0
Perm	14	14	0	0

Table 151: Occupational Health and Safety 2019/20

The safety and health of our employees and their families are of the utmost importance to the Council. Therefore, all possible steps are taken to ensure a healthy and safe working environment.

The Health and Safety Policy have been submitted to Council for review, as well as the Employee Wellness Policy.

The number of injuries on duty has steadily decreased from 15 injuries in 2018/19 to 14 injuries in the 2019/20 financial year and were reported to the Compensation for Occupational Injuries and Diseases (COID).

3.21.2 Highlights: Human Resource Services

The table below specifies the highlights for the year:

Highlights	Description
Appointed a medical surveillance team through tender processes	This forms part of the employee wellness. 262 employees were tested and examined in the Cederberg region
COVID-19 screenings	267 COVID-19 screening were completed during the pandemic. Screening protocol tests are done daily
Water NQF5 learners completed Water Learnership Course	10 Learners received National Certificates in a sanitation project co-ordination by the Energy & Water Sector Education Training Authority (EWSETA)

Table 152: Human Resources Highlights

3.21.3 Challenges: Human Resources

The table below specifies the challenges for the year:

Challenges	Actions to address
Transportation of employees for training	Transportation remains a challenge to get employees to learning centres
Absenteeism	Absenteeism remains the number one form of misconduct, due to substance abuse
Employee wellness	Health of employees and their low morale must be addressed in order to improve their quality of life and service delivery

Table 153: Human Resources Challenges



3.21.4 Employees: Human Resources

The following table indicates the staff composition for this division:

Employees: Human Resource Services					
Job Level	2018/19	2019/20			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	2	3	0	3	100
7 - 9	0	2	2	0	0
10 - 12	3	3	3	0	0
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	7	10	7	3	30

Table 154: Employees: Human Resources

3.22 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

3.22.1 Introduction to Information and Communication Technology (ICT) Services

It is responsible ICT to ensure that all technical systems of the Municipality are functioning and operating effectively. Backups are done daily and stored for safekeeping. The maintenance of the municipal system and financial systems are outsourced. The network and computer hardware are maintained by the ICT department. Structural changes to the website are also done by ICT. The Municipality has grown from 50 devices (computers) to almost 200 devices within 5 years.

3.22.2 Highlights: ICT Services

The table below specifies the highlights for the year:

Highlights	Description
Voice over Internet Protocol (VoIP) telephone system	The Municipality has acquired a VOIP telephone system to minimize the cost of operations while enhancing productivity
Upgrade of wide area network (WAN)	The Municipality has acquired and installed WAN infrastructure and manage it in-house. No longer dependant on service providers
Upgrade of server room	The municipal server room did not adhere to the ICT standards and was upgraded to comply with legislation

Highlights	Description
Fibre Optic Internet	The Municipality is in the process of installing fast and reliable internet services to all towns. This will be to the benefit of the community and businesses

Table 155: ICT Highlights

3.22.3 Challenges: ICT Services

The table below specifies the challenges for the year:

Description	Actions to address
Lack of disaster recovery	A business plan for the application of funding will be submitted to Provincial Government
Additional staff required	Additional ICT Technicians should be appointed
Limited storage space	ICT must obtain an ICT store for the storage of equipment
Inadequate financial resources	Budgetary provision must be made to address ICT needs

Table 156: ICT Challenges

3.22.4 Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services					
Job Level	2018/19	2019/20			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	1	0	1	100
7 - 9	0	0	0	0	0
10 - 12	1	2	0	2	100
13 - 15	1	2	2	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	5	2	3	60

Table 157: Employees: ICT Services

3.23 LEGAL SERVICES

Legal Services is responsible for the finalisation of most agreements concluded by the Municipality. The section provides legal input on policies, contracts, agreements, legislation, by-laws and authorities. The section also offers legal advice to various departments of the Municipality and ensure compliance in respect of the Constitution and legislation regulating municipal processes. We distribute all new relevant legislation and case law.

3.23.1 Highlights: Legal Services

The table below specifies the highlights for the year:

Highlights	Description
Continuance of a law library with all relevant court cases and legal commentary in relation to current local government matters	Relevant legal related commentary pertains to case law, legal topics etc. being sent via email to management
Legal support and assistance to colleagues in the organisation with legal matters, as well as assistance to legal practitioners in the private sector	Legal support and assistance to colleagues with regards to legal documentation and any legal commentary where necessary
Proactively supported the risk section with clarification of lockdown regulations and all applicable forms and permits to be used during this period	Strengthened the risk unit internally and externally by soliciting all relevant information from the Health Department in the fight against the COVID-19 pandemic

Table 158: Legal Services Highlights

3.23.2 Challenges: Legal Services

The table below specify the challenge for the year:

Description	Actions to address
Budgetary constraints remain a serious challenge in the legal section	The allocation of dedicated budget to this section is of paramount importance in order to appoint legal practitioners to assist with the workload

Table 159: Legal Services Challenges

3.23.3 Employees: Legal Services

The following table indicates the staff composition for this division:

Employees: Legal Services					
Job Level	2018/19		2019/20		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	2	0	2	100

Employees: Legal Services					
Job Level	2018/19	2019/20			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	1	0	0	0	0
10 - 12	0	3	0	3	100
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	2	6	1	5	83.3

Table 160: Employees: Legal Services

3.24 PROCUREMENT SERVICES

3.24.1 Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
Compliance	The Supply Chain Management Policy of Cederberg Municipality complies with the prescribed framework as set out in Section 110-119 of the MFMA, 2003
Transparency	Provide the public with timely, accessible and accurate information. All supply chain management contracts in terms of Section 75 (1)(g) of the MFMA are published on the municipal website

Table 161: Procurement Services Highlight

3.24.2 Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Inadequate sourcing of goods and services	The setting of clear objectives for all projects and procurement. Development of procurement strategies for each project
Too much decentralisation of the procurement system	Centralisation of the procurement system

Table 162: Procurement Services Challenges

3.24.3 Service Statistics for Procurement Services

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

Description	Total No	Monthly Average	Daily Average
Requests processed	2 362	197	10
Orders processed	2 323	194	10
Requests cancelled or referred back	39	3.25	0.2

Table 163: Service Statistics for Procurement Division

3.24.4 Details of Deviations for Procurement Services

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
Clause 36(1)(a)(i)-Emergency	19	R1 782 601	79%
Clause 36(1)(a)(ii)-Sole Supplier	6	R98 139	4%
Clause 36(1)(a)(vii) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	1	R394 347	17%
Total	26	R2 275 087	100%

Table 164: Statistics of Deviations from the SCM Policy

COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2020/21

3.25 SERVICE DELIVERY PRIORITIES FOR 2020/21

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

3.25.1 Improve and sustain basic service delivery and infrastructure development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2021 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget actually spent on capital projects as at 30 June 2021	All	90.00%
TL25	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2021	Number of residential properties which are billed for water or have pre paid meters	All	5 779
TL26	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2021	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	7 877
TL27	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2021	Number of residential properties which are billed for sewerage	All	4 758
TL28	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2021	Number of residential properties which are billed for refuse removal	All	5 862
TL29	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2021	Number of households receiving free basic water	All	2 001
TL30	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2021	Number of households receiving free basic electricity	All	2 280
TL31	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2021	Number of households receiving free basic sanitation services	All	1 911
TL32	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2021	Number of households receiving free basic refuse removal	All	2 009
TL38	90% of the approved capital budget spent for the entrance upgrade and beautification of resort in Clanwilliam by 30 June 2021 [(Total	% of budget spent by 30 June 2021	All	90.00%

Ref	KPI	Unit of Measurement	Wards	Annual Target
	actual expenditure on the project/ Approved capital budget for the project)x100]			
TL39	90% of the approved capital budget spent for the upgrade of the Clanwilliam Sports Field by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL40	90% of the approved maintenance budget spent for electricity services by 30 June 2021 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2021	All	90.00%
TL41	90% of the approved maintenance budget spent for roads and stormwater by 30 June 2021 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2021	All	90.00%
TL42	90% of the approved maintenance budget spent for waste water by 30 June 2021 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2021	All	90.00%
TL43	100% of the MIG grant spent by 30 June 2021 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2021	All	100.00%
TL44	95% of the water samples comply with SANS 241 micro biological parameters {(Number of water samples that comply with SANS 241 indicators/Number of water samples tested)x100}	% of water samples complying with SANS 241 micro biological parameters	All	95.00%
TL45	90% of the approved maintenance budget spent for water by 30 June 2021 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2021	All	90.00%
TL46	90% of the approved capital budget spent for the upgrade of the electricity network within Cederberg by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL47	90% of the approved capital budget spent for the replacement of street lights in Cederberg by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL48	Limit unaccounted for water to less than 15% by 30 June 2021 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified x 100}	% unaccounted water	All	15.00%
TL49	90% of the approved capital budget spent for the upgrade of community facilities in Cederberg by 30 June 2021 {(Actual expenditure divided by the total approved project budget) x 100}	% of budget spent by 30 June 2021	All	90.00%
TL50	Develop 2 boreholes for Clanwilliam and 2 boreholes for Citrusdal by 30 June 2021	Number of boreholes developed by 30 June 2021	All	4

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL51	90% of the INEP funding for Clanwilliam spent by 30 June 2021 [(Actual expenditure on INEP funding received/total INEP funding received)x100]	% of INEP funding spent by 30 June 2021	All	90.00%
TL53	Report bi-annually to Council during the 2020/21 financial year on the progress made with the implementation of the regional dump site plan as per agreement with West Coast DM	Number of reports submitted	All	2
TL56	90% of the approved capital budget spent for the Citrusdal WWTW by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%

Table 165: Improve and sustain basic service delivery and infrastructure development

3.25.2 Financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL15	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2021 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Re	% of debt coverage by 30 June 2021	All	45.00%
TL16	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors by 30 June 2021	All	30.00%
TL17	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	1
TL18	90% of the Financial Management Grant spent by 30 June 2021 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2021	All	90.00%
TL19	90% of the approved capital budget spent for Fleet Management by 31 June 2021 [(Total actual expenditure / Approved capital budget for fleet management)x100]	% of budget spent by 30 June 2021	All	90.00%
TL20	Submit financial statements to the Auditor-General by 31 August 2020	Approved financial statements submitted to the Auditor-General by 31 August 2020	All	1
TL21	Achievement of a payment percentage of 85% by 30 June 2021 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2021	All	85.00%
TL22	Achieve an unqualified audit opinion for the 2019/20 financial year	Unqualified Audit opinion received	All	1

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL23	Submit the draft main budget to Council by 31 March 2021	Draft main budget submitted to Council by 31 March 2021	All	1
TL24	Submit the adjustments budget to Council by 28 February 2021	Adjustment budget submitted to Council by 28 February 2021	All	1

Table 166: Financial viability and economically sustainability

3.25.3 Good governance, community development & public participation

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL2	Develop and submit the risk based audit plan for 2021/22 to the Audit Committee by 30 June 2021	Risk based audit plan submitted to the Audit Committee by 30 June 2021	All	1
TL3	Compile and submit the draft annual report for 2019/20 to Council by 31 January 2021	Draft annual report for 2019/20 submitted to Council by 31 January 2021	All	1
TL4	Compile and submit the final annual report and oversight report for 2019/20 to Council by 31 March 2021	Final annual report and oversight report for 2019/20 submitted to Council by 31 March 2021	All	1
TL5	Submit the final reviewed IDP to Council by 31 May 2021	Final IDP submitted to Council by 31 May 2021	All	1
TL7	Complete the annual Risk Assessment and submit the strategic and operational risk register to the Risk Committee by 30 June 2021	Strategic and operational risk register submitted to the Risk Committee by 30 June 2021	All	1
TL14	Address 100% of ICT Audit findings by 30 June 2021	% of Audit findings addressed by 30 June 2021	All	100.00%
TL52	90% of the approved maintenance budget spent for municipal buildings by 30 June 2021 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2021	All	90.00%

Table 167: Good governance, community development & public participation

3.25.4 Facilitate, expand and nurture sustainable economic growth and eradicate poverty

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL6	Create 200 jobs opportunities in terms of EPWP by 30 June 2021	Number of job opportunities created in terms of EPWP by 30 June 2021	All	200

Table 168: Facilitate, expand and nurture sustainable economic growth and eradicate poverty



3.25.5 Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL33	Construct 100 top structures in Lamberts Bay Pr.No.114 by 30 June 2021	Number of top structures constructed by 30 June 2021	All	100

Table 169: Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. housing development and informal settlement upgrade

3.25.6 To facilitate social cohesion, safe and healthy communities

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL10	90% of the approved capital budget spent for the upgrading of Thusong Centre in Clanwilliam by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL11	90% of the approved capital budget spent for the upgrading of Thusong Centre in Citrusdal by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL34	Develop a Social Development Framework and submit to Council by 30 June 2021	Social Development Framework submitted to Council by 30 June 2021	All	1
TL35	Spend 90% of the approved project budget to assist vulnerable groups by 30 June 2021 [(Total expenditure on project/ Approved budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL36	90% of the approved capital budget spent to upgrade the vehicle test centre equipment in Clanwilliam by 30 June 2021 [(Total actual expenditure / Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL37	90% of the approved capital budget spent to upgrade the vehicle test centre equipment in Citrusdal by 30 June 2021 [(Total actual expenditure / Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL54	90% of the approved capital budget spent for the fencing of Khayelitsha in Clanwilliam by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL55	90% of the approved capital budget spent for the fencing: rugby and football field Oranjeville in Citrusdal by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%

Table 170: To facilitate social cohesion, safe and healthy communities

3.25.7 Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan as at 30 June 2021	Number of people employed	All	1
TL9	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2021 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2021 (Actual amount spent on training/total personnel budget)x100	All	0.50%
TL12	90% of the approved capital budget spent for the IT equipment and software by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%
TL13	90% of the approved capital budget spent on the Nutanix Virtualization Project by 30 June 2021 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2021	All	90.00%

Table 171: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council



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.

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs 334 officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render and innovative human resources service that address 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 indicators are also reference to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

a) Employment Equity Targets/Actual

African	Coloured	Indian	White
Actual June	Actual June	Actual June	Actual June
14%	82%	0.3%	3.7%

Table 172: 2019/20 EE Actual by Racial Classification

Male	Female	Disability
Actual June	Actual June	Actual June
64%	36%	7%

Table 173: 2019/20 EE Actual by Gender Classification



b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Economically Active Population Demographics (Percentage) Western Cape	35%	45%	1%	17%	98% (exc other)
Economically Active Population West Coast Region % Population	17%	66%	0.5%	16%	100%
Number for positions filled	7	36	0	1	44

Table 174: EE Population 2019/20 (including non-permanent officials)

c) Specific Occupational Categories - Race

The table below indicates the number of employees by race within the specific occupational categories:

Occupational Categories	Female				Male				Total
	A	C	I	W	A	C	I	A	
Top Management	0	0	0	0	0	0	0	0	0
Senior management	0	8	0	2	1	2	0	0	13
Professionally qualified and experienced specialists and mid- management	0	9	0	1	0	4	0	1	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	31	0	2	1	27	0	2	68
Semi-skilled and discretionary decision making	6	49	1	1	3	30	0	2	92
Unskilled and defined decision making	20	79	0	0	12	23	0	0	134
Temporary employees	2	5	0	0	0	5	0	0	12
Total	33	181	1	6	17	91	0	5	334

Table 175: Occupational Categories

d) Departments - Race

The table below shows the number of employees per department as well as the profile by race. The Engineering Services Department, being the service delivery arm of the Municipality, is the largest component.

Employee Distribution per Directorate					
Directorate	African	Coloured	Indian	White	Total
Municipal Manager	0	6	0	0	6
Financial and Administration Services	4	69	0	3	76
Integrated and Development Services	8	73	1	5	87
Technical Services	36	126	0	3	165
Total	48	274	1	11	334

Table 176: Departments: Race

4.2.2 Vacancy Rate

The approved organogram for the Municipality had 343 posts for the 2018/19 financial year and 534 in the 2019/20 financial year. Posts vacant at the end of 2018/19 resulted in a funded vacancy rate of 3.6% compared to 334 funded posts of which 21 posts were vacant in 2019/20, resulting in a funded vacancy rate of 5.7%. The total vacancy rate in terms of the organogram is 37%.

Below is a table that indicates the vacancies within the Municipality:

Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	6	9
Financial and Administration Services	76	25
Integrated Development Services	87	74
Technical Services	165	92
Total	334	200

Table 177: Vacancies per Department

The table below indicates the number of staff per level expressed as total positions and current vacancies express as full time staff equivalent:

Salary Level	Number of current critical vacancies	Total posts as per organogram
Municipal Manager	1	1
Chief Financial Officer	1	1
Other Section 57 Managers	1	1
Senior management (T14-T19)	7	23
Total	10	26

Table 178: Full Time Staff Equivalents

4.2.3 Employee Movement

A higher turnover may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the employee movement in 2019/20.

Employee Movement					
Movement Type	African	Coloured	Indian	White	Total
Termination	3	17	0	2	22
Recruited Internal	1	0	0	0	1
Recruited External	6	36	0	1	43
Transferred / Placement	0	0	0	0	0
Total	10	53	0	3	66

Table 179: Employee Movement



4.3 MANAGING THE MUNICIPAL WORKFORCE

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

4.3.1 Injuries

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

The injury rate shows a decrease from 15 employees injured in the 2018/19 financial year compared to 14 employees in the 2019/20 financial year.

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

Directorates	2018/19	2019/20
Municipal Manager	0	0
Corporate and Strategic Services	2	0
Financial Services	1	1
Community and Development Services	1	1
Technical Services	11	12
Total	15	14

Table 180: Injuries

4.3.2 Human Resource Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the Human Resource policies and plans that are approved and that still needs to be developed:

Policies	
Name of policy	Policy approved Yes/No
Sexual Harassment	Yes
Subsistence and Travelling	Yes
Training and Development	Yes
Language	Yes
Cell Phone	Yes
Study	Yes
IT	Yes



Policies	
HIV/AIDS	Yes
Induction Programme	Yes
Recruitment and Selection	Yes
Employment Equity	Yes
Substance Abuse	Yes
Smoking	Yes
Overtime	Yes
Unauthorized Absence	Yes

Table 181: Human Resource Policies and Plans

4.4 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 beneficiaries per occupational category who underwent training in the financial year. The total training budget for the 2019/20 financial year was R673 175. The actual spent on training for the same financial year was R445 259 which amounts to 66.14% spent. The tables below show the number of individuals (headcount) trained:

Occupational Category	Female				Male				Total
	A	C	I	W	A	C	I	W	
Legislators	0	1	0	0	0	1	0	0	2
Managers	1	1	0	0	0	7	0	1	10
Professionals	0	4	0	0	0	10	0	2	16
Technicians and Trade Workers	0	0	0	0	1	4	0	2	7
Community and Personal Service Workers	1	7	0	1	2	11	0	0	22
Clerical and Administrative Workers	0	6	0	0	0	2	0	0	8
Sales Workers	0	1	0	0	0	1	0	0	2
Machine Operators and Drivers	0	0	0	0	5	11	0	0	16
Elementary Workers	6	4	0	0	9	49	0	0	68
Total	8	24	0	1	17	96	0	5	151

Table 182: Skills Matrix



4.4.2 Skills Development - Budget Allocation

Year	Total Allocated	Total Spend	% Spent
2018/19	585 799	554 694	94.69%
2019/20	673 175	445 259	66.14%

Table 183: Budget Allocated for Skills Development

4.4.3 MFMA Competencies

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 successful implementation of the MFMA. 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, develop an outcomes-based NQF level 6 qualifications 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 table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by the municipality (Regulation 14(4)(a) and (c))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials			
Accounting officer	3	0	3
Chief financial officer	0	0	0
Senior managers	0	0	0
Any other financial officials	8	0	8
Supply Chain Management Officials			
Heads of supply chain management units	1	0	1

Table 184: MFMA Competencies



4.5 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 National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 Personnel Expenditure

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

Financial year	2018/19	2019/20		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
<u>Councillors (Political Office Bearers plus Other)</u>				
Salary	4 061	4 327	4 224	4 313
Pension Contributions	519	563	535	510
Medical Aid Contributions	110	156	142	142
Motor vehicle allowance	257	277	75	75
Cell phone allowance	445	170	600	529
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total	5 392	5 493	5 576	5 569
<u>Senior Managers of the Municipality</u>				
Basic Salary and Wages	4 958	2 910	4 118	1 969
Pension Contributions	212	271	209	308
Medical Aid Contributions	39	69	52	66
Performance Bonus	409	161	307	100
Motor vehicle allowance	396	432	417	316
Cell phone allowance	54	162	80	50
Housing allowance	0	0	0	0
Other benefits or allowances	27	29	14	26
Leave Pay Out	0	0	0	0
Long Service Awards	0	0	0	0
Sub Total	6 095	4 034	5 197	2 835
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	66 851	79 946	76 520	76 957
Pension Contributions	10 384	12 668	11 617	11 422
Medical Aid Contributions	3 672	5 040	4 520	4 068



Financial year	2018/19	2019/20		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
Motor vehicle allowance	4 289	4 793	4 676	5 174
Cell phone allowance	356	368	376	361
Housing allowance	639	812	514	505
Overtime	3 791	4 088	4 709	4 268
Other benefits or allowances	6 631	7 337	7 402	6 697
Leave Pay Out	1 230	507	1 391	2 600
Long Service Awards	344	394	505	475
Sub Total	98 187	115 953	112 230	112 527
Total Municipality	109 674	125 480	123 003	120 931

Table 185: Personnel Expenditure



CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2019/20 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 2019/20 financial year:

Financial Summary						
R'000						
Description	2018/19	2019/20		2019/20 %Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	42,146	46,909	46,019	45,526	-3.04	-1.08
Service charges	128,888	154,477	145,988	144,763	-6.71	-0.85
Investment revenue	893	2,013	288	506	-298.08	43.05
Transfers recognised - operational	62,085	84,703	92,868	64,462	-31.40	-44.07
Other own revenue	42,314	41,742	41,551	31,691	-31.71	-31.11
Total revenue (excluding capital transfers and contributions)	276,326	329,843	326,713	286,947	-14.95	-13.86
Employee costs	104,282	119,499	116,879	115,364	-3.58	-1.31
Remuneration of councillors	5,392	5,493	5,576	5,570	1.38	-0.11
Debt Impairment	38,387	35,532	44,925	45,905	22.60	2.14
Depreciation & asset impairment	16,635	23,355	20,132	18,882	-23.69	-6.62
Finance charges	8,456	8,449	8,681	9,786	13.66	11.30
Bulk Purchases	71,810	82,383	86,299	84,185	2.14	-2.51
Other Materials	0	9,328	8,482	0	0	0
Contracted Services	16,696	35,861	42,719	18,206	-96.97	-134.65
Transfers and grants	1,066	4,121	4,645	1,144	-260.10	-305.92
Other expenditure	27,654	20,061	20,121	24,163	16.98	16.73
Loss on disposal of PPE	468	0	0	141	100.00	100.00
Total Expenditure	290,846	344,082	358,459	323,347	-6.41	-10.86
Surplus/(Deficit)	(14,521)	(14,239)	(31,746)	(36,400)	60.88	12.79
Transfers recognised -capital	83,599	47,434	51,993	29,691	-59.76	-75.11



Financial Summary						
R'000						
Description	2018/19	2019/20			2019/20 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Contributions recognised - capital & contributed assets	11,477	0	0	0	0	0
Surplus/(deficit) after capital transfers & contributions	80,555	33,195	20,247	(6,709)	594.81	401.81
<u>Capital Expenditure & Funds Sources</u>						
Capital Expenditure						
Transfers recognized - capital	83,743	47,434	51,993	29,691	-59.76	-75.11
Public contributions & donations	11,477	0	0	0	0	0
Borrowing	0	3,000	0	0	0	0
Internally generated funds	9,655	10,265	4,612	4,892	-109.81	5.73
Total sources of capital funds	104,874	60,699	56,606	34,584	-75.51	-63.68
<u>Financial Position</u>						
Total current assets	57,159	50,898	52,204	61,341	17.02	14.90
Total non-current assets	681,989	733,124	718,145	692,632	-5.85	-3.68
Total current liabilities	97,514	50,842	55,527	127,079	59.99	56.30
Total non-current liabilities	79,732	137,197	133,202	71,701	-91.35	-85.77
Community wealth/equity	561,902	595,983	581,619	555,193	-7.35	-4.76
<u>Cash Flows</u>						
Net cash from (used) operating	83,044	65,473	53,937	47,344	-38.29	-13.93
Net cash from (used) investing	(90,860)	(60,699)	(56,606)	(33,769)	-79.75	-67.63
Net cash from (used) financing	(3,529)	(275)	(3,970)	(4,078)	93.25	2.65
Cash/cash equivalents at the year end	(11,345)	4,500	(6,639)	9,497	52.62	169.90
<u>Cash Backing/Surplus Reconciliation</u>						
Cash and investments available	0	5,005	549	(56,454)	108.87	100.97
Application of cash and investments	0	4,310	0	0	0	0
Balance -surplus (shortfall)	0	9,315	549	(56,454)	116.50	100.97
<u>Asset Management</u>						
Asset register summary (WDV)	681,989	733,124	718,145	692,632	-5.85	-3.68
Depreciation & asset impairment	16,635	23,355	20,132	18,882	-23.69	-6.62
Renewal of existing assets	64,184	26,991	18,690	11,889	-127.03	-57.21
Repairs and maintenance	12,933	30,631	29,527	9,892	-209.67	-198.51
<u>Free Services</u>						
Cost of free basic services provided	4,747	5,359	5,012	4,961	-8.02	-1.03
Revenue cost of free services provided	3,268	23,784	26,388	3,474	-584.68	-659.64



Financial Summary						
R'000						
Description	2018/19	2019/20			2019/20 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Households Below Minimum Service Level						
Water	0	0	0	0	0	0
Sanitation/sewerage	0	0	0	0	0	0
Energy	0	0	0	0	0	0
Refuse	0	0	0	0	0	0

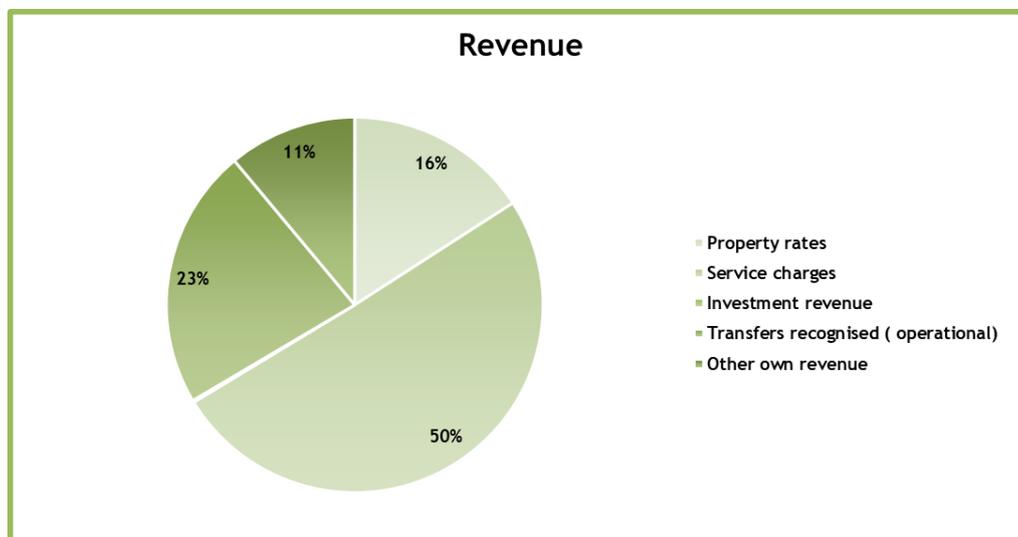
Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 186: Financial Performance 2019/20

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2018/19	309,091	290,846	(18,245)	-6	324,135	276,326	47,809	15
2019/20	326,713	286,947	(39,766)	-12	358,459	323,347	35,112	10

Table 187: Performance Against Budgets

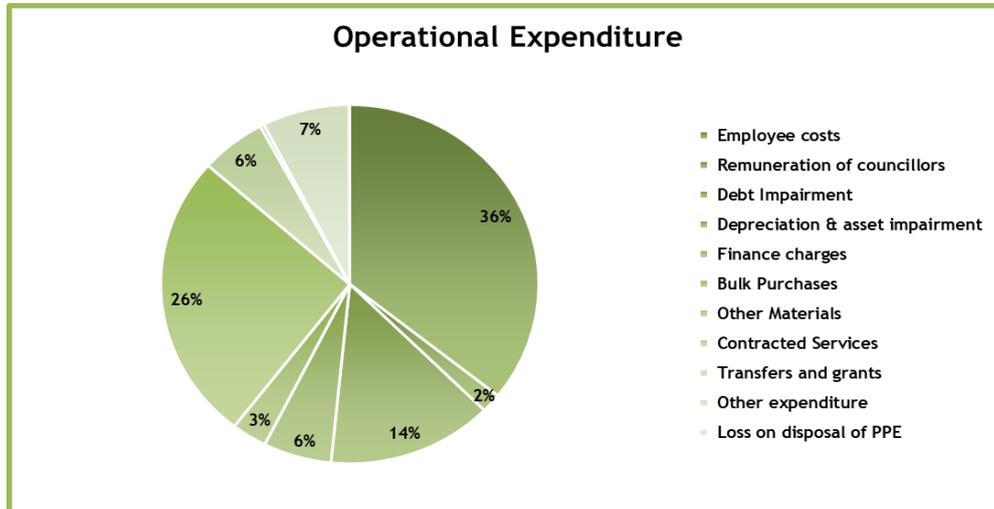
The following graph indicates the various types of revenue items in the municipal budget for 2019/20



Graph 5: Revenue



The following graph indicates the various types of expenditure items in the municipal Budget for 2019/20



Graph 6: Operating Expenditure

5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2018/19		2019/20		2019/20 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive and Council	40,042	43,112	44,149	43,112	0.00	-2.41
Vote 2 - Office of Municipal Manager	40	150	297	16	-835.83	-1755.88
Vote 3 - Financial Administrative Services	56,981	55,232	53,992	59,745	7.55	9.63
Vote 4 - Community Development Services	34,501	7,334	7,515	7,075	-3.67	-6.23
Vote 5 - Corporate and Strategic Services	412	5,969	5,297	652	-815.55	-712.49
Vote 6 - Planning and Development Services	239,427	18,158	11,782	13,121	-38.39	10.21
Vote 7 - Risk Management and Legal Services	0	0	0	0	0	0
Vote 7 - Public Safety	0	24,529	28,927	16,211	0	0
Vote 8 - Electricity	0	111,632	108,879	109,471	0	0
Vote 9 - Waste Management	0	14,336	10,045	14,278	0	0
Vote 10 - Waste Water Management	0	12,889	27,260	13,957	0	0
Vote 11 - Water	0	61,865	54,351	36,588	0	0
Vote 12 - Housing	0	17,860	23,785	0	0	0
Vote 13 - Road Transport	0	0	0	0	0	0
Vote 14 - Sports and Recreation	0	4,211	2,426	2,413	0	0
Total Revenue by Vote	371,401	377,277	378,707	316,639	-19.15	-19.60

Table 188: Revenue by Vote



5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2019/20 financial year:

Description	2018/19	2019/20			2019/20 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	42,146	46,909	46,019	45,526	-3.04	-1.08
Service Charges - electricity revenue	84,700	101,751	97,153	97,604	-4.25	0.46
Service Charges - water revenue	25,747	31,523	29,117	28,021	-12.50	-3.91
Service Charges - sanitation revenue	9,649	11,110	10,125	9,106	-22.02	-11.20
Service Charges - refuse revenue	8,792	10,092	9,592	10,033	-0.59	4.39
Rentals of facilities and equipment	3,274	529	441	2,871	81.57	84.64
Interest earned - external investments	893	2,013	288	506	-298.08	43.05
Interest earned - outstanding debtors	3,996	3,745	4,996	4,984	24.85	-0.25
Fines	22,245	20,929	24,461	13,205	-58.49	-85.23
Licences and permits	0	0	0	0	0	0
Agency services	3,333	3,383	3,687	2,736	-23.63	-34.75
Transfers recognised - operational	62,085	84,703	92,868	64,462	-31.40	-44.07
Other revenue	9,466	13,156	7,967	7,895	-66.64	-0.91
Gains on disposal of PPE	0	0	0	0	0	0
Total Revenue (excluding capital transfers and contributions)	276,326	329,843	326,713	286,947	-14.95	-13.86

Table 189: Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2019/20 financial year:

Financial Performance of Operational Services						
Description	2018/19	2019/20			2019/20 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	28,437	30,221	32,916	30,071	-0.50	-9.46
Waste water (sanitation)	14,612	15,045	12,337	13,726	-9.61	10.12
Electricity	82,098	94,308	99,992	99,149	4.88	-0.85
Waste management	15,289	19,617	17,069	16,887	-16.17	-1.08
Housing	1,970	21,280	25,298	2,062	-932.22	-1127.17



Financial Performance of Operational Services						
Description	2018/19	2019/20			2019/20 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Component A: sub-total	142,405	180,472	187,611	161,895	-11.47	-15.88
Roads and stormwater	11,517	15,040	12,993	12,324	-22.04	-5.43
Component B: sub-total	11,517	15,040	12,993	12,324	-22.04	-5.43
Planning	3,107	4,715	3,873	3,648	-29.25	-6.18
Local Economic Development	1,837	2,852	2,348	2,153	-32.46	-9.07
Component C: sub-total	4,944	7,567	6,222	5,801	-30.44	-7.25
Libraries	4,519	4,929	4,785	4,754	-3.68	-0.65
Component D: sub-total	4,519	4,929	4,785	4,754	-3.68	-0.65
Environmental Protection	0	0	0	0	0	0
Component E: sub-total	0	0	0	0	0	0
Traffic & licensing	26,881	26,967	29,827	21,281	-26.72	-40.16
Fire Services and Disaster Management	1,150	3,326	3,948	3,834	13.25	-2.99
Component F: sub-total	28,031	30,293	33,775	25,114	-20.62	-34.48
Holiday Resorts and Campsites	4,731	5,540	5,039	4,929	-12.41	-2.25
Swimming pools - stadiums and sport ground	6,210	7,690	7,431	7,102	-8.28	-4.64
Community halls facilities Thusong centres	384	1,167	968	778	-49.87	-24.40
Component G: sub-total	11,325	14,397	13,439	12,809	-12.40	-4.92
Financial Services	36,709	36,047	42,321	47,406	23.96	10.73
Office of the MM	12,251	15,242	14,557	13,809	-10.38	-5.42
Administration	35,181	34,396	36,951	34,548	0.44	-6.96
Human Resources	3,963	5,699	5,805	4,888	-16.58	-18.75
Component H: sub-total	88,105	91,384	99,634	100,651	9.21	1.01
Total Expenditure	290,846	344,082	358,459	323,347	-6.41	-10.86
<i>In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 190: Operational Services Performance



5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below indicate the financial performance per municipal function:

5.2.1 Water Services

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	30,148	35,778	33,683	29,816	-19.99
Expenditure:					
Bulk Purchases	945	914	914	800	-14.18
Contracted Services	8,740	8,182	11,447	10,579	22.66
Debt Impairment	3,093	6,288	5,334	4,037	-55.77
Depreciation and Amortisation	2,320	1,185	1,705	1,535	22.79
Employee Related Costs	11,393	12,002	11,917	11,684	-2.72
Other Expenditure	1,946	1,650	1,598	1,435	-14.99
Total Operational Expenditure	28,437	30,221	32,916	30,071	-0.50
Net Operational (Service) Expenditure	1,711	5,557	767	(255)	2281.78
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 191: Financial Performance: Water Services

5.2.2 Waste Water (Sanitation)

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	13,271	12,889	15,458	10,851	-18.79
Expenditure:					
Contracted Services	2,412	2,016	2,126	1,814	-11.12
Debt Impairment	5,342	5,002	3,510	5,225	4.27
Depreciation and Amortisation	2,184	2,910	2,240	2,518	-15.55
Employee Related Costs	3,561	3,937	3,510	3,428	-14.85
Other Expenditure	1,114	1,180	951	740	-59.42
Total Operational Expenditure	14,612	15,045	12,337	13,726	-9.61
Net Operational (Service)	(1,341)	(2,156)	3,121	(2,875)	25.02
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 192: Financial Performance: Waste Water (Sanitation) Services



5.2.3 Electricity

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	85,934	103,247	98,774	99,367	-3.91
Expenditure:					
Bulk Purchases	70,865	81,469	85,385	83,384	2.30
Contracted Services	395	400	305	176	-127.40
Debt Impairment	785	735	2,882	4,543	83.82
Depreciation and Amortisation	3,362	3,722	4,097	4,001	6.98
Employee Related Costs	5,455	6,581	5,913	5,860	-12.31
Other Expenditure	1,236	1,401	1,410	1,185	-18.21
Total Operational Expenditure	82,098	94,308	99,992	99,149	4.88
Net Operational (Service)	3,836	8,939	(1,217)	217	-4014.97
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 193: Financial Performance: Electricity

5.2.4 Waste Management

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	9,232	14,336	10,045	14,278	-0.41
Expenditure:					
Contracted Services	1,275	2,060	1,856	1,532	-34.47
Debt Impairment	3,757	3,517	2,556	3,635	3.24
Depreciation and Amortisation	1,072	2,511	1,536	1,103	-127.71
Employee Related Costs	7,805	9,781	9,460	9,289	-5.29
Other Expenditure	1,379	1,748	1,661	1,328	-31.66
Total Operational Expenditure	15,289	19,617	17,069	16,887	-16.17
Net Operational (Service)	(6,057)	(5,281)	(7,024)	(2,609)	-102.45
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 194: Financial Performance: Waste Management

5.2.5 Housing

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	16,688	17,860	23,112	0	0
Expenditure:					
Contracted Services	234	18,375	23,163	56	-32902.44
Depreciation and Amortisation	0	30	30	26	-15.31
Employee Related Costs	1,732	2,592	1,899	1,882	-37.70
Other Expenditure	3	283	206	98	-189.74
Total Operational Expenditure	1,970	21,280	25,298	2,062	-932.22
Net Operational (Service)	14,719	(3,420)	(2,186)	(2,062)	-65.87
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 195: Financial Performance: Housing

5.2.6 Roads and Stormwater

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Contracted Services	664	1,206	933	587	-105.44
Depreciation and Amortisation	3,314	5,424	4,187	4,471	-21.32
Employee Related Costs	5,209	6,324	5,807	5,719	-10.58
Other Expenditure	2,330	2,086	2,065	1,547	-34.87
Total Operational Expenditure	11,517	15,040	12,993	12,324	-22.04
Net Operational (Service)	(11,517)	(15,040)	(12,993)	(12,324)	-22.04
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 196: Financial Performance: Roads and Stormwater



5.2.7 Planning (Development Management Spatial Planning and Environmental Management Building Control and Property Management)

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	5,649	5,190	3,037	3,412	-52.12
Expenditure:					
Contracted Services	149	382	307	83	-360.72
Depreciation and Amortisation	0	46	49	48	3.73
Employee Related Costs	2,792	4,053	3,346	3,392	-19.50
Other Expenditure	167	234	172	126	-86.01
Total Operational Expenditure	3,107	4,715	3,873	3,648	-29.25
Net Operational (Service)	2,542	475	(837)	(236)	300.93
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 197: Financial Performance: Planning

5.2.8 LED

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Contracted Services	25	141	34	24	-478.80
Depreciation and Amortisation	0	2	0	0	0
Employee Related Costs	990	1,773	1,828	1,828	2.99
Other Expenditure	182	386	301	266	-45.01
Transfers and grants	640	550	185	35	-1471.43
Total Operational Expenditure	1,837	2,852	2,348	2,153	-32.46
Net Operational (Service)	(1,837)	(2,852)	(2,348)	(2,153)	-32.46
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 198: Financial Performance: LED



5.2.9 Libraries

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	4,465	4,621	4,629	4,615	-0.13
Expenditure:					
Contracted Services	2	0	0	0	0
Depreciation and Amortisation	0	149	146	146	-2.03
Employee Related Costs	4,324	4,710	4,547	4,547	-3.59
Other Expenditure	194	70	92	61	-14.21
Total Operational Expenditure	4,519	4,929	4,785	4,754	-3.68
Net Operational (Service)	(54)	(308)	(156)	(139)	-121.51
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 199: Financial Performance: Libraries

5.2.10 Traffic and Law Enforcement

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	24,122	24,279	28,105	15,471	-56.93
Expenditure:					
Contracted Services	1,325	720	1,716	1,591	54.75
Debt Impairment	17,171	15,670	17,194	9,084	-72.51
Depreciation and Amortisation	0	24	239	21	-13.66
Employee Related Costs	7,546	9,712	9,990	9,937	2.27
Other Expenditure	839	841	687	647	-29.98
Total Operational Expenditure	26,881	26,967	29,827	21,281	-26.72
Net Operational (Service)	(2,758)	(2,689)	(1,722)	(5,809)	53.72
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 200: Financial Performance: Traffic and Law Enforcement



5.2.11 Fire Services and Disaster Management

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	632	250	822	740	0
Expenditure:					
Contracted Services	4	15	11	2,557	99.41
Depreciation and Amortisation	0	9	9	3	-251.26
Employee Related Costs	268	597	542	536	-11.30
Other Expenditure	878	161	242	187	14.07
Transfers and Grants	0	2,545	3,145	551	-361.73
Total Operational Expenditure	1,150	3,326	3,948	3,834	13.25
Net Operational (Service)	(518)	(3,076)	(3,126)	(3,094)	0.58
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 201: Financial Performance: Fire Services and Disaster Management

5.2.12 Holiday Resorts and Campsites

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	2,775	4,210	2,403	2,391	-76.04
Expenditure:					
Contracted Services	39	163	59	59	-176.43
Depreciation and Amortisation	0	145	142	153	5.34
Employee Related Costs	4,379	4,645	4,507	4,409	-5.36
Other Expenditure	314	587	332	308	-90.81
Total Operational Expenditure	4,731	5,540	5,039	4,929	-12.41
Net Operational (Service)	(1,956)	(1,330)	(2,636)	(2,537)	47.56
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 202: Financial Performance: Holiday Resorts and Campsites



5.2.13 Stadiums and Sport Ground

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	72	1	23	22	95.66
Expenditure:					
Contracted Services	204	298	340	284	-4.99
Depreciation and Amortisation	28	463	448	495	6.44
Employee Related Costs	5,287	5,951	5,854	5,807	-2.47
Other Expenditure	691	978	789	516	-89.56
Total Operational Expenditure	6,210	7,690	7,431	7,102	-8.28
Net Operational (Service)	(6,138)	(7,689)	(7,408)	(7,080)	-8.60
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 203: Financial Performance: Swimming Pools and Sport Grounds

5.2.14 Community Facilities and Thusong Centres

Description	2018/19	Contracted Services			
	Actual	Depreciation and Amortisation	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	274	392	300	119	-228.06
Expenditure:					
Contracted Services	199	549	299	142	-287.39
Depreciation and Amortisation	0	27	32	29	8.41
Employee Related Costs	133	518	544	531	2.37
Other Expenditure	51	73	93	77	5.17
Total Operational Expenditure	384	1,167	968	778	-49.87
Net Operational (Service)	(109)	(775)	(668)	(659)	-17.60
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 204: Financial Performance: Community Facilities and Thusong Centres



5.2.15 Financial Services

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	55,361	53,147	51,907	57,660	7.83
Expenditure:					
Contracted Services	963	1,052	1,056	1,013	-3.83
Debt Impairment	2,591	2,426	7,336	12,839	81.10
Depreciation and Amortisation	3,583	408	622	829	50.78
Employee Related Costs	15,704	18,308	18,471	17,225	-6.28
Finance Charges	8,456	8,449	8,681	9,786	13.66
Other Expenditure	4,944	5,404	6,155	5,571	3.00
Loss on Disposal of PPE	468	0	0	141	100.00
Total Operational Expenditure	36,709	36,047	42,321	47,406	23.96
Net Operational (Service)	18,652	17,100	9,586	10,254	-66.76

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

Table 205: Financial Performance: Financial Services

5.2.16 Office of the Municipal Manager

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	40,081	43,112	44,149	43,112	0
Expenditure:					
Contracted Services	873	877	1,567	1,458	39.88
Depreciation and Amortisation	0	82	96	89	7.66
Employee Related Costs	3,506	5,457	4,764	4,462	-22.29
Other Expenditure	2,369	3,128	2,463	2,134	-46.56
Remuneration of Councillors	5,392	5,493	5,576	5,570	1.38
Transfers and grants	111	205	91	95	-115.14
Total Operational Expenditure	12,251	15,242	14,557	13,809	-10.38
Net Operational (Service)	27,830	27,870	29,593	29,303	4.89

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

Table 206: Financial Performance: Office of the Municipal Manager



5.2.17 Administration

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	3,892	9,815	9,295	4,874	-101.36
Expenditure:					
Contracted Services	5,270	5,677	6,686	4,784	-18.67
Depreciation and Amortisation	0	1,081	913	896	-20.59
Employee Related Costs	20,875	19,310	20,547	20,856	7.41
Other Expenditure	8,962	8,037	8,380	7,583	-5.98
Transfers and grants	74	291	425	428	32.02
Total Operational Expenditure	35,181	34,396	36,951	34,548	0.44
Net Operational (Service)	(31,289)	(24,582)	(27,656)	(29,674)	17.16
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 207: Financial Performance: Administration

5.2.18 Human Resources

Description	2018/19	2019/20			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	277	716	971	219	-227.14
Expenditure:					
Contracted Services	37	745	557	511	-45.90
Depreciation and Amortisation	0	34	12	17	0.00
Employee Related Costs	2,846	3,248	3,431	3,424	5.15
Other Expenditure	773	1,142	1,006	752	-51.79
Transfers and grants	307	530	799	184	-188.25
Total Operational Expenditure	3,963	5,699	5,805	4,888	-16.58
Net Operational (Service)	(3,686)	(4,982)	(4,834)	(4,669)	-6.71
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 208: Financial Performance: Human Resources



5.3 GRANTS

5.3.1 Grant Performance

Description	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	77,734	108,549	108,549	83,689	-29.70	-29.70
Equitable share	45,080	49,201	49,201	49,201	0.00	0.00
Expanded Public Works Programme	1,819	1,954	1,954	1,954	0.00	0.00
Municipal Infrastructure Grant	9,634	15,667	15,667	16,618	5.72	5.72
Integrated National Electrification Grant	8,000	9,642	9,642	9,641	-0.01	-0.01
Finance Management Grant	1,620	2,085	2,085	2,085	0.00	0.00
Water Services Infrastructure Grant	6,681	30,000	30,000	4,058	-639.22	-639.22
Municipal Disaster Relief Grant (Drought Relief)	4,899	0	0	0	0	0
Municipal Disaster Relief Grant (COVID-19)	0	0	0	132	100.00	100.00
Provincial Government:	67,945	23,588	36,262	10,414	-126.51	-248.22
Human Settlement Development Grant	44,566	17,860	23,785	0	0	0
Library Services MRF	4,466	4,599	4,599	4,594	-0.10	-0.10
Community Development Grant	79	0	334	329	100.00	-1.57
Acceleration of housing deliveries	11,723	0	698	698	100.00	0.00
Transport Infrastructure Grant	70	69	69	0	0	0
Financial Management Support Grant	966	480	955	0	0	0
Thusong Service Centre	181	200	209	29	-581.31	-611.63
Municipal Capacity Building Grant	0	0	265	34	100.00	-678.15
Financial Management Capacity Building Grant	92	380	648	500	23.94	-29.67
Graduate Internship Grant	40	0	173	16	100.00	-978.62
Municipal Drought Relief	5,129	0	3,769	3,663	0	0
Emergency and Disaster - COVID-19	0	0	759	550	0	0
Municipal Disaster Grant (Drought Relief)	632	0	0	0	0	0
Other grant providers:	5	0	50	50	0.00	0.00
West Coast District Municipality (COVID-19)	0	0	50	50	0	0
ASLA	5	0	0	0	0	0
Total Operating Transfers and Grants	145,684	132,137	144,861	94,153	-40.34	-53.86



Description	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 209: Grant Performance for 2019/20

5.3.2 Conditional Grants

Details	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000					%
Operating Expenditure of Transfers and Grants						
National Government						
Finance Management	1,620	2,085	2,085	2,085	0	0
EPWP Incentive	1,819	1,954	1,954	1,954	0	0
Municipal Infrastructure Grant (PMU)	747	763	761	761	-0.34	0
Municipal Infrastructure Grant (VAT)	1,160	1,941	1,941	1,928	-0.70	-0.70
Water Services Infrastructure Grant (VAT)	870	3,913	3,913	526	-643.92	-643.92
Integrated National Electrification Grant (VAT)	1,043	1,258	1,258	1,258	-0.01	-0.01
Municipal Disaster Relief Grant (Drought Relief)	639	0	0	0	0	0
Municipal Disaster Relief Grant (COVID-19)	0	0	0	132	100.00	100.00
Provincial Government						
PGWC Financial Management Capacity Building Grant	92	380	648	500	23.94	-29.67
Transport Infrastructure Grant	70	69	69	0	0	0
Library Services: MRFG	4,446	4,599	4,599	4,594	-0.10	-0.10
Thusong Service Centre (Sustainability Operational Support)	181	200	209	29	-581.31	-611.63
CDW Support	79	0	334	329	100.00	-1.57
Human Settlement Development Grant	315	17,860	23,112	0	0	0
Acceleration of housing deliveries (VAT)	1,529	0	91	91	100.00	0
Municipal Drought Support (VAT)	1,037	0	492	424	100.00	-15.93
Graduate Internship Grant	40	0	173	16	100.00	-978.62
Municipal Capacity Building Grant	0	0	265	34	100.00	-678.15
Financial Management Support Grant	679	480	955	0	0	0
Emergency and Disaster - COVID-19	0	0	759	550	100.00	-38.00
Municipal Disaster Grant (Drought Relief)	632	0	0	0	0	0



Details	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
Capital Expenditure of Transfers and Grants						
National Government						
Municipal Infrastructure Grant (MIG)	7,726	12,962	12,965	13,929	6.94	6.92
Water Services Infrastructure Grant	5,811	26,087	26,087	3,532	0.00	0.00
Integrated National Electrification Grant (INEG)	6,957	8,384	8,384	8,383	-0.01	-0.01
Municipal Disaster Relief Grant (Drought Relief)	4,260	0	0	0	0	0
Provincial Government:						
Human Settlement Development Grant (Beneficiaries)	44,251	0	673	0	0	0
Municipal Drought Support	4,093	0	3,277	3,239	100.00	-1.17
Acceleration of housing deliveries	10,194	0	607	607	100.00	0.00
Library Services: MRFG	20	0	0	0	0	0
Financial Management Support Grant	287	0	0	0	0	0
Total	100,599	82,936	95,610	44,902	-84.70	-112.93
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 210: Conditional Grant

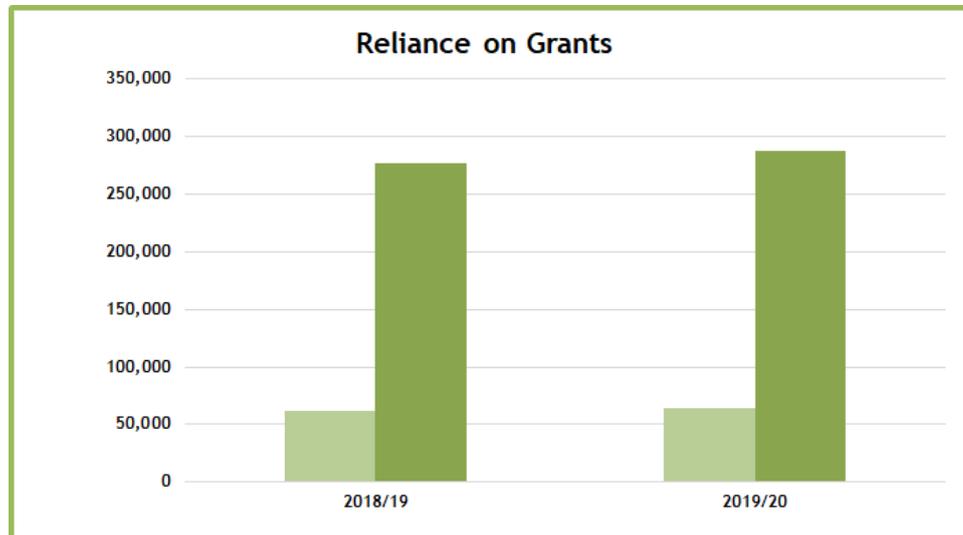
5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2018/19	62,085	276,326	22.47
2019/20	64,462	286,947	22.46

Table 211: Reliance on Grants



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



Graph 7: Reliance on Grants

5.4 ASSET MANAGEMENT

5.4.1 Three Largest Assets

Asset 1		
Name	Desalination (Drought Relief Grant)	
Description	Desalination plant	
Asset Type	Infrastructure	
Key Staff Involved	Ben Schippers	
Asset Value as at 30 June 2020	2018/19 R million	2019/20 R million
	58,789	58,789
Capital Implications	N/A	
Future Purpose of Asset	Desalination plant	
Describe Key Issues	Funding submissions to complete the desalination plant were made to the Department of Water and Sanitation. R36 million was gazetted for the 2020/21 financial year	
Policies in Place to Manage Asset	Asset Management Policy	

Table 212: Asset 1

Asset 2	
Name	Citrusdal WWTW
Description	Waste Water Treatment
Asset Type	Infrastructure
Key Staff Involved	Phemelo Majeni



Asset Value as at 30 June 2020	2018/19 R million	2019/20 R million
		49,379
Capital Implications	N/A	
Future Purpose of Asset	Waste Water Treatment	
Describe Key Issues	Funding is required to complete the mechanical and electrical phase of the project. Funding requests had been submitted to the Department of Water and Sanitation and the Municipal Infrastructure Grant (MIG). The project is on the approved Detail Project Implementation Plan of the MIG 2020/21 and 2021/22 financial year	
Policies in Place to Manage Asset	Asset Management Policy	

Table 213: Asset 2

Asset 3		
Name	Upgrade Roads and Stormwater Citrusdal	
Description	Roads, Pavements & Bridges	
Asset Type	Infrastructure	
Key Staff Involved	Phemelo Majeni	
Asset Value as at 30 June 2020	2018/19 R million	2019/20 R million
	20,075	28,906
Capital Implications	N/A	
Future Purpose of Asset	Roads, Pavements & Bridges	
Describe Key Issues	N/A	
Policies in Place to Manage Asset	Asset Management Policy	

Table 214: Asset 3

5.4.2 Repairs and Maintenance

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	12,933	30,631	29,527	9,892	-66.50

Table 215: Repairs & Maintenance

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity Ratio

Description	Basis of calculation	2018/19	2019/20
Current Ratio	Current assets/current liabilities	0.59	0.48
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.59	0.48



Description	Basis of calculation	2018/19	2019/20
Liquidity Ratio	Monetary assets/current liabilities	0.57	0.47

Table 216: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2018/19	2019/20
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.24	-0.51
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.25	0.18
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	40.21	40.10

Table 217: Financial Viability National KPAs

5.5.3 Borrowing Management

Description	Basis of calculation	2018/19	2019/20
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.03%	1.99%

Table 218: Borrowing Management

5.5.4 Employee costs

Description	Basis of calculation	2018/19	2019/20
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.74%	40.20%

Table 219: Employee Costs

5.5.5 Repairs & Maintenance

Description	Basis of calculation	2018/19	2019/20
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	4.68%	3.45%

Table 220: Repairs & Maintenance

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 SOURCES OF FINANCE

5.6.1 Capital Expenditure by New Assets Program

Description	2018/19	2019/20			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2020/21	2021/22	2021/22
R'000							
Capital expenditure by Asset Class							
Infrastructure - Total	96,452	50,023	53,450	32,153	58,345	56,950	58,066
Infrastructure: Road transport - Total	40,136	13,287	8,829	8,871	1,455	2,860	8,049
Roads, Pavements & Bridges	32,248	13,217	8,829	8,871	1,275	2,660	7,799
Storm water	7,887	70	0	0	180	200	250
Infrastructure: Electricity - Total	12,108	9,714	11,442	11,430	20,456	13,083	8,736
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	9,280	9,714	11,442	11,430	20,456	13,083	8,736
Street Lighting	2,828	0	0	0	0	0	0
Infrastructure: Water - Total	24,091	17,541	20,669	5,928	26,517	29,068	6,793
Dams & Reservoirs	10,149	8,846	8,696	5,928	26,367	26,577	300
Water purification	4,119	8,696	11,973	0	150	60	0
Reticulation	9,824	0	0	0	0	2,431	6,493
Infrastructure: Sanitation - Total	20,117	9,261	12,454	5,925	9,798	11,938	34,489
Reticulation	9,923	565	45	104	80	0	0
Sewerage purification	10,194	8,696	12,409	5,821	9,718	11,938	34,489
Infrastructure: Other - Total	0	220	57	0	120	0	0
Waste Management	0	220	57	0	120	0	0
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Community - Total	6,954	1,516	5,995	4,001	3,829	606	100
Parks & gardens	0	39	0	0	220	60	230
Sports fields & stadia	2,634	3,420	219	219	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	95	70	28	28	0	30	50
Libraries	0	0	0	0	0	0	0
Recreational facilities	1,133	0	0	0	3,865	2,049	740
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	0	0	0	0	0	0	0
Buses	0	0	0	29	0	30	50



Description	2018/19	2019/20			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2020/21	2021/22	2021/22
R'000							
Cemeteries	139	300	0	0	60	80	300
Social rental housing	0	0	0	0	0	0	0
Capital expenditure by Asset Class	4,421	6,846	2,908	2,154	3,728	1,639	1,371
Heritage assets - Total	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0
Investment properties - Total	0	0	0	0	0	0	0
Housing development	0	0	0	0	0	0	0
Other assets	4,224	6,846	2,908	2,154	3,728	1,639	1,371
General vehicles	103	0	0	0	1,625	30	80
Specialised vehicles	0	3,045	0	0	0	0	0
Plant & equipment	831	2,651	2,469	1,188	1,515	610	450
Computers - hardware/equipment	650	118	38	20	288	224	271
Furniture and other office equipment	2,614	547	173	918	100	190	100
Markets	0	0	0	0	100	15	20
Other Buildings	25	486	28	28	100	570	450
Other Land	0	0	200	0	0	0	0
Intangibles	1,019	0	0	287	0	0	0
Computers - software & programming	1,019	0	0	287	0	0	0
Total Capital Expenditure on new assets	46,352	68,091	105,621	104,239	60,699	80,245	85,549

Table 221: Capital Expenditure by New Assets Program

5.6.1 Capital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2019/20 financial year:

Capital Expenditure: Funding Sources						
Details	2018/19	2019/20				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	R'000				%	
External loans	0	3,000	0	0	0	0
Public contributions and donations	11,477	0	0	0	0	0

Capital Expenditure: Funding Sources						
Details	2018/19	2019/20				
	<i>Audited outcome</i>	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	R'000				%	
Grants and subsidies	83,743	47,434	51,993	29,691	9.61	-47.02
Own funding	9,655	10,265	4,612	4,892	-55.07	2.73
Total	104,874	60,699	56,606	34,584	-6.74	-36.28
Percentage of Finance						
External loans	0	5	0	0		
Public contributions and donations	11	0	0	0		
Grants and subsidies	80	78	92	86		
Own funding	9	17	8	14		
Capital Expenditure						
Description	R'000				%	
Water and sanitation	20,117	9,261	12,454	5,925	34.48	-70.50
Electricity	12,108	9,714	11,442	11,430	17.79	-0.13
Housing	0	0	0	0	0	0
Roads and storm water	40,136	13,287	8,829	8,871	-33.56	0.32
Other	32,513	28,437	23,881	8,358	-16.02	-54.59
Total	104,874	60,699	56,606	34,584	-6.74	-36.28
Percentage of Expenditure						
Water and sanitation	19	15	22	17		
Electricity	12	16	20	33		
Housing	0	0	0	0		
Roads and stormwater	38	22	16	26		
Other	31	47	42	24		

Table 222: Capital Expenditure by Funding Source



5.6.2 Capital Spending on Largest Capital Projects

Name of Project	2019/20				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
MIG Upgrade Roads and Stormwater Citrusdal	12,942	11,222	8,831	-31.77%	-21.31%
Integrated National Electrification Programme	4,447	6,149	6,064	36.36%	-1.39%
Integrated National Electrification Programme - Clanwilliam	4,637	4,637	4,636	-0.02%	-0.02%
Clanwilliam Boreholes (Drought Relief Grant)	0	3,043	3,239	0	6.43%
MIG: Citrusdal New WWTW	0	607	3,106	0	411.73%
Name of Project - A	MIG Upgrade Roads and Stormwater Citrusdal				
Objective of Project	Upgrade Roads and Stormwater in Citrusdal				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Citrusdal				
Name of Project - B	Integrated National Electrification Programme				
Objective of Project	Electrification of Housing in Lamberts Bay				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Lamberts Bay				
Name of Project - C	Integrated National Electrification Programme - Clanwilliam				
Objective of Project	Electrification of Housing In Clanwilliam				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Clanwilliam				
Name of Project - D	Clanwilliam Boreholes (Drought Relief Grant)				
Objective of Project	Boreholes in Clanwilliam				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Clanwilliam				
Name of Project - E	MIG: Citrusdal New WWTW				
Objective of Project	Upgrade WWTW In Citrusdal				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Citrusdal				

Table 223: Capital Spending on Largest Capital Projects



5.6.3 Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs

The table below indicates the MIG expenditure on service backlogs:

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'000			%	%
Infrastructure - Sanitation	3,106	3,106	3,106	0	0
Reticulation	3,106	3,106	3,106	0	0
Infrastructure - Electricity	1,721	1,721	1,721	0	0
Reticulation	1,721	1,721	1,721	0	0
Roads Infrastructure	8,135	8,138	8,152	0.20	0.17
Total	12,962	12,965	12,978	0.12	0.10

* 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 224: MIG Expenditure on Service Backlogs

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation 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.

5.7 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2018/19	2019/20		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	166,809	204,655	183,750	175,861
Government - operating	31,312	84,703	90,625	88,293
Government - capital	83,599	47,434	49,895	29,691
Interest	893	5,571	3,274	506



Cash Flow Outcomes				
R'000				
Description	2018/19	2019/20		
	<i>Audited Outcome</i>	Original Budget	Adjusted Budget	Actual
	R'000			
Dividends	0	0	0	0
Payments				
Suppliers and employees	(196,143)	(270,839)	(266,474)	(242,081)
Finance charges	(2,360)	(1,930)	(2,472)	(3,781)
Transfers and Grants	(1,066)	(4,121)	(4,662)	(1,144)
Net cash from/(used) operating activities	83,044	65,473	53,937	47,344
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	702	0	0	67
Decrease (increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(91,562)	(60,699)	(56,606)	(33,835)
Net cash from/(used) investing activities	(90,860)	(60,699)	(56,606)	(33,769)
Cash flows from financing activities				
Receipts				
Consumer Deposits	101	3,000	0	0
Borrowing long term/refinancing	0	142	142	53
Payments				
Repayment of borrowing	(3,630)	(3,417)	(4,112)	(4,131)
Net cash from/(used) financing activities	(3,529)	(275)	(3,970)	(4,078)
Net increase/ (decrease) in cash held	(11,345)	4,500	(6,639)	9,497
Cash/cash equivalents at the year begin:	18,532	505	7,187	7,187
Cash/cash equivalents at the yearend:	7,187	5,005	549	16,685

Table 225: Cash Flow



5.8 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
R'000						
2018/19	28,417	47,118	24,952	0	4,516	105,003
2019/20	32,871	61,786	32,454	0	8,118	135,230
Difference	4,454	14,668	7,503	0	3,602	30,226
% growth year on year	16	31	30	0	80	29

Note: Figures exclude provision for bad debt

Table 226: Gross Outstanding Debtors per Service

5.9 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				
2018/19	18,694	15,783	22,270	48,256	105,003
2019/20	17,531	19,550	32,726	65,423	135,230
Difference	(1,163)	3,767	10,456	17,167	30,226
% growth year on year	-6	24	47	36	29

Note: Figures exclude provision for bad debt

Table 227: Service Debtor Age Analysis

5.10 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.

5.10.1 Actual Borrowings

Actual Borrowings		
R' 000		
Instrument	2018/19	2019/20
	R'000	
Long-term loans (annuity/reducing balance)	15,157	12,753
Financial leases	5,425	4,446
Total	20,581	17,199

Table 228: Actual Borrowings



5.10.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2018/19	2019/20
	Actual	
	R'000	
Deposits - Bank	3,735	7,767
Total	3,735	7,767

Table 229: Municipal Investments

5.10.3 Grants Made by the Municipality

All Organisation or Person in receipt of Grants provided by the municipality	Conditions attached to funding	Value 2019/20	Total Amount committed over previous and future years
		R'000	
Bursaries	n/a	184	1,471
Tourism	n/a	0	880
Festivals	n/a	15	603
Sport Councils	n/a	63	393
ATKV	n/a	20	0
National Sea Rescue Institute	n/a	94	44
Wupperthal Support	n/a	19	60
Social Relief	n/a	862	948

Table 230: Grants Made by the Municipality



CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2018/19

6.1 AUDITOR-GENERAL REPORT 2018/19

2018/19	
Unqualified with no findings/ Clean Audit	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Restatement of corresponding figures	
As disclosed in note 39 to 40 to the financial statements the corresponding figures for 30 June 2018 have been restated as a result of an errors discovered during the 2018/19 financial year, as well as (mSCOA) reclassifications in the financial statements of the Municipality at and for the year ended 30 June 2019	The reclassification of corresponding figures will be an ongoing process as a result of new mSCOA versions being issued by National Treasury on an annual basis
Material Losses and impairments	
As disclosed in note 3 to the financial statements the municipality provided for impairment of receivables from exchange transactions amounting to R43.2 million (2017/18: R39.7 million) as a result of poor collection ratios and tough circumstances experience by the public	With the implementation of the new mSCOA accounting system some issues were experienced in the current year with regards to the credit control module. Management will be working closely with the service providers of the accounting system in order to improve the credit control module
As disclosed in note 4 to the financial statements the municipality has provided for impairment of receivables from non-exchange transactions amounting to R43.5 million (2017/18: R51.3 million) as a result of poor collection ratios	
Significant uncertainties	
With reference to note 54 to the financial statements the municipality is the defendant in a number of lawsuits. The outcomes of these matters cannot be determined and no provision for any liability that may result has been made in the financial statements	Legal representation has been obtained. Management is confident that the said lawsuits will be ruled in favour of the Municipality

Table 231: AG Report on Financial Performance 2018/19

COMPONENT B: AUDITOR-GENERAL OPINION 2019/20

6.2 AUDITOR-GENERAL REPORT 2019/20

2019/20	
Unqualified with findings	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Material Losses and impairments	
As disclosed in note 3 to the financial statements the municipality provided for impairment of receivables from exchange transactions amounting to R75.1 million (2018/19: R43.2 million) as a result of poor collection ratios and tough circumstances experience by the public	With the implementation of the new mSCOA accounting system some issues were experienced in the current year with regards to the credit control module. Management will be working closely with the service providers of the accounting system in order to improve the credit control module



2019/20	
Unqualified with findings	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
As disclosed in note 4 to the financial statements the municipality has provided for impairment of receivables from non-exchange transactions amounting to R60.3million (2018/19: R44.3) million as a result of poor collection ratios	
Significant uncertainties	
With reference to note 54 to the financial statements the municipality is the defendant in a number of lawsuits. The outcomes of these matters cannot be determined and no provision for any liability that may result has been made in the financial statements	Legal representation has been obtained. Management is confident that the said lawsuits will be ruled in favour of the Municipality

Table 232: AG Report on Financial Performance 2019/20

List of Abbreviations

LIST OF ABBREVIATIONS

LIST OF ABBREVIATIONS

AG	Auditor-General	KPI	Key Performance Indicator
AFS	Annual Financial Statements	LED	Local Economic Development
CAPEX	Capital Expenditure	MAYCOM	Executive Mayoral Committee
CBP	Community Based Planning	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CMTTP	Council Meets The People	MM	Municipal Manager
COGHSTA	Department of Cooperative Governance, Human Settlements and Traditional Affairs	MMC	Member of Mayoral Committee
DPLG	Department of Provincial and Local Government	MSA	Municipal Systems Act No. 32 of 2000
DWA	Department of Water Affairs	MTECH	Medium Term Expenditure Committee
EE	Employment Equity	NCOP	National Council of Provinces
EPWP	Extended Public Works Programme	NERSA	National Energy Regulator South Africa
EXCO	Executive Committee	NGO	Non-governmental organisation
FBS	Free Basic Services	NT	National Treasury
GAMAP	Generally Accepted Municipal Accounting Practice	OPEX	Operating expenditure
GRAP	Generally Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PT	Provincial Treasury
IDP	Integrated Development Plan	SALGA	South African Local Government Association
IFRS	International Financial Reporting Standards	SAMDI	South African Management Development Institute
IMFO	Institute for Municipal Finance Officers	SCM	Supply Chain Management
KPA	Key Performance Area	SDBIP	Service Delivery and Budget Implementation Plan
		SDF	Spatial Development Framework

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Annexure A

Financial Statements

CEDERBERG LOCAL MUNICIPALITY



UNAUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2020

CEDERBERG LOCAL MUNICIPALITY

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CEDERBERG LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Cederberg Local Municipality performs the functions as set out in the Constitution. (Act no 105 of 1996)

LEGAL FORM

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

JURISDICTION

The Cederberg Local Municipality includes the following areas:

Algeria	Graafwater
Clanwilliam	Leipoltville
Lamberts Bay	Elands Bay
Citrusdal	

MEMBERS OF THE COUNCIL

Ward 1	Cllr J Meyer
Ward 2	Cllr RV Pretorius
Ward 3	Cllr M Heins
Ward 4	Cllr P Straus
Ward 5	Cllr WJ Farmer
Ward 6	Cllr RG Witbooi
Proportional	Cllr Sokuyeka
Proportional	Cllr EN Majikejela
Proportional	Cllr NS Qunta
Proportional	Cllr F Kamfer
Proportional	Cllr L Scheepers

MEMBERS OF THE MAYORAL COMMITTEE

Cllr NS Qunta (Executive Mayor)
Cllr L Scheepers (Deputy Executive Mayor)
Cllr EN Majikejela
Cllr M Heins

MUNICIPAL MANAGER

Mr HG Slimmert

ACTING CHIEF FINANCIAL OFFICER

Mr M Memani

AUDIT COMMITTEE

Omar Valley (Chairperson)
Nico Smit
Charles Beukes

REGISTERED OFFICE

2A Voortrekker Road
Clanwilliam
8135

POSTAL ADDRESS

Private Bag x2
Clanwilliam
8135

CEDERBERG LOCAL MUNICIPALITY

GENERAL INFORMATION

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

Standard Bank of South Africa Ltd

ATTORNEYS

TNK Attorneys

Burger & Marias Attorneys

Erasmus & Associates

Grant Spammer Attorneys

KM Ramodike Attorneys

Mervin Doralingo

Enderstein Van der Merwe

Lizel Venter Attorneys

Visser & Vennote

Clyde en Co Attorneys

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 Cost Containment Regulations 2019

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 a Standard Chart of Accounts, 2014

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

National Environmental Management Act

Occupational Health and Safety Act

Preferential Procurement Policy Framework Act, 200

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)

CEDERBERG LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements year ended 30 June 2020, which are set out on pages 1 to 79 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 GRAP.

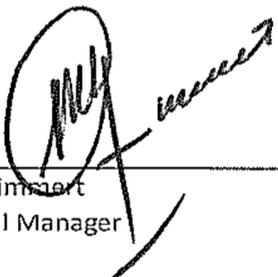
As per the Government Gazette no 43582 dated 5 August 2020, National Treasury has granted municipalities and municipal entities a two-month extension regarding the submission of financial statements. The Municipality has taken advantage of this exemption.

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 2021 and I 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.



Mr HG Slimbert
Municipal Manager

30 / 10 / 2020

Date

CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Notes	2020 R (Actual)	2019 R (Restated)
ASSETS			
Current Assets		61 340 748	57 158 880
Cash and Cash Equivalents	2	16 684 890	7 187 397
Receivables from Exchange Transactions	3	27 173 501	33 355 213
Receivables from Non-Exchange Transactions	4	12 998 741	14 974 171
Taxes	5	3 090 646	90 816
Operating Lease Assets	6	5 429	452
Inventory	7	1 387 542	1 550 831
Non-Current Assets		692 632 255	681 989 258
Investment Property	8	77 144 463	77 214 288
Property, Plant and Equipment	9	614 010 943	603 074 250
Intangible Assets	10	1 476 849	1 700 721
Total Assets		753 973 003	739 148 138
Current Liabilities			
		127 078 872	97 513 935
Current Portion of Long-term Liabilities	11	4 717 622	4 111 571
Consumer Deposits	12	2 108 188	2 055 177
Payables from exchange transactions	13	81 119 876	79 145 391
Unspent Conditional Government Grants	14	27 474 112	2 692 280
Operating Lease Liabilities	6	14 121	12 534
Current Employee benefits	15	11 644 954	9 496 983
Non-Current Liabilities		71 700 963	79 732 407
Long-term Liabilities	11	12 480 933	16 469 708
Employee benefits	16	27 540 000	29 545 472
Non-Current Provisions	17	31 680 030	33 717 226
Total Liabilities		198 779 835	177 246 342
NET ASSETS		555 193 168	561 901 796
COMMUNITY WEALTH			
Accumulated Surplus		555 193 168	561 901 796
		555 193 168	561 901 796

CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2020

	Notes	2020 R (Actual)	2019 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		158 818 899	229 491 358
Taxation Revenue		45 526 373	42 146 144
Property Rates	18	45 526 373	42 146 144
Transfer Revenue		94 153 104	157 160 424
Government Grants and Subsidies - Operating	19	64 461 748	62 079 857
Government Grants and Subsidies - Capital	19	29 691 356	83 598 795
Public Contributions and Donations		-	5 000
Contributed Assets	20	-	11 476 772
Other Revenue		19 139 422	30 184 790
Insurance Refund		-	33 430
Fines, Penalties and Forfeits	21	13 205 468	22 245 450
Actuarial Gains	22	5 933 954	7 905 910
REVENUE FROM EXCHANGE TRANSACTIONS		157 819 921	141 909 764
Operating Activities		157 819 921	141 909 764
Service Charges	23	144 762 931	128 887 500
Rental of Facilities and Equipment	24	2 871 161	3 274 156
Interest Earned - external investments		505 556	892 942
Interest Earned - outstanding debtors		4 983 566	3 996 023
Agency Services	25	2 735 961	3 332 665
Other Income	26	1 960 746	1 526 478
TOTAL REVENUE		316 638 820	371 401 122
EXPENDITURE			
Employee Related Costs	27	115 364 247	104 281 701
Remuneration of Councillors	28	5 569 861	5 392 291
Debt Impairment	29	45 905 361	38 387 315
Depreciation and Amortisation	30	18 882 270	16 635 139
Finance Charges	31	9 786 135	8 455 545
Bulk Purchases	32	84 184 752	71 810 102
Contracted Services	33	18 205 886	16 696 031
Transfers and Grants	34	1 144 278	1 066 144
Other Expenditure	35	24 163 445	27 653 950
Loss on disposal of Non-Monetary Assets	36	141 216	467 952
TOTAL EXPENDITURE		323 347 451	290 846 170
NET SURPLUS/(DEFICIT) FOR THE YEAR		(6 708 631)	80 554 952

CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2020

	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2018	481 293 258	481 293 258
Correction of error restatement - note 37.4	53 585	53 585
Balance on 30 June 2018 - Restated	481 346 843	481 346 843
Net Surplus for the year	80 554 953	80 554 953
Balance on 30 June 2019 - Restated	561 901 796	561 901 796
Net Deficit for the year	(6 708 628)	(6 708 628)
Balance on 30 June 2020	555 193 168	555 193 168

CEDERBERG LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2020

	Notes	2020 R (Actual)	2019 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		40 582 028	38 334 319
Service Charges and Interest		123 172 181	113 481 344
Other Revenue		12 106 897	14 993 666
Government Grants		117 984 033	114 910 850
Investment Interest		505 556	892 942
Payments			
Suppliers and employees		(242 081 028)	(196 142 595)
Finance charges		(3 781 092)	(2 360 413)
Transfers and Grants		(1 144 278)	(1 066 144)
NET CASH FROM OPERATING ACTIVITIES	39	47 344 297	83 043 968
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		66 739	702 082
Payments			
Purchase of Property, Plant and Equipment		(33 835 284)	(91 365 224)
Purchase of Intangible Assets		-	(196 821)
NET CASH USED INVESTING ACTIVITIES		(33 768 545)	(90 859 963)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		-	-
Increase in Consumer Deposits		53 014	100 851
Payments			
Loans repaid		(4 131 274)	(3 629 524)
NET CASH USED FINANCING ACTIVITIES		(4 078 260)	(3 528 673)
NET INCREASE/(DECREASE) IN CASH HELD		9 497 493	(11 344 668)
Cash and Cash Equivalents at the beginning of the year		7 187 397	18 532 065
Cash and Cash Equivalents at the end of the year		16 684 890	7 187 397

CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
Current assets	50 898 088	1 305 797	52 203 885	61 340 748	9 136 864
Non-current assets	733 123 520	(14 978 561)	718 144 959	692 632 255	(25 512 704)
Current liabilities	50 842 039	4 685 246	55 527 285	127 078 872	71 551 587
Non-current liabilities	137 196 889	(3 994 675)	133 202 214	71 700 963	(61 501 251)
Total Community Wealth	595 982 680	(14 363 335)	581 619 345	555 193 168	(26 426 177)
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
Property rates	46 908 626	(889 547)	46 019 079	45 526 373	(492 706)
Service Charges	154 476 840	(8 489 179)	145 987 661	144 762 931	(1 224 730)
Investment revenue	2 012 516	(1 724 609)	287 907	505 556	217 649
Transfers recognised - operational	84 703 391	8 164 524	92 867 915	64 461 748	(28 406 167)
Other own revenue	41 741 579	(190 720)	41 550 859	31 690 856	(9 860 003)
Total Revenue (excluding capital transfers)	329 842 952	(3 129 531)	326 713 421	286 947 464	(39 765 957)
EXPENDITURE					
Employee costs	119 499 420	(2 620 888)	116 878 532	115 364 247	(1 514 285)
Remuneration of councillors	5 493 000	83 205	5 576 205	5 569 861	(6 344)
Debt impairment	35 531 750	9 393 250	44 925 000	45 905 361	980 361
Depreciation and asset impairment	23 355 000	(3 222 530)	20 132 470	18 882 270	(1 250 200)
Finance charges	8 449 015	231 493	8 680 508	9 786 135	1 105 627
Bulk purchases	82 383 212	3 915 773	86 298 985	84 184 752	(2 114 233)
Other Materials	9 327 530	(845 562)	8 481 968	-	(8 481 968)
Contracted Services	35 860 759	6 858 528	42 719 287	18 205 886	(24 513 401)
Transfers and grants	4 120 525	524 367	4 644 892	1 144 278	(3 500 614)
Other expenditure	20 061 309	60 146	20 121 455	24 163 445	4 041 990
Loss on disposal of PPE	-	-	-	141 216	141 216
Total Expenditure	344 081 520	14 377 782	358 459 302	323 347 451	(35 111 851)
Surplus/(Deficit)	(14 238 568)	(17 507 313)	(31 745 881)	(36 399 988)	(4 654 107)
Transfers recognised - capital	47 433 609	4 559 745	51 993 354	29 691 356	(22 301 998)
Contributions Recognised - Capital	-	-	-	-	-
NET SURPLUS FOR THE YEAR	33 195 041	(12 947 568)	20 247 473	(6 708 631)	(26 956 104)
CASH FLOW STATEMENT					
Net Cash Flow from Operating Activities	65 473 240	(11 536 207)	53 937 033	47 344 297	(6 592 736)
Net Cash Flow from Investing Activities	(60 698 593)	4 092 927	(56 605 666)	(33 768 545)	22 837 121
Net Cash Flow from Financing Activities	(275 082)	(3 694 941)	(3 970 023)	(4 078 260)	(108 237)
Net increase in cash and cash equivalents	4 499 565	(11 138 221)	(6 638 656)	9 497 493	16 136 148

Refer to note 41.1 for explanations of material variances between the original and final budget.

Refer to note 41.2 for explanations of material variances between actual amounts and the final budget.

Material variances are considered to be any variances greater than R3 million.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

In terms of GRAP 108 - "Statutory Receivables", the Municipality is utilising the transitional provision contained in Directive 4 that grant the Municipality a period of three years (1 July 2019 to 30 June 2022) in order to finalise the classification and impairment methods of Statutory Receivables.

1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis. Refer to note 56 for the going concern assessment performed by the Municipality.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

Refer to note 38 for significant amendments which were made to the accounting policy in the current year.

1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Standards of GRAP set out how an item should be recognised, measured and disclosed in the financial statements. In some cases, the Municipality does not recognise, measure, present or disclose information in accordance with the specific requirements outlined in the Standards of GRAP if the effect of applying those requirements are immaterial.

1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt the Amendments to the Standards of GRAP for "Presentation of Financial Statements" which was issued in April 2019. The amendments effected the following Standards of GRAP:

Standard	Description	Effective Date
GRAP 1	Presentation of Financial Statements	1 April 2020
GRAP 21	Impairment of Non-cash-generating Assets	1 April 2020
GRAP 26	Impairment of Cash-generating Assets	1 April 2020
GRAP 104	Financial Instruments	1 April 2020

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

The Municipality also resolved to early adopt the Improvements to Standards of GRAP (2020) which was issued during March 2020. The improvements effected the following Standards of GRAP:

Standard	Description	Effective Date
GRAP 5	Borrowing Costs	1 April 2021
GRAP 13	Leases	1 April 2021
GRAP 16	Investment Property	1 April 2021
GRAP 17	Property Plant and Equipment	1 April 2021
GRAP 24	Presentation of Budget Information in Financial Statements	1 April 2021
GRAP 31	Intangible Assets	1 April 2021
GRAP 32	Service Concession Arrangements: Grantor	1 April 2021
GRAP 37	Joint Arrangements	1 April 2021
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	1 April 2021
Directive 7	The Application of Deemed Cost	1 April 2021

The effect of the above-mentioned amendments and improvements to the Standards of GRAP which were early adopted is considered insignificant. The amendments and improvements to the Standards of GRAP mainly relate to the clarification of accounting principles.

The Municipality resolved not to early adopt Directive 14 - "The Application of Standards of GRAP by Public Entities that apply IFRS Standards" (effective 1 April 2021) as this Directive is not applicable to municipalities and will have no impact on the Municipality once it becomes effective.

The Municipality further resolved not to early adopt the following Standards of GRAP and Interpretations of the Standard of GRAP which were issued but are not yet effective:

1.08.1.1 GRAP 18 - Segment Reporting (effective 1 April 2020)

The objective of this Standard is to establish principles for reporting financial information by segments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.1.2 GRAP 34 - Separate Financial Statements (effective 1 April 2020)

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

No significant impact is expected as the Municipality has no investments in any entities.

1.08.1.3 GRAP 35 - Consolidated Financial Statements (effective 1 April 2020)

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

No significant impact is expected as the Municipality does not control any entities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.08.1.4 GRAP 36 - Investments in Associates and Joint Ventures (effective 1 April 2020)

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

No significant impact is expected as the Municipality does not have investments in any associates or joint ventures.

1.08.1.5 GRAP 37 - Joint Arrangements (effective 1 April 2020)

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

No significant impact is expected as the Municipality does not have an interest in any arrangements that are controlled jointly.

1.08.1.6 GRAP 38 - Disclosure of Interests in Other Entities (effective 1 April 2020)

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- (b) the effects of those interests on its financial position, financial performance and cash flows.

No significant impact is expected as the Municipality does not have an interest in any entities, associates, joint ventures or joint arrangements.

1.08.1.7 GRAP 110 - Living and Non-living Resources (effective 1 April 2020)

The objective of this Standard is to prescribe the:

- (a) recognition, measurement, presentation and disclosure requirements for living resources; and
- (b) disclosure requirements for non-living resources.

Preliminary investigations indicated that the Municipality's non-living resources do not fall within the scope of this Standard.

1.08.1.8 iGRAP 20 - Accounting for Adjustments to Revenue (effective 1 April 2020)

This Interpretation clarifies the accounting for adjustments to:

- (a) exchange and non-exchange revenue charged in terms of legislation or similar means; and
- (b) interest and penalties that arise from revenue already recognised.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

1.08.2.1 GRAP 104 (Revised 2019) - Financial Instruments

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

No significant impact is expected as the Municipality's current treatment is already in line with the Standard's requirements.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.09 INVESTMENT PROPERTY

1.09.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.09.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.09.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Buildings	100

1.09.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.09.5 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.10 PROPERTY, PLANT AND EQUIPMENT

1.10.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

1.10.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.10.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

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The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
Land and Buildings		Community	
Land	N/A	Community Facilities	16 - 101
Buildings	9 - 101	Sport and Recreational Facilities	20 - 101
		Work in progress	N/A
Infrastructure		Other	
Electrical	9 - 115	Computer Equipment	5 - 17
Roads	4 - 50	Furniture and Office Equipment	5 - 31
Sanitation	5 - 60	Machinery and Equipment	5 - 36
Storm Water	4 - 50	Transport Assets	8 - 26
Water Supply	8 - 60		
Work in progress	N/A		
Finance lease assets			
Office equipment	3 - 11		
Transport Assets	10		

1.10.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.10.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.11 INTANGIBLE ASSETS

1.11.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

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Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.11.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.

1.11.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	6-16

1.11.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.11.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.12 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

1.12.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.12.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.12.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.12.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.13 INVENTORIES

1.13.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

1.13.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.14 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.14.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.14.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.14.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.2 Long-term Benefits

1.14.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.3 Short-term Benefits

1.14.3.1 Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

1.14.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

1.14.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.15 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.16 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.16.1 Municipality as Lessee

1.16.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.16.1.2 *Operating leases*

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.16.2 **Municipality as Lessor**

1.16.2.1 *Finance Leases*

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

1.16.2.2 *Operating Leases*

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

1.17 **FINANCIAL INSTRUMENTS**

1.17.1 **Initial Recognition**

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.17.2 **Subsequent Measurement**

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
 - (i) derivatives;
 - (ii) combined instruments that are designated at fair value;
 - (iii) instruments held for trading;
 - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
 - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.17.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.17.3.1 *Financial assets measured at amortised cost*

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.17.3.2 *Financial assets measured at cost*

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

1.17.4 Derecognition of financial instruments

1.17.4.1 *Financial assets*

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.17.4.2 *Financial liabilities*

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.17.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.18 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.18.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.18.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.18.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.18.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

1.19 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.20 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.21 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.22 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.23 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.25 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.25.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.25.1.1 *Taxation Revenue*

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.25.1.2 *Transfer Revenue*

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

1.25.1.3 *Fines*

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue. Any fine reductions or cancellations subsequent to the reported date is recorded as a write-off against the provision raised for debt impairment.

1.25.1.4 *Insurance Refund*

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

1.25.1.5 *Unclaimed deposits*

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.

1.25.1.6 *Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure*

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

1.25.1.7 *Services in-kind*

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

1.25.1.8 *Contributed Assets*

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

1.25.2 **Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.25.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

1.25.2.2 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.25.2.3 Rental income

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.25.2.4 Income from Agency Services

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.25.2.5 Other Tariffs

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

1.25.2.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.25.2.7 *Deferred payment*

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.26 **BORROWING COSTS**

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

1.27 **UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28 **IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29 **FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.30 **CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.31 **CAPITAL COMMITMENTS**

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.32 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.33 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the Municipality and a related party, regardless of whether a price is charged.

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

The Municipality is exempt from the disclosure requirements in relation to related party transactions if that transactions occurs within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and the terms and conditions are within the normal operating parameters established by Municipality's legal mandate.

Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the financial statements to understand the effect of related party transactions.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

1.34 ACCOUNTING BY PRINCIPLES AND AGENTS

An agent is an is an entity that has been directed another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principle and for the benefit of the principle.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

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When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (a) It does not have the power to determine the significant terms and conditions of the transaction.
- (b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principle, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

1.35 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.35.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2009 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2009 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.35.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.35.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.35.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.35.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.35.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.35.7 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

1.35.8 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

1.35.9 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

1.35.10 Recognition and Derecognition of Land

In order for land to meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

1.35.11 Materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality's circumstances. The assessment of materiality therefore requires management to apply judgement about:

- (a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.
- (b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

		2020	2019
2	CASH AND CASH EQUIVALENTS		
	Bank Accounts	8 913 223	3 450 353
	Call Investment Deposits	7 766 727	3 735 372
	Cash Floats	4 940	1 672
	Total	16 684 890	7 187 397
	Due to the short term nature of cash deposits, all balances included above are in line with their fair values.		
	Cash and Cash Equivalents are held to support the following:		
	Department of Human Settlements - note 13	1 076 642	975 724
	Unspent Conditional Government Grants - note 14	27 474 112	2 692 280
	VAT Payable - note 44.3	1 419 503	-
	Total	29 970 257	3 668 004
	Grant funding utilised for own working capital requirements	13 285 367	-
	Overdraft facilities available during the financial year with the following banking institutions:		
	ABSA Bank	6 000 000	6 000 000
	Standard Bank	6 000 000	-
	Guarantee in favour of Eskom registered with Standard Bank	-	2 900 000
	<u>Bank Accounts</u>		
	Detail of the Bank Accounts (Cash book balances) are as follow:		
	Cash book balance at beginning of year	3 450 353	8 510 051
	Cash book balance at end of year	8 913 223	3 450 353
	Bank accounts consists out of the following accounts:		
	Standard Bank - Account number 082163324 (Main Current Account)		
	Bank statement balance at beginning of year	473	13 275
	Bank statement balance at end of year	838 332	473
	Standard Bank - Account number 072194480 (Traffic Account)		
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	-	-
	Standard Bank - Account number 072194774 (Service Account)		
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	5 127 184	-
	Standard Bank - Account number 032630263 (Current Account for debit orders)		
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	203 916	-
	ABSA - Account number 40-5357-8397 (Current Account)		
	Bank statement balance at beginning of year	2 944 803	8 153 573
	Bank statement balance at end of year	1 866 086	2 944 803
	ABSA - Account number 40-7639-1003 (Traffic Account) - account closed during 2019/20		
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	-	-

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

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2 CASH AND CASH EQUIVALENTS (CONTINUED)

ABSA - Account number 40-7639-1273 (Service Account) - account closed during 2019/20

Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Summary of all bank accounts

Bank statement balance at beginning of year	2 945 276	8 166 848
Bank statement balance at end of year	8 035 517	2 945 276

Call Investment Deposits

Call investment deposits consist out of the following accounts:

ABSA - Acc no 9282399664	-	3 735 372
Standard Bank - Acc no 088893065-001	7 766 727	-
Total	7 766 727	3 735 372

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables

Electricity	23 076 041	19 059 386
Water	38 710 447	28 059 105
Refuse	14 406 472	10 761 847
Sewerage	18 047 670	14 189 678
Other	8 117 974	4 515 907

Total Gross Balance

	102 358 604	76 585 922
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Less: Allowance for Debt Impairment

	(75 185 103)	(43 230 709)
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Total Net Receivable

	27 173 501	33 355 213
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Other Service Receivables consist out of interest, sundry services and rentals.

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 trade and other receivables on initial recognition is not deemed necessary. Interest of prime +2% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	43 230 709	39 730 768
Movement in the contribution to the provision	32 756 028	16 608 398
Bad Debts Written off	(801 634)	(13 108 456)
Balance at the end of the year	75 185 103	43 230 709

The allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Outstanding debt older than 1 year has been impaired in full. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

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RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2020	2019	
	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2020			
Service Receivables			
Electricity	23 076 041	(8 998 408)	14 077 634
Water	38 710 447	(31 399 442)	7 311 005
Refuse	14 406 472	(11 983 660)	2 422 812
Sewerage	18 047 670	(15 370 306)	2 677 364
Other	8 117 974	(7 433 287)	684 686
Total	102 358 604	(75 185 103)	27 173 501
30 June 2019			
Service Receivables			
Electricity	19 059 386	(5 200 641)	13 858 745
Water	28 059 105	(18 303 676)	9 755 429
Refuse	10 761 847	(7 907 224)	2 854 623
Sewerage	14 189 678	(9 700 735)	4 488 943
Other	4 515 907	(2 118 434)	2 397 473
Total	76 585 922	(43 230 709)	33 355 213
Ageing of Receivables from Exchange Transactions			
Electricity			
0 - 30 Days (Current)		8 822 604	8 841 624
1 to 3 months		4 716 508	3 634 174
4 months to 1 year		3 558 148	2 189 002
Over 1 year		5 978 781	4 394 586
Total		23 076 041	19 059 386
Water			
0 - 30 Days (Current)		3 090 708	4 116 446
1 to 3 months		4 972 789	4 331 012
4 months to 1 year		9 848 418	6 107 382
Over 1 year		20 798 532	13 504 265
Total		38 710 447	28 059 105
Refuse			
0 - 30 Days (Current)		981 327	813 694
1 to 3 months		1 895 751	1 443 866
4 months to 1 year		3 682 668	2 818 836
Over 1 year		7 846 726	5 685 450
Total		14 406 472	10 761 847
Sewerage			
0 - 30 Days (Current)		919 704	1 516 240
1 to 3 months		1 687 841	1 531 857
4 months to 1 year		5 635 450	2 994 727
Over 1 year		9 804 674	8 146 855
Total		18 047 670	14 189 678
Other			
0 - 30 Days (Current)		527 795	425 286
1 to 3 months		1 446 404	1 152 078
4 months to 1 year		3 050 482	2 148 116
Over 1 year		3 093 292	790 427
Total		8 117 974	4 515 907

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

	2020	2019
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Summary Ageing of all Receivables from Exchange Transactions		
0 - 30 Days (Current)	14 342 139	15 713 290
1 to 3 months	14 719 294	12 092 986
4 months to 1 year	25 775 166	16 258 063
Over 1 year	47 522 006	32 521 583
Total	102 358 604	76 585 922

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Service Receivables

Property Rates

32 871 198

28 417 449

Other Receivables

40 498 897

30 982 216

Unpaid Traffic Fines

37 135 018

28 716 773

Suspense Debtors

1 385 748

1 282 649

Deposits

1 027 227

982 794

Unpaid Grants

950 904

-

Total Gross Balance

73 370 095

59 399 665

Less: Allowance for Debt Impairment

(60 371 354)

(44 425 494)

Total Net Receivable

12 998 741

14 974 171

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. 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 receivables on initial recognition is not deemed necessary. Interest of prime +2% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year

44 425 494

51 265 880

Movement in the contribution to the provision

16 436 455

21 441 164

Property Rates

7 352 940

4 269 698

Traffic Fines

9 083 516

17 171 466

Bad Debts Written off

(490 596)

(28 281 550)

Property Rates

(490 596)

(1 556 031)

Traffic Fines

-

(26 725 519)

Balance at the end of the year

60 371 354

44 425 494

The allowance for debt impairment of property rates has been made for all balances outstanding based on the payment ratio over the last 12 months. Outstanding debt older than 1 year has been impaired in full. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the cumulative collection rate. All unpaid traffic fines older than 1 year are impaired in full.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

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RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	2020	2019	
	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2020			
Service Receivables			
Property Rates	32 871 198	(24 316 381)	8 554 817
Other Receivables			
Unpaid Traffic Fines	37 135 018	(36 054 973)	1 080 045
Suspense Debtors	1 385 748	-	1 385 748
Deposits	1 027 227	-	1 027 227
Unpaid Grants	950 904	-	950 904
Total	73 370 095	(60 371 354)	12 998 742
30 June 2019			
Service Receivables			
Property Rates	28 417 449	(17 454 037)	10 963 412
Other Receivables			
Unpaid Traffic Fines	28 716 773	(26 971 457)	1 745 316
Suspense Debtors	1 282 649	-	1 282 649
Deposits	982 794	-	982 794
Total	59 399 665	(44 425 494)	14 974 171

Ageing of Receivables from Non-Exchange Transactions

Property Rates

0 - 30 Days (Current)	3 188 816	2 980 794
1 to 3 months	4 830 583	3 689 917
4 months to 1 year	6 950 860	6 012 027
Over 1 year	17 900 939	15 734 711
Total	32 871 198	28 417 449

5

TAXES

VAT Claimable/(Payable)	(1 704 694)	141 885
VAT Input in Suspense	7 821 311	5 018 944
VAT Output in Suspense - net	(3 025 972)	(5 070 013)
VAT Output in Suspense	(11 584 549)	(10 341 468)
Less: VAT on Allowance for Debt Impairment	8 558 578	5 271 455
Total	3 090 646	90 816

Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	5 271 455	5 609 208
Debt Impairment for current year	3 287 123	(337 753)
Balance at the end of the year	8 558 578	5 271 455

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

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6 OPERATING LEASES

6.1 OPERATING LEASE ASSETS

Operating Lease Asset	5 429	452
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The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	452	4 256
Movement during the year	4 977	(3 804)
Balance at the end of the year	5 429	452

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	95 843	89 003
Between 1 and 5 Years	91 214	185 557
After 5 Years	-	-
Total operating lease payments	187 057	274 560

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land and buildings being leased. Escalation between 6% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

6.2 OPERATING LEASE LIABILITIES

Operating Lease Liability	14 121	12 534
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The operating lease liability is derived from contracts where the Municipality acts as the lessee in the agreement.

Reconciliation of Operating Lease Liability

Balance at the beginning of the year	12 534	10 561
Movement during the year	1 587	1 973
Balance at the end of the year	14 121	12 534

The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.

Within 1 Year	770 985	60 979
Between 1 and 5 Years	478 669	123 451
After 5 Years	-	-
Total operating lease payments	1 249 654	184 430

The leases are in respect of land and buildings being leased. Escalations between 4% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.

The Municipality does not engage in any sub-lease arrangements.

The Municipality did not pay any contingent rent during the year.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

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		2020	2019
7	INVENTORY		
	Maintenance Materials - at cost	1 215 790	1 389 199
	Water – at cost	171 752	161 632
	Total	1 387 542	1 550 831
	Inventory are disclosed at the lower of cost or net realisable value.		
	No inventory were pledged as security for liabilities.		
	Inventory written down due to losses identified during the annual stores counts	-	-
	Inventory recognised as an expense during the year	2 170 706	1 543 681
8	INVESTMENT PROPERTY		
	Investment Property - Carrying Value	77 144 463	77 214 288
	The carrying value of Investment Property is reconciled as follows:		
	Opening Carrying Value	77 214 288	77 344 037
	Cost	77 788 776	77 866 276
	Accumulated Depreciation	(574 488)	(522 239)
	Accumulated Impairment	-	-
	Depreciation for the year	(52 250)	(52 249)
	Disposals	(17 575)	(77 500)
	Closing Carrying Value	77 144 463	77 214 288
	Cost	77 771 201	77 788 776
	Accumulated Depreciation	(626 738)	(574 488)
	Accumulated Impairment	-	-
	There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
	There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
	No significant operating expenditure was incurred on investment property during the 2019/20 and 2018/19 financial year.		
	Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)	408 700	408 700
	The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.		

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

		2020	2019
9	PROPERTY, PLANT AND EQUIPMENT		
	Cost	Accumulated	Accumulated
	R	Depreciation	Impairment
		R	R
			Carrying
			Value
			R
	30 June 2020		
	Land and Buildings	22 346 044	(1 228 405)
	Infrastructure	776 860 789	(277 504 752)
	Leased Assets	8 192 488	(1 448 079)
	Community Assets	75 778 007	(5 245 099)
	Other Assets	29 470 899	(15 555 485)
	Capitalised Restoration Cost	12 853 199	(10 508 664)
	Total	925 501 427	(311 490 484)
		-	614 010 943
	30 June 2019		
	Land and Buildings	22 317 769	(1 098 017)
	Infrastructure	745 021 409	(263 436 313)
	Leased Assets	7 779 428	(1 105 500)
	Community Assets	75 501 495	(4 577 886)
	Other Assets	28 759 065	(14 108 232)
	Capitalised Restoration Cost	17 703 812	(9 682 781)
	Total	897 082 978	(294 008 729)
		-	603 074 250
	As previously reported		602 895 409
	Correction of error restatement - note 37.2		126 206
	Correction of error restatement - note 37.3		52 635
	Restated balance		603 074 250
	Repairs and maintenance incurred on Property, Plant and Equipment	9 891 626	12 933 254
	Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)	1 926 800	1 926 800
	The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.		
	Capital Restorations Costs		
	The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.		
	Carrying value of Property, Plant and Equipment pledged as security	6 744 409	6 673 928
	The leased assets are financed through a finance lease agreement and are secured as set out in note 11.		

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

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PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Work in Progress projects taking a significant longer period to complete

- <i>Citrusdal Waste Water Treatment Works</i>		67 982 594	64 012 309
	Funding is required to complete the mechanical and electrical phase of the project. Funding requests had been submitted to the Department of Water and Sanitation and the Municipal Infrastructure Grant (MIG). The project is on the approved Detail Project Implementation Plan of the MIG 2020/21 and 2021/22 financial year.		
- <i>Lamberts Bay Desalination Plant</i>		58 788 544	58 788 544
	Funding submissions to complete the desalination plant were made to the Department of Water and Sanitation. R 36 million was gazetted for the 2020/21 financial year.		
- <i>Clanwilliam Water Treatment Works</i>		4 021 319	4 021 319
	The project is registered with the Regional Bulk Infrastructure Grant (RBIG) of the Department of Water and Sanitation. The Implementation Readiness Study (IRS) which is a requirement for RBIG projects was approved by the RBIG committee and is awaiting Cederberg Council approval. However, counter-funding in the region of R15 million is required from the Municipality as its non-social component contribution towards the project. The waiver of counter funding applications to National Treasury have been unsuccessful.		
- <i>Upgrade sidewalks and build new sidewalks in Denne Street</i>		119 281	119 281
	This project is about 70% completed and will be completed once internal funding becomes available.		
- <i>Ablution facilities in Khayelitsha</i>		1 876 674	1 876 674
	The project included the relocation of informal structures along the Ou Kaapse Weg to the area where the ablution blocks were constructed. Also included was the access road to the new area. The public participation process with the affected community is still underway as the affected parties are reluctant to relocate. Moreover, the project portion for relocation is insufficient as the number of structures had increased from the one applied for.		
- <i>Construction of sewerage pump stations</i>		7 245 604	7 245 604
	Funding is required to complete the mechanical and electrical phase of the project. Funding requests had been submitted to the Department of Water and Sanitation and the Municipal Infrastructure Grant (MIG). The project is on the approved Detail Project Implementation Plan of the MIG 2020/21 and 2021/22 financial year.		
- <i>Elands Bay economic corridor</i>		1 124 162	1 124 162
	Project will be completed once internal funds becomes available. The internal funds will be used for completion of ablution facilities and a kitchen.		
- <i>Upgrading of sport fields - Graafwater</i>		4 521 375	4 521 375
	Tenders had come in higher than the available funds at the beginning of the project. Two contracts have been terminated to date due to failure by the contractors to honour their obligations to contracts. The project is being planned for 2020/21 financial year with a new tender process for a contractor.		
- <i>Upgrading of sport fields - Lamberts Bay</i>		95 641	95 641
	Project will be completed once internal funds become available.		
- <i>Upgrading of sport fields - Clanwilliam</i>		1 878 177	1 795 928
	Tenders had come in higher than the available funds at the beginning of the project. Two contracts have been terminated to date due to failure by the contractors to honour their obligations to contracts. The project is being planned for 2020/21 financial year with a new tender process for a contractor.		
Total		147 653 370	143 600 836

No impairment has been recognised on the above-mentioned projects. The corresponding figures has been restated.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost					Accumulated Depreciation and Impairment					Carrying Value	
30 June 2020	Opening Balance	Additions	Disposals	Transfer of Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	22 317 769	28 275	-	-	-	22 346 044	1 098 017	130 388	-	-	1 228 405	21 117 639
Land	8 184 902	-	-	-	-	8 184 902	-	-	-	-	-	8 184 902
Buildings	14 132 867	-	-	-	28 275	14 161 142	1 098 017	130 388	-	-	1 228 405	12 932 737
Work in progress	-	28 275	-	-	(28 275)	-	-	-	-	-	-	-
Infrastructure	745 021 409	32 153 314	(313 935)	-	-	776 860 789	263 436 313	14 323 872	-	(255 433)	277 504 752	499 356 037
Electrical	152 151 742	-	(313 935)	-	13 969 685	165 807 491	83 109 024	3 883 622	-	(255 433)	86 737 213	79 070 278
Roads	142 771 576	-	-	-	40 406	142 811 982	67 482 610	3 851 130	-	-	71 333 739	71 478 243
Sanitation	108 098 341	206 052	-	-	149 653	108 454 047	38 353 079	2 489 648	-	-	40 842 728	67 611 319
Storm Water	27 747 507	-	-	-	-	27 747 507	5 604 524	549 585	-	-	6 154 110	21 593 397
Water Supply	141 712 827	-	-	-	10 881 178	152 594 004	68 887 075	3 549 887	-	-	72 436 962	80 157 042
Work in progress	172 539 416	31 947 262	-	-	(25 040 922)	179 445 756	-	-	-	-	-	179 445 756
Leased Assets	7 779 428	748 550	(335 490)	-	-	8 192 488	1 105 500	663 349	-	(320 769)	1 448 079	6 744 409
Furniture and Office Equipment	3 378 789	748 550	(335 490)	-	-	3 791 849	676 447	419 135	-	(320 769)	774 813	3 017 037
Transport Assets	4 400 639	-	-	-	-	4 400 639	429 053	244 213	-	-	673 267	3 727 372
Community Assets	75 501 495	276 513	-	-	-	75 778 007	4 577 886	667 213	-	-	5 245 099	70 532 909
Community Facilities	16 737 591	-	-	-	57 266	16 794 857	925 328	137 167	-	-	1 062 495	15 732 363
Sport and Recreational Facilities	51 226 797	-	-	-	136 998	51 363 795	3 652 558	530 046	-	-	4 182 604	47 181 191
Work in progress	7 537 106	276 513	-	-	(194 264)	7 619 355	-	-	-	-	-	7 619 355
Other Assets	28 759 065	1 377 183	(665 348)	-	-	29 470 899	14 108 232	1 995 743	-	(548 489)	15 555 485	13 915 414
Computer Equipment	2 890 177	19 750	(53 612)	-	-	2 856 315	1 363 582	296 271	-	(43 004)	1 616 849	1 239 467
Furniture and Office Equipment	7 015 024	169 333	(179 177)	-	-	7 005 180	3 527 239	525 818	-	(159 755)	3 893 303	3 111 877
Machinery and Equipment	9 326 578	1 188 099	(432 559)	-	-	10 082 118	5 014 260	750 392	-	(345 730)	5 418 922	4 663 196
Transport Assets	9 527 286	-	-	-	-	9 527 286	4 203 150	423 262	-	-	4 626 412	4 900 874
Capitalised Restoration Cost	17 703 812	295 424	(5 146 037)	-	-	12 853 199	9 682 781	825 883	-	-	10 508 664	2 344 536
Landfill Site Rehabilitation	17 703 812	295 424	(5 146 037)	-	-	12 853 199	9 682 781	825 883	-	-	10 508 664	2 344 536
	897 082 978	34 879 258	(6 460 810)	-	-	925 501 427	294 008 729	18 606 447	-	(1 124 691)	311 490 484	614 010 943

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Transfer of Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
30 June 2019	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	22 292 759	25 010	-	-	-	22 317 769	968 776	129 241	-	-	1 098 017	21 219 752
Land	8 184 902	-	-	-	-	8 184 902	-	-	-	-	-	8 184 902
Buildings	14 107 857	25 010	-	-	-	14 132 867	968 776	129 241	-	-	1 098 017	13 034 850
Infrastructure	649 526 990	84 975 393	(957 745)	11 476 772	-	745 021 409	252 066 057	11 959 959	-	(589 702)	263 436 313	481 585 096
Electrical	149 777 061	-	(856 998)	-	3 231 679	152 151 742	80 272 498	3 361 512	-	(524 987)	83 109 024	69 042 718
Roads	111 981 040	-	(74 870)	7 005 022	23 860 385	142 771 576	64 627 357	2 914 225	-	(58 972)	67 482 610	75 288 967
Sanitation	75 524 244	-	-	1 130 038	31 444 059	108 098 341	36 169 058	2 184 022	-	-	38 353 079	69 745 262
Storm Water	17 690 755	-	-	1 401 328	8 655 424	27 747 507	5 198 067	406 458	-	-	5 604 524	22 142 983
Water Supply	120 317 523	376 690	(25 876)	1 940 383	19 104 106	141 712 827	65 799 077	3 093 742	-	(5 744)	68 887 075	72 825 751
Work in progress	174 236 366	84 598 703	-	-	(86 295 653)	172 539 416	-	-	-	-	-	172 539 416
Leased Assets	5 944 147	1 835 281	-	-	-	7 779 428	626 663	478 837	-	-	1 105 500	6 673 928
Furniture and Office Equipment	1 543 508	1 835 281	-	-	-	3 378 789	415 245	261 202	-	-	676 447	2 702 342
Transport Assets	4 400 639	-	-	-	-	4 400 639	211 418	217 635	-	-	429 053	3 971 586
Community Assets	71 500 164	4 001 330	-	-	-	75 501 495	3 959 705	618 181	-	-	4 577 886	70 923 609
Community Facilities	16 503 653	233 938	-	-	-	16 737 591	793 407	131 920	-	-	925 328	15 812 264
Sport and Recreational Facilities	49 241 873	1 726 039	-	-	258 886	51 226 797	3 166 298	486 260	-	-	3 652 558	47 574 239
Work in progress	5 754 638	2 041 354	-	-	(258 886)	7 537 106	-	-	-	-	-	7 537 106
Other Assets	28 118 194	2 363 491	(1 722 621)	-	-	28 759 065	12 998 075	2 111 027	-	(1 000 870)	14 108 232	14 650 833
Computer Equipment	2 545 722	650 432	(305 977)	-	-	2 890 177	1 307 830	297 181	-	(241 429)	1 363 582	1 526 595
Furniture and Office Equipment	6 434 979	778 974	(198 929)	-	-	7 015 024	3 186 125	489 886	-	(148 772)	3 527 239	3 487 785
Machinery and Equipment	8 750 326	831 405	(255 153)	-	-	9 326 578	4 469 419	711 060	-	(166 219)	5 014 260	4 312 317
Transport Assets	10 387 168	102 680	(962 562)	-	-	9 527 286	4 034 701	612 900	-	(444 451)	4 203 150	5 324 136
Capitalised Restoration Cost	16 563 792	1 200 839	(60 819)	-	-	17 703 812	8 610 705	1 072 076	-	-	9 682 781	8 021 031
Landfill Site Rehabilitation	16 563 792	1 200 839	(60 819)	-	-	17 703 812	8 610 705	1 072 076	-	-	9 682 781	8 021 031
	793 946 047	94 401 345	(2 741 185)	11 476 772	-	897 082 978	279 229 981	16 369 321	-	(1 590 573)	294 008 729	603 074 250

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

		2020	2019
10	INTANGIBLE ASSETS		
	Intangible Assets - Carrying Value	<u>1 476 849</u>	<u>1 700 721</u>
	As previously reported		1 562 063
	Correction of error restatement - note 37.3		138 658
	Restated balance		<u>1 700 721</u>
	The carrying value of intangible Assets is reconciled as follows:		
	Opening Carrying Value	1 700 721	1 720 210
	Cost	2 359 342	2 172 773
	Accumulated Depreciation	(658 621)	(452 563)
	Accumulated Impairment	-	-
	Additions	-	196 821
	Amortisation	(223 574)	(213 569)
	Disposal	(298)	(2 741)
	Cost	(1 491)	(10 252)
	Accumulated Depreciation	1 193	7 511
	Closing Carrying Value	1 476 849	1 700 721
	Cost	2 357 851	2 359 342
	Accumulated Depreciation	(881 002)	(658 621)
	Accumulated Impairment	-	-

Intangible Assets consist only out of software.

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

11	LONG-TERM LIABILITIES		
	Annuity Loans	12 752 536	15 156 674
	Finance Lease Liabilities	4 446 019	5 424 605
	Sub-Total	17 198 555	20 581 279
	Less: Current portion of Long-term Liabilities	4 717 622	4 111 571
	Annuity Loans	2 663 604	2 404 135
	Finance Lease Liabilities	2 054 018	1 707 435
	Total	12 480 933	16 469 708

11.1 Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
ABSA (038-723-0992)	9.84%	1 April 2025	1 859 235	2 133 680
ABSA (038-723-0993)	10.43%	17 June 2025	3 136 249	3 592 717
ABSA (038-723-0994)	10.45%	17 Nov 2025	1 359 262	1 533 902
ABSA (038-723-0995)	10.45%	17 Aug 2028	1 458 736	1 618 118
Standard Bank (03-263-793-4)	10.36%	31 Mar 2023	4 939 053	6 278 257
Total			12 752 536	15 156 674

All annuity loans are unsecured.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

		2020	2019
11	LONG-TERM LIABILITIES (CONTINUED)		
	Annuity loans are payable as follows:		
	Payable within one year	3 943 090	3 943 089
	Payable within two to five years	11 857 332	13 814 847
	Payable after five years	510 819	2 496 396
	Total amount payable	16 311 241	20 254 332
	Less: Outstanding Future Finance Charges	(3 558 705)	(5 097 658)
	Present value of annuity loans	12 752 536	15 156 674

11.2 Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

Description	Maturity Date	Carrying Value of Liability	
Printers D3Q20B	31 Dec 2019	-	11 121
Printers MPC305SPF	31 Dec 2019	-	12 069
Printers MPC2004SP	30 Apr 2020	-	63 175
Printers MPC8003SP	30 Apr 2020	-	62 174
Xerox AltaLink C8055	28 Feb 2021	21 039	48 702
Xerox Versalink C7025	28 Feb 2021	155 987	361 085
Samsung 057400 Pabx System	31 May 2022	2 069 569	1 802 318
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	109 649	154 135
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	109 649	154 135
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	109 649	154 135
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	82 074	115 372
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	82 074	115 372
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	111 083	156 150
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	114 129	158 443
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	201 411	279 616
Isuzu N Series NLR 150	1 Aug 2022	217 853	302 442
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	114 129	158 443
Isuzu N Series NLR 150	1 Aug 2022	217 853	302 442
Isuzu N Series NLR 150	1 Aug 2022	217 853	302 442
Isuzu N Series NLR 150	1 Aug 2022	217 853	302 442
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	114 129	158 443
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	90 021	124 974
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	90 021	124 974
Total		4 446 019	5 424 605

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 9.

Leased assets remain the property of the lessor after maturity and new lease contracts are negotiated to replace lapsed contracts.

Finance Lease Liabilities are payable as follows:

Payable within one year	2 831 839	2 506 417
Payable within two to five years	2 685 179	4 413 129
Payable after five years	-	-
Total amount payable	5 517 018	6 919 546
Less: Outstanding Future Finance Charges	(1 070 999)	(1 494 941)
Present value of finance lease liabilities	4 446 019	5 424 605

12 CONSUMER DEPOSITS

Water and Electricity Deposits	2 108 188	2 055 177
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The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

		2020	2019
13	PAYABLES FROM EXCHANGE TRANSACTIONS		
	Trade Payables	68 018 620	70 396 261
	Retentions	3 076 477	2 783 502
	Payments received in advance	2 232 505	1 848 229
	Pre-paid Electricity	608 214	539 224
	Sundry Creditors	5 703 852	2 170 227
	Sundry Deposits	89 150	80 633
	Accrued Interest	213 527	263 736
	Unknown Receipts	100 888	87 855
	Department of Human Settlements	1 076 642	975 724
	Total	81 119 876	79 145 391
	As previously reported		77 496 745
	Correction of error restatement - note 37.2		672 922
	Change in accounting policy restatement - note 38.1		975 724
	Restated balance		79 145 391
	Payables are being recognised net of any discounts received.		
	The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary		
	The carrying value of trade and other payables approximates its fair value.		
	Sundry deposits include hall, builders and housing Deposits.		
	The Municipality acts as an agent for the Department of Human Settlements. Refer to note 49.2 for additional disclosure in this regard.		
	The following serves as security for payables:		
	- Bank guarantee as per note 2	-	2 900 000
	- Cash deposits as per note 4	1 027 227	982 794
		1 027 227	3 882 794
14	UNSPENT CONDITIONAL GOVERNMENT GRANTS		
	National Government	26 019 226	1 254 762
	Provincial Government	1 454 886	1 437 518
	Total	27 474 112	2 692 280
	As previously reported		4 340 926
	Correction of error restatement - note 37.2		(672 922)
	Change in accounting policy restatement - note 38.1		(975 724)
	Restated balance		2 692 280
	Detail reconciliations of all grants received and grant conditions met are included in note 19. Unspent grant balances are recognised to the extent that conditions are not yet met.		
	No grants were withheld in the current year.		
	Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.		
15	CURRENT EMPLOYEE BENEFITS		
	Bonuses	3 088 242	2 704 551
	Staff Leave	7 290 712	5 200 187
	Performance Bonuses	-	352 719
	Current portion of Non-Current Employee Benefits - note 16	1 266 000	1 239 525
	Post Retirement Medical Benefits	846 000	845 252
	Long Service Awards	420 000	394 273
	Total	11 644 954	9 496 983

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

Figures in Rand

		2020	2019
15	CURRENT EMPLOYEE BENEFITS (CONTINUED)		
	The movement in current employee benefits are reconciled as follows:		
15.1	Bonuses		
	Opening Balance	2 704 551	2 313 974
	Contribution during the year	5 500 994	4 858 297
	Payments made	(5 117 303)	(4 467 720)
	Balance at the end of the year	<u><u>3 088 242</u></u>	<u><u>2 704 551</u></u>
	Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.		
15.2	Staff Leave		
	Opening Balance	5 200 187	4 528 535
	Contribution during the year	2 600 046	1 229 951
	Payments made	(509 521)	(558 299)
	Balance at the end of the year	<u><u>7 290 712</u></u>	<u><u>5 200 187</u></u>
	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 or when employment is terminated.		
15.3	Performance Bonuses		
	Opening Balance	352 719	278 252
	Contribution during the year	100 074	409 070
	Payments made	(452 794)	(334 603)
	Balance at the end of the year	<u><u>-</u></u>	<u><u>352 719</u></u>
	Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.		
16	EMPLOYEE BENEFITS		
	Post Retirement Medical Benefits	23 618 000	26 122 144
	Long Service Awards	5 188 000	4 662 853
	Sub-Total	<u><u>28 806 000</u></u>	<u><u>30 784 997</u></u>
	Less: Current portion of Employee Benefits	<u><u>1 266 000</u></u>	<u><u>1 239 525</u></u>
	Post Retirement Medical Benefits	846 000	845 252
	Long Service Awards	420 000	394 273
	Total	<u><u>27 540 000</u></u>	<u><u>29 545 472</u></u>
16.1	Post Retirement Medical Benefits		
	The movement in Post Retirement Medical Benefits are reconciled as follows:		
	Opening Balance	26 122 144	30 539 493
	Contribution during the year	4 188 879	5 076 762
	Current Service Cost	1 751 658	2 155 169
	Interest Cost	2 437 221	2 921 593
	Payments made	(823 390)	(800 179)
	Actuarial Loss/(Gain)	(5 869 633)	(8 693 932)
	Total balance at year-end	<u>23 618 000</u>	<u>26 122 144</u>
	Less: Current portion	<u>(846 000)</u>	<u>(845 252)</u>
	Total	<u><u>22 772 000</u></u>	<u><u>25 276 892</u></u>

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

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16 EMPLOYEE BENEFITS (CONTINUED)

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	138	137
In-service non-members	210	198
Continuation members	23	23
Total	371	358

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2020	11 693 000	1 710 000	10 215 000	23 618 000
30 June 2019	12 962 106	1 661 921	11 498 117	26 122 144
30 June 2018	17 899 731	3 662 026	8 977 736	30 539 493
30 June 2017	14 144 824	3 467 924	8 095 194	25 707 942
30 June 2016	13 926 711	3 461 389	7 674 256	25 062 356

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2020	(668 000)	-
30 June 2019	1 369 000	-
30 June 2018	485 000	-
30 June 2017	(30 000)	-
30 June 2016	(743 000)	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas
LA Health
Hosmed
Samwumed
Keyhealth

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	10.60%	9.48%
Health Care Cost Inflation Rate	6.63%	6.92%
Net Effective Discount Rate	3.72%	2.39%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Last Valuation

The last valuation was performed on 18 August 2020.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

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16 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	13 403 000	10 215 000	23 618 000	
Health care inflation rate (+ 1%)	15 959 000	11 248 000	27 207 000	15%
Health care inflation rate (- 1%)	11 362 000	9 325 000	20 687 000	-12%
Discount rate (+ 1%)	11 445 000	9 361 000	20 806 000	-12%
Discount rate (- 1%)	15 882 000	11 217 000	27 099 000	15%
Post-employment mortality (+ 1 year)	13 059 000	9 910 000	22 969 000	-3%
Post-employment mortality (- 1 year)	13 743 000	10 519 000	24 262 000	3%
Average retirement age (- 1 year)	14 590 000	10 215 000	24 805 000	5%
Continuation of membership at retirement (- 10%)	10 802 000	10 215 000	21 017 000	-11%

Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2020/21	1 118 000	2 460 000	3 578 000	
Health care inflation rate (+ 1%)	1 370 000	2 840 000	4 210 000	18%
Health care inflation rate (- 1%)	922 000	2 149 000	3 071 000	-14%
Discount rate (+ 1%)	938 000	2 366 000	3 304 000	-8%
Discount rate (- 1%)	1 350 000	2 562 000	3 912 000	9%
Post-employment mortality (+ 1 year)	1 089 000	2 391 000	3 480 000	-3%
Post-employment mortality (- 1 year)	1 147 000	2 528 000	3 675 000	3%
Average retirement age (- 1 year)	1 184 000	2 586 000	3 770 000	5%
Continuation of membership at retirement (- 10%)	869 000	2 184 000	3 053 000	-15%

16.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	4 662 853	3 680 219
Contribution during the year	846 753	642 477
Current Service Cost	475 325	344 096
Interest Cost	371 428	298 381
Payments made	(257 285)	(447 865)
Actuarial Loss/(Gain)	(64 321)	788 022
Total balance at year-end	5 188 000	4 662 853
Less: Current portion	(420 000)	(394 273)
Total	4 768 000	4 268 580

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards

348

335

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

**Unfunded Liability
R**

30 June 2020	5 188 000
30 June 2019	4 662 853
30 June 2018	3 680 219
30 June 2017	3 304 955
30 June 2016	3 312 522

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

CEDERBERG LOCAL MUNICIPALITY

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16 EMPLOYEE BENEFITS (CONTINUED)

2020

2019

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
Experience adjustments were calculated as follows:		
30 June 2020	362 667	-
30 June 2019	267 536	-
30 June 2018	201 190	-
30 June 2017	(59 844)	-
30 June 2016	(80 347)	-

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	7.66%	8.31%
General Salary Inflation (long-term)	4.19%	5.65%
Net Effective Discount Rate applied to salary-related Long Service Awards	3.33%	2.52%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Last Valuation

The last valuation was performed on 18 August 2020.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General earnings inflation rate (+ 1%)	5 188 000	5 562 000	7%
General earnings inflation rate (- 1%)	5 188 000	4 854 000	-6%
Discount rate (+ 1%)	5 188 000	4 846 000	-7%
Discount rate (- 1%)	5 188 000	5 576 000	7%
Average retirement age (+ 2 years)	5 188 000	5 846 000	13%
Average retirement age (- 2 years)	5 188 000	4 668 000	-10%
Withdrawal rates (x 2)	5 188 000	4 057 000	-22%
Withdrawal rates (x 0.5)	5 188 000	5 980 000	15%

Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2020/21	495 000	382 000	877 000	
General earnings inflation rate (+ 1%)	541 000	410 000	951 000	8%
General earnings inflation rate (- 1%)	455 000	356 000	811 000	-8%
Discount rate (+ 1%)	459 000	402 000	861 000	-2%
Discount rate (- 1%)	538 000	358 000	896 000	2%
Average retirement age (+ 2 years)	550 000	432 000	982 000	12%
Average retirement age (- 2 years)	441 000	342 000	783 000	-11%
Withdrawal rates (x 2)	350 000	295 000	645 000	-26%
Withdrawal rates (x 0.5)	607 000	442 000	1 049 000	20%

CEDERBERG LOCAL MUNICIPALITY

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16 EMPLOYEE BENEFITS (CONTINUED)

16.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	101 618	91 674
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The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2019 revealed that the fund is in a sound financial position with a funding level of 100.7% (30 June 2018 - 103.7%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	9 082 738	8 081 601
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The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2019 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2018 - 100.4%).

Total	9 184 356	8 173 275
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Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

Defined Contribution Plans

Council contributes to the following defined contribution plans:

National Funds for Municipal Workers	730 263	684 086
SAMWU National Provident Fund	1 191 747	1 127 874
Municipal Councillors Pension Fund	510 316	519 268

Total	2 432 326	2 331 228
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The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

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		2020	2019
17	NON-CURRENT PROVISIONS		
	Provision for Rehabilitation of Landfill-sites	<u>31 680 030</u>	<u>33 717 227</u>
	The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:		
	Opening Balance	33 717 226	29 702 048
	Contribution during the year	(2 037 197)	4 015 178
	Increase/(Decrease) in estimate	(5 233 590)	1 140 020
	Interest Cost	3 196 393	2 875 158
	Total	<u>31 680 030</u>	<u>33 717 226</u>

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions	Estimated Decommission Date	Cost of Rehabilitation	Cost of Rehabilitation
Clanwilliam	23 616m ²	2024	9 289 256	10 891 368
Lambert's Bay	17 580m ²	2024	8 272 169	9 035 923
Citrusdal	26 505m ²	2036	7 710 144	8 079 908
Graafwater	3 000m ²	2024	2 652 899	2 549 508
Elands Bay	4 263m ²	2024	3 755 562	3 160 520
Total			<u>31 680 030</u>	<u>33 717 226</u>

18 PROPERTY RATES

Rateable Land and Buildings	45 526 373	42 146 144
Total	<u>45 526 373</u>	<u>42 146 144</u>

Property rate levied are based on the following rateable valuations:

Residential	2 689 798 000	2 966 661 458
Business and Industrial	503 292 200	441 627 000
State-owned	181 674 000	165 409 000
Agricultural and Private Farm Towns	2 874 835 820	2 600 672 412
Total Valuation	<u>6 249 600 020</u>	<u>6 174 369 870</u>

Rate that is applicable to the valuations above:

Residential	1.296c/R	1.222c/R
Business and Industrial	1.675c/R	1.580c/R
State-owned	1.675c/R	1.580c/R
Agricultural and Private Farm Towns	0.324c/R	0.305c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2016. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

An additional rebate of R35 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Municipality's policy.

Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 2% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.

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	2020	2019
19 GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants - National Government	49 200 761	45 080 030
Equitable Share	49 200 761	45 080 030
Conditional Grants - National Government	34 488 678	32 653 526
Municipal Infrastructure Grant (MIG)	16 617 904	9 634 000
Financial Management Grant (FMG)	2 085 000	1 620 000
Integrated National Electrification Programme (INEP)	9 640 981	8 000 000
Expanded Public Works Program (EPWP)	1 954 000	1 819 000
Water Service Infrastructure Grant (WSIG)	4 058 324	6 681 486
Municipal Disaster Relief Grant (Drought Relief)	-	4 899 040
Municipal Disaster Relief Grant (COVID-19)	132 469	-
Conditional Grants - Provincial Government	10 413 665	67 945 096
Human Settlement Development Grant	-	44 566 052
Library Services MRF	4 594 432	4 466 451
CDW Support	328 824	79 252
Housing Consumer Education	-	-
Municipal Drought Support Grant	3 663 302	5 129 471
Local Government Graduate Internship Grant	16 029	39 513
Financial Management Support Grant	499 611	966 118
Municipal Capacity Building Grant	34 055	92 164
Acceleration of Housing Delivery	698 058	11 722 678
Thusong Service Centre Grant	29 355	181 002
Municipal Disaster Grant (Drought Relief)	-	632 423
Road Maintenance (Proclaimed)	-	69 972
Local Government Support Grants (COVID-19)	550 000	-
Conditional Grants - Other Grant Providers	50 000	-
West Coast District Municipality - COVID 19	50 000	-
Total	94 153 104	145 678 652
As previously reported		167 255 692
Correction of error restatement - note 37.2		672 922
Change in accounting policy restatement - note 38.1		(22 249 962)
Restated balance		145 678 652
Disclosed as:		
Government Grants and Subsidies - Operating	64 461 748	62 079 857
Government Grants and Subsidies - Capital	29 691 356	83 598 795
Total	94 153 104	145 678 652
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	49 200 761	45 080 030
Vote 1 - Executive and Council	-	79 252
Vote 2 - Office of Municipal Manager	16 029	39 513
Vote 3 - Financial Administrative Services	2 085 000	1 620 000
Vote 4 - Community Development Services	6 577 787	7 098 876
Vote 5 - Corporate and Strategic Services	362 879	92 164
Vote 6 - Planning and Development Services	11 765 033	91 668 817
Vote 7 - Public Safety	732 469	-
Vote 8 - Electricity	11 619 761	-
Vote 9 - Waste Management	-	-
Vote 10 - Waste Water Management	3 572 149	-
Vote 11 - Water	8 221 236	-
Vote 12 - Housing	-	-
Vote 13 - Road Transport	-	-
Vote 14 - Sports and Recreation	-	-
Total	94 153 104	145 678 652

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19 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

19.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received	49 200 761	45 080 030
Transferred to Revenue - Operating	(49 200 761)	(45 080 030)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

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.

19.02 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	-	2 286 030
Grants Received	15 667 000	7 347 970
Transferred to Revenue - Operating	(2 688 593)	(1 907 568)
Transferred to Revenue - Capital	(13 929 311)	(7 726 432)
Other Movements	950 904	-
Closing Unspent Balance	-	-

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

19.03 Financial Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received	2 085 000	1 620 000
Transferred to Revenue - Operating	(2 085 000)	(1 620 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship

19.04 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	-	-
Grants Received	9 642 000	8 000 000
Transferred to Revenue - Operating	(1 257 519)	(1 043 478)
Transferred to Revenue - Capital	(8 383 462)	(6 956 522)
Other Movements	-	-
Closing Unspent Balance	1 019	-

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

19.05 Expanded Public Works Program (EPWP)

Opening Unspent Balance	-	-
Grants Received	1 954 000	1 819 000
Transferred to Revenue - Operating	(1 954 000)	(1 819 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

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		2020	2019
19	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
	19.06 Water Service Infrastructure Grant (WSIG)		
	Opening Unspent Balance	1 254 762	7 936 248
	Grants Received	28 745 238	-
	Transferred to Revenue - Operating	(526 004)	(870 194)
	Transferred to Revenue - Capital	(3 532 320)	(5 811 293)
	Other Movements	-	-
	Closing Unspent Balance	25 941 676	1 254 762
	This grant is utilised for an array of water infrastructure which includes but is not limited to reservoirs, boreholes and oxidation ponds.		
	19.07 Municipal Disaster Relief Grant (Drought Relief)		
	Opening Unspent Balance	-	4 899 040
	Grants received	-	-
	Transferred to Revenue - Operating	-	(639 005)
	Transferred to Revenue - Capital	-	(4 260 035)
	Other Movements	-	-
	Closing Unspent Balance	-	-
	The purpose of this grant is to fund emergency drought relief.		
	19.08 Municipal Disaster Relief Grant (COVID-19)		
	Opening Unspent Balance	-	-
	Grants received	209 000	-
	Transferred to Revenue - Operating	(132 469)	-
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	76 531	-
	This grant was utilised for the purchase of personal protective equipment in the fight against the COVID-19 pandemic.		
	19.09 Human Settlement Development Grant		
	Opening Unspent Balance	-	-
	Grants Received	-	44 566 053
	Transferred to Revenue - Operating	-	(314 786)
	Transferred to Revenue - Capital	-	(44 251 267)
	Other Movements	-	-
	Closing Unspent Balance	-	-
	Housing grants was utilised for the development of erven and installation of infrastructure.		
	19.10 Library Services MRF		
	Opening Unspent Balance	-	66 451
	Grants Received	4 599 000	4 400 000
	Transferred to Revenue - Operating	(4 594 432)	(4 446 451)
	Transferred to Revenue - Capital	-	(20 000)
	Other Movements	-	-
	Closing Unspent Balance	4 568	-
	The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.		

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		2020	2019
19	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
	19.11 CDW Support		
	Opening Unspent Balance	8 889	88 141
	Grants Received	325 111	-
	Transferred to Revenue - Operating	(328 824)	(79 252)
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	<u>5 176</u>	<u>8 889</u>
	<p>This grant is used to provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.</p>		
	19.12 Housing Consumer Education		
	Opening Unspent Balance	-	2 247
	Grants Received	-	(2 247)
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	<u>-</u>	<u>-</u>
	<p>This grant is used to inform the public of the importance paying their consumer accounts for services rendered by the Municipality.</p>		
	19.13 Municipal Drought Support Grant		
	Opening Unspent Balance	268 788	5 398 259
	Grants Received	3 500 000	-
	Transferred to Revenue - Operating	(424 045)	(1 036 813)
	Transferred to Revenue - Capital	(3 239 257)	(4 092 657)
	Other Movements	-	-
	Closing Unspent Balance	<u>105 486</u>	<u>268 788</u>
	<p>This grant is utilised for the completion of the desalination plant in Lambert's Bay.</p>		
	19.14 Local Government Graduate Internship Grant		
	Opening Unspent Balance	92 888	60 401
	Grants Received	80 000	72 000
	Transferred to Revenue - Operating	(16 029)	(39 513)
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	<u>156 859</u>	<u>92 888</u>
	<p>This grant is used to provide financial assistance to municipalities in support of capacity building for the future by means of internship programme.</p>		
	19.15 Financial Management Support Grant		
	Opening Unspent Balance	44 584	222 630
	Grants Received	580 000	788 072
	Transferred to Revenue - Operating	(499 611)	(679 162)
	Transferred to Revenue - Capital	-	(286 956)
	Other Movements	-	-
	Closing Unspent Balance	<u>124 973</u>	<u>44 584</u>
	<p>The Financial Management Grant is paid by Provincial Treasury to municipalities to help implement revenue enhancement.</p>		

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		2020	2019
19	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
	19.16 Municipal Capacity Building Grant		
	Opening Unspent Balance	267 836	-
	Grants Received	644 500	360 000
	Transferred to Revenue - Operating	(34 055)	(92 164)
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	<u><u>878 281</u></u>	<u><u>267 836</u></u>
	This grant is utilised as a capacity initiative for graduates to enter the workforce in local government.		
	19.17 Acceleration of Housing Delivery		
	Opening Unspent Balance	698 058	12 420 736
	Grants Received	-	-
	Transferred to Revenue - Operating	(91 051)	(1 529 045)
	Transferred to Revenue - Capital	(607 007)	(10 193 633)
	Other Movements	-	-
	Closing Unspent Balance	<u><u>-</u></u>	<u><u>698 058</u></u>
	Housing delivery grant was utilised for the construction of infrastructure for housing projects.		
	19.18 Thusong Service Centre Grant		
	Opening Unspent Balance	8 898	79 900
	Grants Received	200 000	110 000
	Transferred to Revenue - Operating	(29 355)	(181 002)
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	<u><u>179 543</u></u>	<u><u>8 898</u></u>
	This grant is used to provide financial assistance to municipalities, ensuring the financial sustainability of the Thusong Service Centres.		
	19.19 Municipal Disaster Grant (Drought Relief)		
	Opening Unspent Balance	47 577	-
	Grants Received	(47 577)	680 000
	Transferred to Revenue - Operating	-	(632 423)
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	<u><u>-</u></u>	<u><u>47 577</u></u>
	This grant is utilised for drought relief financial assistance to municipalities to augment water supply, bulk infrastructure capacity and demand reduction in drought stricken municipalities.		
	19.20 Road Maintenance (Proclaimed)		
	Opening Unspent Balance	-	-
	Grants Received	-	69 972
	Transferred to Revenue - Operating	-	(69 972)
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	<u><u>-</u></u>	<u><u>-</u></u>
	This grant is used to financially assist/subsidise municipalities with the maintenance/construction of proclaimed municipal main roads, where the municipality is the Road Authority (Section 50 of Ordinance 19 of 1976).		

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19	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
	19.21 Local Government Support Grants (COVID-19)		
	Opening Unspent Balance	-	-
	Grants Received	550 000	-
	Transferred to Revenue - Operating	(550 000)	-
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	-	-
	This grant is used to provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.		
	19.22 West Coast District Municipality - COVID 19		
	Opening Unspent Balance	-	-
	Grants Received	50 000	-
	Transferred to Revenue - Operating	(50 000)	-
	Transferred to Revenue - Capital	-	-
	Other Movements	-	-
	Closing Unspent Balance	-	-
	This grant is used to provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.		
	19.23 Total Grants		
	Opening Unspent Balance	2 692 281	33 460 083
	Grants Received	117 984 033	114 910 850
	Transferred to Revenue - Operating	(64 461 748)	(62 079 857)
	Transferred to Revenue - Capital	(29 691 356)	(83 598 795)
	Other Movements	950 904	-
	Closing Unspent Balance	27 474 114	2 692 281
20	CONTRIBUTED ASSETS		
	Infrastructure	-	11 476 772
	Total	-	11 476 772
	The contributed assets for 2018/19 relates to infrastructure of the Cedar Mill Mall of which the Municipality took ownership.		
21	FINES, PENALTIES AND FORFEITS		
	Traffic	12 730 278	20 789 767
	Overdue Book Fines	11 966	16 227
	Illegal Connections	23 322	16 183
	Retentions	-	1 240 222
	Unclaimed Money	439 902	183 051
	Total	13 205 468	22 245 450
	As previously reported		21 157 496
	Correction of error restatement - note 37.1		1 087 954
	Restated balance		22 245 450
	In terms of the requirements of GRAP 23 and IGRAP 1, all fines issued during the year less any cancellations or reductions identified are recognised as revenue.		

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22	ACTUARIAL GAINS / (LOSSES)		
	Post Retirement Medical Benefits	5 869 633	8 693 932
	Long Service Awards	64 321	(788 022)
	Total	5 933 954	7 905 910
23	SERVICE CHARGES		
	Electricity	97 668 169	84 767 129
	Water	28 916 847	26 641 739
	Sanitation	12 684 070	13 012 496
	Refuse	10 455 264	9 212 845
	Total Revenue	149 724 349	133 634 209
	Less: Rebates	(4 961 418)	(4 746 709)
	Electricity	(64 265)	(67 574)
	Water	(896 080)	(894 976)
	Sanitation	(3 578 559)	(3 363 793)
	Refuse	(422 514)	(420 366)
	Total	144 762 931	128 887 500
	Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.		
24	RENTAL OF FACILITIES AND EQUIPMENT		
	Halls and Sportfields	119 443	168 549
	Camping and Entrance Fees	2 391 490	2 766 075
	Commonage	280 272	228 020
	Hawker Stands	79 956	111 512
	Total	2 871 161	3 274 156
25	AGENCY SERVICES		
	Drivers Licence Applications	144 530	263 167
	Drivers Licences Issued	255 283	313 433
	Duplicate Registration Certificates	35 484	52 236
	Keeping of Registration Number	10 831	13 250
	Learner Licence Applications	56 301	96 143
	Learner Licences Issued	20 323	24 638
	Professional Drivers Permit Applications	58 758	94 880
	Professional Drivers Permits Issued	27 962	35 309
	Roadworthy Certificate Applications	147 900	227 060
	Roadworthy Certificates Issued	31 941	43 119
	Temporary and special permits	22 963	29 142
	Vehicle Registration	1 923 685	2 140 288
	Total	2 735 961	3 332 665

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 49.1 for additional disclosure in this regard.

The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.

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		2020	2019
26	OTHER INCOME		
	Application Fees for Land Usage	52 058	59 067
	Building Plan Approval	669 635	781 057
	Cemetery and Burial	107 337	89 521
	Clearance and Valuation Certificates	155 559	39 982
	Collection Charges	4 074	5 557
	Commission	42 928	46 129
	Landfill Sites - iGRAP 2 adjustments	382 977	-
	Development Charges	152 989	132 808
	Photocopies and Faxes	23 731	23 746
	Skills Development Levy Refund	184 896	184 453
	Sub-division and Consolidation Fees	41 166	38 015
	Tender Documents	124 970	101 911
	Sundry Income	18 427	24 232
	Total	1 960 746	1 526 478

Sundry income represents sundry income such as sale of sundry items (wood, sand and stones) and fees for items not included under service charges

Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.

27 EMPLOYEE RELATED COSTS

	Basic Salaries and Wages	73 425 258	66 950 841
	Pension and UIF Contributions	11 730 761	10 595 845
	Medical Aid Contributions	4 133 738	3 711 094
	Overtime	4 268 245	3 790 621
	Motor Vehicle Allowance	5 489 666	4 685 060
	Cellphone Allowance	410 797	410 361
	Housing Allowance	505 492	638 774
	Other benefits and allowances	4 425 012	4 026 383
	Bargaining Council	39 861	37 549
	Group Life Insurance	1 368 414	1 312 201
	Scarcity Allowance	480 875	518 987
	Standby Allowance	2 535 861	2 157 646
	Contributions to Employee Benefits	10 428 096	8 996 583
	Bonuses	5 500 994	4 858 297
	Staff Leave	2 600 046	1 229 951
	Performance Bonus	100 074	409 070
	Long Service Awards	475 325	344 096
	Post Retirement Medical Benefits	1 751 658	2 155 169
	Workmens Compensation Fund	547 183	476 139
	Total	115 364 247	104 281 701

Remuneration of Management Personnel

The Municipal Manager and Directors are appointed on a 5-year fixed contract.

Municipal Manager - PL Volschenk (resigned January 2020)

	Annual Remuneration	554 741	935 134
	Performance Bonus / 13th Cheque	175 177	101 868
	Car Allowance	53 217	96 000
	Cellphone Allowance	19 957	36 000
	Rural Allowance	59 098	100 101
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	132 019	234 247
	Total	994 208	1 503 351

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		2020	2019
27	EMPLOYEE RELATED COSTS (CONTINUED)		
	Director: Community Services - R Bent (resigned June 2020)		
	Annual Remuneration	665 721	616 157
	Performance Bonus / 13th Cheque	131 805	96 461
	Car Allowance	180 000	180 000
	Cellphone Allowance	18 000	18 000
	Rural Allowance	80 212	75 317
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	158 831	156 147
	Total	1 234 569	1 142 083
	Director: Finance - E Alfred (resigned January 2020)		
	Annual Remuneration	468 670	748 793
	Performance Bonus / 13th Cheque	145 812	136 273
	Car Allowance	70 000	120 000
	Cellphone Allowance	10 500	18 000
	Rural Allowance	51 763	83 321
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	109 628	185 262
	Total	856 373	1 291 650
	Director: Finance - G Seas (appointed June 2020)		
	Annual Remuneration	55 273	-
	Car Allowance	12 500	-
	Cellphone Allowance	1 500	-
	Rural Allowance	33 895	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	158	-
	Total	103 326	-
	Employee acting in management positions		
	<p>The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are the acting allowances and additional benefits received for the period in which they acted in the respective positions.</p>		
	Employee	Acting Position	
	Mr HG Slimmert	Municipal Manager (28 Nov 2019 - 30 Jun 2020)	319 193
	Mr GW Hermanus	Director: Integrated Development Services (18 Dec 2019 - 30 Jun 2020)	211 644
	Me EH Visser	Director: Finance (24 Mar 2020 - 31 May 2020)	27 080
	Mr MAN Smit	Director: Finance (6 Jan 2020 - 23 Mar 2020)	84 124
	Total		642 041
28	REMUNERATION OF COUNCILLORS		
	Executive Mayor	894 836	879 646
	Deputy Executive Mayor	672 427	648 108
	Speaker	525 303	715 536
	Mayoral Committee Members	1 328 729	1 428 013
	All Other Councillors	2 148 568	1 720 988
	Total	5 569 861	5 392 291

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28 REMUNERATION OF COUNCILLORS (CONTINUED)

The positions of Executive Mayor, Deputy Mayor and Speaker were filled as follow:

- | | |
|-----------------|--|
| Executive Mayor | - NS Qunta (16 October 2019 to date) |
| | - WJ Farmer (20 September 2018 to 15 October 2019) |
| | - J Barnard (20 August 2016 to 19 September 2018) |
| Deputy Mayor | - L Scheepers (16 October 2019 to date) |
| | - FN Sokuyeka (30 January 2019 to 15 October 2019) |
| | - BF Zass (20 August 2016 to 29 January 2019) |
| Speaker | - P Straus (16 October 2019 to date) |
| | - Vacant (1 July 2019 - 15 October 2019) |
| | - BF Zass (30 January 2019 to 30 June 2019) |
| | - J Meyer (20 September 2018 to 29 January 2019) |
| | - WJ Farmer (20 August 2016 to 19 September 2018) |

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee member serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties.

29 DEBT IMPAIRMENT

Receivables from Exchange Transactions	32 756 028	16 608 398
Receivables from Non-Exchange Transactions	16 436 455	21 441 164
Total Debt Impairment	49 192 483	38 049 562
Movement in VAT included in debt impairment	(3 287 123)	337 753
Total	45 905 361	38 387 315
As previously reported		37 511 790
Correction of error restatement - note 37.1		875 525
Restated balance		38 387 315

30 DEPRECIATION AND AMORTISATION

Investment Property	52 250	52 249
Property, Plant and Equipment	18 606 447	16 369 321
Intangible Assets	223 574	213 569
Total	18 882 270	16 635 139
As previously reported		16 251 295
Correction of error restatement - note 37.2		211 769
Correction of error restatement - note 37.3		172 075
Restated balance		16 635 139

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		2020	2019
31	FINANCE CHARGES		
	Cash	3 781 092	2 360 413
	Long-term Liabilities	2 316 022	2 271 853
	Bank Overdraft	173 467	88 560
	Overdue Accounts	1 291 604	-
	Non-cash	6 005 042	6 095 132
	Post Retirement Medical Benefits	2 437 221	2 921 593
	Long Service Awards	371 428	298 381
	Rehabilitation of Landfill Sites	3 196 393	2 875 158
	Total	9 786 135	8 455 545
	Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts.		
32	BULK PURCHASES		
	Electricity	83 384 276	70 864 840
	Water	800 477	945 262
	Total	84 184 752	71 810 102
	Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including the Department of Water and Sanitation and a number of private suppliers.		
33	CONTRACTED SERVICES		
	Accounting and Auditing	1 286 927	2 248 091
	Engineering Services	62 539	111 159
	Fire Services - West Coast District Municipality	2 544 528	-
	Human Resources	428 200	382 554
	Laboratory Services	236 656	186 124
	Legal Cost	1 154 082	363 952
	Maintenance Services	6 693 917	7 847 526
	Project Management (mSCOA Implementation)	-	571 535
	Safeguard and Security	2 722 774	2 109 877
	Traffic Fines Management	1 498 206	1 223 980
	Valuers and Assessors	330 934	169 664
	Other Contracted Services	1 247 126	1 481 569
	Total	18 205 886	16 696 031
	As previously reported		38 301 687
	Change in accounting policy restatement - note 38.1		(21 605 656)
	Restated balance		16 696 031

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		2020	2019
34	TRANSFERS AND GRANTS		
	Bursaries	183 871	306 928
	Festivals	15 000	340 000
	Sport Councils	63 320	116 716
	Tourism Board	-	300 000
	Schools	-	2 500
	ATKV	20 000	-
	Social Relief	862 087	-
	Total	1 144 278	1 066 144
	Social Relief mainly relates to relieve provided to the community in the fight against COVID-19 which include food parcels and the supply personal protective equipment (PPE).		
35	OTHER EXPENDITURE		
	Advertising, Publicity and Marketing	229 180	212 586
	Bank Charges	787 889	746 806
	Chemicals	300 792	338 338
	Cleaning Materials	275 014	282 755
	Commission - Prepaid Electricity	1 494 524	1 636 571
	Computer Services	1 906 960	922 259
	Drivers Licences and Permits	171 120	229 475
	External Audit Fees	3 559 274	3 663 929
	Fuel and Oil	3 136 804	3 244 823
	Hire Charges	1 545 982	1 473 903
	Insurance	936 753	839 663
	Maintenance Materials and Tools	3 197 709	5 085 728
	Motor Vehicle Licence and Registrations	80 599	158 934
	Printing and Stationery	1 144 518	1 163 634
	Professional Bodies, Membership and Subscription	1 253 356	1 108 845
	Remuneration of Ward Committees	88 000	179 500
	Skills Development Fund Levy	800 798	887 928
	Telephone	644 174	1 854 082
	Training	445 259	607 779
	Travel and Subsistence	594 873	1 397 504
	Uniform and Protective Clothing	894 846	728 878
	Other Expenditure	675 019	890 030
	Total	24 163 445	27 653 950
	As previously reported		28 260 756
	Correction of error restatement - note 37.3		37 500
	Change in accounting policy restatement - note 38.1		(644 306)
	Restated balance		27 653 950
36	LOSS ON DISPOSAL OF NON-MONETARY ASSETS		
	Proceeds	66 739	702 082
	Less: Carrying value of Investment Property disposed	(17 575)	(77 500)
	Less: Carrying value of Property, Plant and Equipment disposed	(190 082)	(1 089 793)
	Less: Carrying value of Intangible Assets disposed	(298)	(2 741)
	Total	(141 216)	(467 952)
	As previously reported		(480 287)
	Correction of error restatement - note 37.2		12 335
	Restated balance		(467 952)

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37 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

37.1 Receivables from Exchange and Non-Exchange Transactions

Corrections made to Receivables include the following:

- Traffic fines was understated by R1 087 954 in the prior year due to a calculation error. Accordingly, Debt Impairment relating to traffic fines was also understated by R875 525.

The net effect of the above-mentioned errors were as follow:

- Receivables from Non-Exchange Transactions - note 4	Understated	212 429
- Fines, Penalties and Forfeits - note 21	Understated	1 087 954
- Debt Impairment - note 29	Understated	875 525

37.2 Property, Plant and Equipment

Corrections made to Property, Plant and Equipment include the following:

- Movable assets previously not included in the asset register were identified during the current year's asset verification with a carrying value of R53 820.
- During the current year's asset verification, it was noted that movable assets with a carrying value amounting to R20 333 were disposed in prior years due to the fact that it could not be physically verified. In the current year, the said assets were verified and accordingly brought back onto the asset register.
- Included in infrastructure work in progress was a project amounting to R2 631 290 which was already completed in the 2015/16 financial year. Accordingly, depreciation amounting to R603 572 was not recognised.
- Included in community assets work in progress was a project amounting to R1 386 809 which was already completed in the 2017/18 financial year. Accordingly, depreciation amounting to R29 423 was not recognised.
- A variance between the infrastructure work in progress register and general ledger was noted amounting to R19 482 which was corrected in the current year.
- Retention amounting to R672 921 was not recognised as on 30 June 2019. As this retention relates to a project which is grant funded, the grant revenue was accordingly also not recognised, although the conditions were met.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 9	Understated	126 206
- Payables from exchange transactions - note 13	Understated	672 922
- Unspent Conditional Government Grants - note 14	Overstated	(672 922)
- Government Grants And Subsidies - note 19	Understated	672 922
- Depreciation and Amortisation - note 30	Understated	211 769
- Loss on disposal of Non-Monetary Assets - note 36	Overstated	(12 335)
- Accumulated Surplus - note 37.4	Overstated	(347 282)

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37 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

37.3 Intangible Assets

Corrections made to Intangible Assets include the following:

- Computer Equipment (Property, Plant and Equipment) amounting to R52 635 were incorrectly recorded as Intangible Assets.
- Capital expenditure pertaining to Intangible Assets amounting to R506 348 were incorrectly recognised as operating expenditure, while operating expenditure amounting to R37 500 were incorrectly recognised as capital expenditure.
- Included in work in progress was a project amounting to R2 631 290 which was already completed in previous financial years. Accordingly, depreciation amounting to R277 555 was not recognised.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 9	Understated	52 635
- Intangible Assets - note 10	Understated	138 658
- Depreciation and Amortisation - note 30	Understated	172 075
- Other Expenditure - note 35	Understated	37 500
- Accumulated Surplus - note 37.4	Understated	400 868

37.4 Accumulated Surplus

Property, Plant and Equipment - note 37.2
Intangible Assets - note 37.3

Overstated (347 282)
Understated 400 868

Total

53 585

38 PRIOR PERIOD ADJUSTMENTS - CHANGE IN ACCOUNTING POLICY

38.1 National Housing Programme Guideline

The Accounting Standards Board (ASB) issued the National Housing Programme Guideline. The said Guideline serves as an extension of GRAP 109 (Accounting by Principles and Agents) which became effective in the current financial year. The Guideline prescribes the treatment of funds received from the Department of Human Settlements in terms of the National Housing Programme.

In the prior year all funds received from the Department of Human Settlements and expenditure incurred were treated as Government Grants and Subsidies and the related expenditure was included in the Statement of Financial Performance.

In terms of the Guideline, the Municipality has assessed that a principle-agent arrangement exist between itself and the Department of Human Settlements. The Municipality assessed that it acts as project manager for monitoring the construction of housing top structures and as the beneficiary manager to facilitate the deed transfers to qualifying beneficiaries.

Accordingly, the funds received from the Department of Human Settlements to perform the above-mentioned functions will not be treated as Government Grants and Subsidies. All funds received and expenditure incurred on behalf of the Department of Human Settlements will be allocated to control account and will not reflect in the Statement of Financial Performance.

The net effect of the above-mentioned errors were as follow:

- Payables from exchange transactions - note 13	Understated	975 724
- Unspent Conditional Government Grants - note 14	Overstated	(975 724)
- Government Grants And Subsidies - note 19	Overstated	(22 249 962)
- Contracted Services - note 33	Overstated	(21 605 656)
- Other Expenditure - note 35	Overstated	(644 306)

CEDERBERG LOCAL MUNICIPALITY

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	2020	2019
39 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus/(Deficit) for the year	(6 708 631)	80 554 952
Adjusted for:		
Non-cash revenue included in Net Surplus	(6 321 908)	(19 378 878)
Contributed Assets	-	(11 476 772)
Actuarial Gains	(5 933 954)	(7 905 910)
Rental of Facilities and Equipment - decrease in operating lease asset	(4 977)	3 804
Other Income - Decrease in landfill site rehabilitation provision	(382 977)	-
Non-cash expenditure included in Net Surplus	81 363 572	70 584 094
Employee Related Costs - Contributions towards	10 428 096	8 996 583
Post Retirement Medical Benefits	1 751 658	2 155 169
Long Service Awards	475 325	344 096
Bonuses	5 500 994	4 858 297
Staff Leave	2 600 046	1 229 951
Performance Bonuses	100 074	409 070
Debt Impairment	45 905 361	38 387 315
Depreciation and Amortisation	18 882 270	16 635 139
Finance Charges	6 005 042	6 095 132
Post Retirement Medical Benefits	2 437 221	2 921 593
Long Service Awards	371 428	298 381
Provision for Rehabilitation of Landfill-sites	3 196 393	2 875 158
Other Expenditure - decrease in operating lease liability	1 587	1 973
Loss on disposal of Non-Monetary Assets	141 216	467 952
Cash expenditure not included in Net Surplus	(7 160 293)	(6 608 666)
Post Retirement Medical Benefits	(823 390)	(800 179)
Long Service Awards	(257 285)	(447 865)
Bonuses	(5 117 303)	(4 467 720)
Staff Leave	(509 521)	(558 299)
Performance Bonus	(452 794)	(334 603)
Operating Surplus before changes in working capital	61 172 740	125 151 502
Movement in working capital	(13 828 442)	(42 107 534)
Receivables from Exchange Transactions	(26 574 316)	(19 402 179)
Receivables from Non-Exchange Transactions	(14 461 026)	(21 782 087)
Inventory	163 290	(98 900)
Payables from exchange transactions	1 974 485	27 400 489
Unspent Conditional Government Grants	24 781 832	(30 767 803)
Taxes	287 293	2 542 946
Cash Flow from Operating Activities	47 344 297	83 043 968
40 CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents comprise out of the following:		
Primary Bank Account	8 913 223	3 450 353
Call and Notice Deposits	7 766 727	3 735 372
Cash Floats	4 940	1 672
Total	16 684 890	7 187 397

Refer to note 2 for more details relating to cash and cash equivalents.

CEDERBERG LOCAL MUNICIPALITY

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41 BUDGET COMPARISONS

41.1 Original vs Final Budget

Statement of Financial Position

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2018/19.

Statement of Financial Performance - Revenue

Service charges were adjusted in accordance with the audited actuals of 2018/19.

Transfers Recognised (Operational) was adjusted for roll over application approvals and / or additional funding received of which the following were the most significant:

- PGWC Financial Management Capacity Building Grant - R267 836
- CDW Support - R334 000
- Human Settlement Development Grant - R5 252 295
- Municipal Drought Support - R491 581
- Municipal Capacity Building Grant - R265 000
- Financial Management Support Grant - R474 584
- Emergency and Disaster - COVID-19 - R759 000

Transfers Recognised (Capital) was adjusted for roll over application approvals and / or additional funding received of which the following were the most significant:

- Human Settlements Development Grant - R672 922
- Municipal Drought Support - R3 277 207
- Acceleration of housing deliveries - R607 007

Statement of Financial Performance - Expenditure

Debt Impairment was increased to take into account the negative effect of COVID-19 and the national lockdown on the collection rate of debtors.

Depreciation and Asset Impairment was decreased in line with the audit outcome of 2018/19.

Bulk Purchases was increased due to a higher demand than initially anticipated.

Contracted Services was increased to take into account grant expenditure relating the Transfers Recognised (Operational).

Cash Flow Statement

Net Cash Flow from Operating Activities had a net decrease due to a decrease in Service Charges and increase in Bulk Purchases.

Net Cash Flow from Investing Activities was increased to take into account additional capital expenditure resulting from grant funding.

Net Cash Flow from Financing Activities increased due to a decision not to take up loan of R3 000 000 initially budgeted.

41.2 Actual Amounts vs Final Budget

Statement of Financial Position

Current assets were more than budgeted for due to several grant funded projects which were not concluded at year-end, resulting in a higher bank balance.

Non-current assets were less than budget as not all capital projects were concluded in the current year resulting that the capital budget was underspent by approximately R21 million.

Current liabilities were more than budgeted for due to several grant funded projects which were not concluded at year-end, resulting in an unspent conditional grant balance which was not budgeted for. Also higher outstanding creditors than anticipated.

Non-Current liabilities were less than budget due to a lower increase in the landfill site provision than anticipated.

Statement of Financial Performance - Revenue

Transfers recognised (operational) were less than budgeted due to grant funded projects which were not concluded at year-end.

Own Revenue were less than budgeted due to less traffic fines issued than anticipated as a result of the national lockdown.

Transfers recognised - capital were less than budget due to the Water Service Infrastructure Grant (WSIG) project of which approximately R22.5 million was not spent during the year.

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41 BUDGET COMPARISONS (CONTINUED)

Statement of Financial Performance - Expenditure

Other Material and Other Expenditure should be read in conjunction. Both these items were less than budget due to the underspending of the budget as a result of overall cash flow constraints being experienced.

Contracted Services were less than budget due to funding from the Department of Human Settlements being treated differently for budget and GRAP purposes. For budget purposes it is included as expenditure, but for GRAP purposes it is considered to be an principle-agent arrangement.

Transfers and Grants was less than budget as the fire services rendered by the West Coast District Municipality was incorrectly budgeted as Transfers and Grants rather than Contracted Services.

Cash Flow Statement

Net Cash Flow from Operating Activities were less than budget due to a poorer collection rate on outstanding debtors than anticipated as well as less traffic fines issued which ultimately resulted in less traffic fines collected than anticipated.

Net Cash Flow from Investing Activities was less than budgeted for as not all projects were implemented and concluded.

42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

42.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	1 461 115	637 243
Unauthorised expenditure current year - operating	4 749 109	-
Unauthorised expenditure current year - capital	1 395 830	1 461 115
Approved by Council	-	(637 243)
Unauthorised expenditure awaiting further action	7 606 055	1 461 115

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2020 (Actual) R	2020 (Final Budget) R	2020 (Unauthorised) R	2019 (Unauthorised) R
Unauthorised expenditure - Operating				
Vote 1 - Executive and Council	8 612 247	8 860 796	-	-
Vote 2 - Office of Municipal Manager	8 788 446	9 802 101	-	-
Vote 3 - Financial Administrative Services	55 400 675	52 041 116	3 359 559	-
Vote 4 - Community Development Services	14 268 512	14 457 827	-	-
Vote 5 - Corporate and Strategic Services	18 512 460	19 895 738	-	-
Vote 6 - Planning and Development Services	6 402 156	6 551 496	-	-
Vote 7 - Public Safety	25 114 393	33 774 931	-	-
Vote 8 - Electricity	99 149 390	99 991 629	-	-
Vote 9 - Waste Management	16 886 586	17 069 206	-	-
Vote 10 - Waste Water Management	13 726 113	12 336 562	1 389 551	-
Vote 11 - Water	30 070 969	32 915 719	-	-
Vote 12 - Housing	2 061 522	25 298 342	-	-
Vote 13 - Road Transport	12 323 565	12 993 177	-	-
Vote 14 - Sports and Recreation	12 030 420	12 470 662	-	-
Total	323 347 452	358 459 302	4 749 109	-

The overspending incurred is attributable to the following categories:

Non-cash

- Debt Impairment (lower collection rate than anticipated)	4 749 109	-
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		2020	2020	2019
42	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)			
		2020	2020	2020
		(Actual)	(Final Budget)	(Unauthorised)
		R	R	(Unauthorised)
				R
	Unauthorised expenditure - Capital			
	Vote 1 - Executive and Council	-	650	-
	Vote 2 - Office of Municipal Manager	-	-	-
	Vote 3 - Financial Administrative Services	52 421	69 485	-
	Vote 4 - Community Development Services	59 869	59 870	-
	Vote 5 - Corporate and Strategic Services	829 287	111 588	717 699
	Vote 6 - Planning and Development Services	9 539 289	8 861 977	677 312
	Vote 7 - Public Safety	989 315	1 145 165	-
	Vote 8 - Electricity	11 361 172	11 556 253	-
	Vote 9 - Waste Management	58 146	58 698	-
	Vote 10 - Waste Water Management	5 296 767	12 204 669	-
	Vote 11 - Water	5 974 199	21 423 865	-
	Vote 12 - Housing	0	672 922	-
	Vote 13 - Road Transport	107 839	125 812	-
	Vote 14 - Sports and Recreation	315 531	314 712	819
	Total	34 583 834	56 605 666	1 395 830
		1 461 115		1 461 115

The overspending incurred is attributable to the following categories:

Non-cash

- Lease of assets considered a finance lease for which no capital budget was provided	717 699	1 461 115
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Cash

- Overspending on MIG project which will be refunded by MIG in the next financial year	677 312	-
- Minor overspending on own internal funded projects	819	-

Total

	1 395 830	1 461 115
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42.2 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	71 359 748	51 880 192
Irregular expenditure incurred in the current year	36 225 140	70 678 599
Approved by Council	-	(51 199 043)
Irregular expenditure awaiting further action	107 584 888	71 359 748

Details of irregular expenditure incurred in the current year

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	4 709 186	69 960 872
(b) Services rendered without an order	-	22 403
(c) Incorrect interpretation and application of SCM regulation 32	1 438 623	695 324
(d) Splitting of quotes	868 764	-
(e) Composition of adjudication committees not compliant with Regulations	19 951 780	-
(f) Grant funding not spent in terms of grant conditions	9 256 786	-
	36 225 140	70 678 599

Details of irregular expenditure awaiting further action:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	74 670 058	69 960 872
(b) Services rendered without an order	-	-
(c) Incorrect interpretation and application of SCM regulation 32	2 837 499	1 398 876
(d) Splitting of quotes	868 764	-
(e) Composition of adjudication committees not compliant with Regulations	19 951 780	-
(f) Grant funding not spent in terms of grant conditions	9 256 786	-
	107 584 888	71 359 748

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42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Incidents/cases identified in the current year include:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	1	1
(b) Services rendered without an order	-	1
(c) Incorrect interpretation and application of SCM regulation 32	2	2
(d) Splitting of quotes	4	-
(e) Composition of adjudication committees not compliant with Regulations	10	-
(f) Grant funding not spent in terms of grant conditions	1	-
	1	-

Amount recoverable

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	-
(b) Services rendered without an order	-	-
(c) Incorrect interpretation and application of SCM regulation 32	-	-
(d) Splitting of quotes	-	-
(e) Composition of adjudication committees not compliant with Regulations	-	-
(f) Grant funding not spent in terms of grant conditions	-	-
	-	-

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

42.3 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	4 770	378 847
Fruitless and wasteful expenditure incurred	1 291 601	4 770
Fruitless and wasteful expenditure recovered	-	-
Approved by Council	-	(378 847)
Fruitless and wasteful expenditure awaiting further action	1 296 371	4 770

Details of fruitless and wasteful expenditure incurred

(a) Penalties on outstanding TV licences	-	4 770
(b) Interest levied on overdue accounts	9 997	-
(c) Interest levied by Eskom on overdue accounts	1 281 604	-
Total	1 291 601	4 770

Disciplinary steps or criminal proceedings undertaken on above-mentioned fruitless and wasteful expenditure incurred:

- (a) The matter will be table to MPAC for resolution.
- (b) The matter will be table to MPAC for resolution.
- (b) The Municipality is in the process of engaging with Eskom to pardon the interest.

43 MATERIAL LOSSES

43.1 Water distribution losses

Kilo litres disinfected/purified/purchased	2 736 826	2 638 935
Kilo litres sold and free basic services	(2 433 258)	(2 366 886)
Kilo litres lost during distribution	303 568	272 049
Percentage lost during distribution	11.09%	10.31%

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

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	2020	2019
43 MATERIAL LOSSES (CONTINUED)		
43.2 Electricity distribution losses		
Units purchased (Kwh)	62 821 363	62 240 508
Units sold, free basic services and standard friction losses	(58 299 851)	(59 608 564)
	4 521 512	2 631 944
Units lost during distribution (Kwh)		
Percentage lost during distribution	7.20%	4.23%
Electricity losses are due to electricity theft on pre-paid meters. Fines were issued for first time offenders.		
44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
44.1 SALGA Contributions [MFMA 125 (1)(b)]		
Opening balance	151 190	-
Expenditure incurred	1 155 237	1 063 110
Payments	(151 190)	(911 920)
Outstanding balance	1 155 237	151 190
44.2 Audit Fees [MFMA 125 (1)(c)]		
Opening balance	304 756	-
Expenditure incurred	4 093 166	4 213 518
Audit Fees	3 559 274	3 663 929
VAT	533 891	549 589
Payments	(2 722 581)	(3 908 762)
Outstanding Balance	1 675 341	304 756
44.3 VAT [MFMA 125 (1)(c)]		
Opening balance	141 885	2 890 228
Net amount claimed/(declared) during the year	(3 285 762)	144 765
Net amount paid/(received) during the year	1 724 374	(2 893 108)
Outstanding Balance Receivable/(Payable)	(1 419 503)	141 885
VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.		
44.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]		
Opening balance	-	1 026 074
Payroll deductions and Council Contributions during the year	16 854 744	14 851 741
Payments	(15 536 662)	(15 877 815)
Outstanding Balance	1 318 081	-
44.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]		
Opening balance	-	-
Payroll deductions and Council Contributions during the year	26 203 073	23 353 291
Payments made to pension and medical fund	(26 203 073)	(23 353 291)
Outstanding Balance	-	-

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44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

44.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

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

FN Sokuyeka	-	2 353
PJ Strauss	7 657	-
Total	7 657	2 353

44.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

Section 36(1)(a)(i) - Emergencies	1 782 601	1 259 408
Section 36(1)(a)(ii) - Single provider	98 139	64 887
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	394 347	37 841
Total	2 275 088	1 362 137

Deviations from Supply Chain Management Regulations can be allocated as follow:

Office of the Municipal Manager	-	-
Financial Services	672 101	-
Corporate and Strategic Services	425 025	8 338
Community Development Services	661 130	553 211
Engineering and Planning Services	516 832	800 588
Total	2 275 088	1 362 137

All the deviations were ratified by the Municipal Manager and reported to Council.

44.8 Other Non-Compliance [MFMA 125(2)(e)]

(a) Payments not made within 30 days

Money owed by the Municipality was not always paid within 30 days, as required by section 65(2)(e) of the Municipal Finance Management Act.

45 CAPITAL COMMITMENTS

Approved and contracted for

Infrastructure	31 743 712	26 441 050
Community Assets	2 072 567	2 348 160
Intangible Assets	-	466 932
Total	33 816 278	29 256 142

This expenditure will be financed from:

Government Grants	31 743 712	26 716 643
Own funding	2 072 567	2 539 499
Total	33 816 278	29 256 142

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).

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46 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

46.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	16 684 890	7 187 397
Receivables from exchange transactions	27 173 501	33 355 213
Total	43 858 391	40 542 610

Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are 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.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be passed due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are past due, but not impaired:

Electricity	5 596 429	5 183 425
Water	4 982 880	6 229 327
Refuse	1 805 234	2 268 994
Sewerage	2 104 701	3 394 236
Other	1 063 867	2 648 316
Total	15 553 110	19 724 298

Past due receivables are aged as follow:

1 to 3 months overdue	7 907 447	9 073 937
4 months to 1 year overdue	7 078 955	10 555 118
1 year overdue	566 708	95 243
	15 553 110	19 724 298

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46 FINANCIAL RISK MANAGEMENT (CONTINUED)

46.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

46.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	16 679 951	7 185 725
Long-term Liabilities (including current portion)	(17 198 555)	(20 581 279)
Net balance exposed	(518 605)	(13 395 554)

Potential effect of changes in interest rates on surplus and deficit for the year:

0.5% (2019 - 1%) increase in interest rates	(2 593)	(133 956)
0.5% (2019 - 0%) decrease in interest rates	2 593	-

A slowdown in Local and International economic activity (due to the COVID-19 pandemic) have prompted the Reserve Bank to cut interest rates during the financial year to support the economy. Management does not foresee significant interest rate movements the next 12 months.

46.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2020				
Annuity Loans	3 943 090	11 857 332	510 819	16 311 241
Finance Lease Liabilities	2 831 839	2 685 179	-	5 517 018
Payables from exchange transactions	78 279 157	-	-	78 279 157
Total	85 054 085	14 542 511	510 819	100 107 415
30 JUNE 2019				
Annuity Loans	3 943 089	13 814 847	2 496 396	20 254 332
Finance Lease Liabilities	2 506 417	4 413 129	-	6 919 546
Payables from exchange transactions	76 757 938	-	-	76 757 938
Total	83 207 443	18 227 976	2 496 396	103 931 816

46.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Municipality is not exposed to any other price risk.

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47 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

Cash and Cash Equivalents	16 684 890	7 187 397
Receivables from Exchange transactions	27 173 501	33 355 213
Total	43 858 391	40 542 610

Financial Liabilities

Current Portion of Long-term Liabilities	4 717 622	4 111 571
Payables from exchange transactions	78 279 157	76 757 938
Long-Term Liabilities	12 480 933	16 469 708
Total	95 477 712	97 339 217

48 STATUTORY RECEIVABLES

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

Receivables from Non-Exchange Transactions	9 634 863	12 708 728
Rates	8 554 817	10 963 412
Fines	1 080 045	1 745 316
Taxes	3 090 646	90 816
Total	12 725 509	12 799 544

The amounts above are disclosed after any provision for impairment has been taken into account.

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 18 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 21 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

Taxes (Value Added Tax) are raised in terms of the Value Added Tax Act. Refer to note 5 for the respective components included in the balance. No interest is paid by the South African Revenue Service on outstanding VAT claims.

Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates

- Past due at the reporting date, and which have been impaired	23 646 148	17 230 285
- Past due that have not been impaired	6 036 235	8 206 370

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49 PRINCIPLE-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principle-agent arrangements exists:

49.1 Department of Transport and Public Works

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.

The following transactions were undertaken as part of principle-agent arrangement:

Collections payable to the Department at beginning of year	755 523	498 528
Revenue collected from third parties	13 534 972	14 958 680
Commission earned on collections included in note 25	(1 995 105)	(2 235 042)
VAT on commission earned payable to the South African Revenue Services	(299 266)	(335 256)
Collections paid over to the Department	(11 395 806)	(12 131 387)
Collections payable to the Department at year-end	600 319	755 523

49.2 Department of Human Settlements

The Municipality acts as an agent for the Department of Human Settlements for monitoring the construction of housing top structures and to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principle-agent arrangement:

Balance at beginning of year	975 724	-
Payments received from the Department	3 230 407	23 225 686
Expenditure incurred on behalf of the Department	(3 129 489)	(22 249 962)
Balance at year-end	1 076 642	975 724

50 EVENTS AFTER REPORTING DATE

The national state of disaster has been extended until 15 November 2020. Refer to note 56 whereby the financial impact of the COVID-19 pandemic on the Municipality is disclosed. Other than the COVID-19 pandemic, the Municipality had no other significant events after reporting date.

51 IN-KIND DONATIONS AND ASSISTANCE

The Municipality did not receive any in-kind donations or assistance during the year under review.

52 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

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53 CONTINGENT LIABILITIES

The Municipality were exposed to the following contingent liabilities at year end:

53.1	Matter against the Municipality by Jimmy Barnard	50 000	50 000
	This matter has been finalised but legal costs still have to be taxed or agreed. The legal costs for which the Municipality may be liable are estimated at R50 000.		
53.2	Matter against the Municipality by Mathilda Smith	15 000	15 000
	This applicant is claiming for damages amounting to R15 000. Since 2010, the applicant's attorneys has not taken any action on this matter. However, in 2015 she instructed her attorneys to continued with the matter.		
53.3	Matter against the Municipality by Siphokazi Sinxo (on behalf of her minor son, Lunje Sinxo)	-	1 800 000
	The applicant claimed for damages amounting to R1 400 000 in total. These damages related to an injury her son obtained on the property of the Municipality when an entrance gate became dislodged and fell on her son. Legal costs were estimated at approximately R 400 000. The Municipality's insurers reached an settlement agreement amounting to R1 000 000 on 21 November 2019 of which the claim will directly be covered by the Municipality's insurer.		
53.4	Matter against the Municipality by Elandsbaai Handelsmaatskappy	752 000	1 052 000
	The applicant claims against infringement of property for the amount of R652 000. At that time the legal cost for which the Municipality may be liable were estimated at R400 000 giving rise to a contingent liability of R1 052 000. During the 2019/20 financial year, negotiations progressed up to a point whereby the Municipality offered to transfer a portion of an open space for the infringed property. Negotiations are still underway and the Municipality's estimated legal cost to conclude the matter is now estimated R100 000, which gives rise to a contingent liability of R752 000 (R652 000 + R100 000).		
53.5	Matter against the Municipality by MJ Coetzee	250 000	250 000
	This matter involves an application by the owners of Erf 234 Graafwater against the Municipality for declaratory relief, alternatively a review regarding the decision taken in respect of an application for consent use. The matter in ongoing , pleadings have closed and the Applicants have to set it down for hearing. The legal costs and disbursements that the Municipality may be liable for in the event that the application is successful, is estimated at R 250 000.		
53.6	Total	1 067 000	3 167 000

54 RELATED PARTIES

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

Other related parties transactions relates to the acquisition of goods under terms and conditions applicable to open market trading on a willing buyer and seller principles. The payment terms are not favourable to other transactions (other related parties) and are not secured or encumbered. Settlement terms are in accordance with the general terms of trade with no guarantees received or given.

54.1 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

54.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 27 and 28.

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55 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company Name	Relationship	Position of person in service of the state	Amount	Amount
P J Sobekwa	Brother of J Sobekwa	Foreman at Cederberg Municipality	6 300	92 600
HM Henderson	Sister of C Henderson	Senior clerk store at Cederberg Municipality	3 000	8 360
Nelodia Transport	Wife of WK Nel	Admin clerk at the SAPS	1 500	2 400
RJ Swartz	Son of R Swartz	Police officer at the SAPS	-	1 956
M Mercur	Wife of N Mercur	Strategic Services Manager at Cederberg Municipality	21 140	-
Total			31 940	105 316

56 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The following financial indicators were assessed:

Cash available for working capital requirements (positive balance)	-	3 519 393
Current Ratio (norm - at least 2:1)	0.48 : 1	0.59 : 1
Cash coverage ratio (norm - 3 months or more)	0 months	0.24 months
Creditors days (norm - 30 days or less)	146 days	119 days
Debtors collection rate (95% or more)	83.86%	86.74%
Operating surplus / (deficit)	(36 399 988)	(14 520 615)

When analysing the results of the ratio's it can be concluded that COVID-19 adversely affected the Municipality's already strained cash flow position. This is precipitated by lower revenue collection due the hard lockdown under level 5 and further financial burdens on normal households and the private sector. The impact of COVID-19 will have a long-term effect on the Municipality's financial situation. It is for this reasons that Council will approve a Financial and Revenue Improvement Plan to specific focus on the revenue collection and curbing expenditure. This may affect service delivery in the short term, but will be mitigated through these interventions.

Taking the above in mind the Municipality will therefore balance service delivery and operations based on revenue collections and ensure that grant funding is spent within the prescribed timeframes as agreed with National Treasury.

Impact of COVID-19

Cederberg Municipality is in no way immune to the harsh economic realities as a result of the COVID-19 pandemic. As far possible, the Municipality factored in the effect the lockdown levels had on its economic environment. At this stage, the uncertainty still remains as to how long the pandemic will remain and how long the economy will take to recover from the lockdowns levels.

The Municipality incurred costs amounting to R1 573 326 in the fight against the COVID-19 pandemic of which R732 469 was grant funded. The remaining expenditure was funded by the Municipality.

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56 FINANCIAL SUSTAINABILITY (CONTINUED)

Other Indicators

Contingent Liabilities are disclosed in note 53. The total exposure amounts to R 1 067 000, and therefore contingent liabilities in its totality does not pose any threat to the going concern assumption.

Except for the uncertainties pertaining to what effect the national lockdown levels will have on the economic environment, the Municipality is not aware of any other events after reporting date which may pose a threat to the going concern assumption.

Future Budget

When analysing the 2020/21 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2019/20, the projected financial indicators are as follow:

	2020/21
Cash available for working capital requirements (positive balance)	1 993 318
Current Ratio (norm - at least 2:1)	0.95:1
Cash coverage ratio (norm - 3 months or more)	0.13 months
Creditors days (norm - 30 days or less)	70 days
Debtors collection rate (95% or more)	86%
Operating surplus / (deficit)	(19 171 452)

The above-mentioned indicators also include the effect the lockdown levels have on the economic environment of the Municipality. Although the above-mentioned ratio's are still below the required norms, there is an projected improvement.

Assessment

The definition of a going concern is that there is no reason to believe that an institution will have to close down or be liquidated within 12 months after the reporting date.

Except for the current financial indicator which could potentially be seen as a threat to the going concern assumption, the other assessments does not pose any threat to the going concern assumption. Given the afore-mentioned, Management is of the opinion that the Municipality can continue in operational existence for the foreseeable future.

57 B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

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APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2020

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2019	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2020
<u>ANNUITY LOANS</u>							
ABSA	038-723-0992	9.84%	1 April 2025	2 133 680	-	(274 445)	1 859 235
ABSA	038-723-0993	10.43%	17 June 2025	3 592 717	-	(456 468)	3 136 249
ABSA	038-723-0994	10.45%	17 Nov 2025	1 533 902	-	(174 640)	1 359 262
ABSA	038-723-0995	10.45%	17 Aug 2028	1 618 118	-	(159 382)	1 458 736
Standard Bank	03-263-793-4	10.36%	31 Mar 2023	6 278 257	-	(1 339 204)	4 939 053
Total Annuity Loans				15 156 674	-	(2 404 138)	12 752 536
<u>FINANCE LEASE LIABILITIES - PRINTERS</u>							
Printers D3Q20B			31 Dec 2019	11 121	-	(11 121)	-
Printers MPC305SPF			31 Dec 2019	12 069	-	(12 069)	-
Printers MPC2004SP			30 Apr 2020	63 175	-	(63 175)	-
Printers MPC8003SP			30 Apr 2020	62 174	-	(62 174)	-
Xerox AltaLink C8055			28 Feb 2021	48 702	-	(27 663)	21 039
Xerox Versalink C7025			28 Feb 2021	361 085	-	(205 098)	155 987
Samsung 057400 Pabx System			31 May 2022	1 802 318	748 550	(481 299)	2 069 569
Total Finance Lease Liabilities - Printers				2 360 644	748 550	(862 599)	2 246 595
<u>FINANCE LEASE LIABILITIES - VEHICLES</u>							
Isuzu Kb 250C Fleetside Regular Cab	00089668811		1 Jul 2022	154 135	-	(44 486)	109 649
Isuzu Kb 250C Fleetside Regular Cab	00089668986		1 Jul 2022	154 135	-	(44 486)	109 649
Isuzu Kb 250C Fleetside Regular Cab	00089669184		1 Jul 2022	154 135	-	(44 486)	109 649
Chevrolet Utility 1.4 + A/C (M18)	00089669583		1 Jul 2022	115 372	-	(33 298)	82 074
Chevrolet Utility 1.4 + A/C (M18)	00089670107		1 Jul 2022	115 372	-	(33 298)	82 074
Isuzu Kb 250C Fleetside Regular Cab	00089670301		1 Jul 2022	156 150	-	(45 068)	111 083
Isuzu Kb 250C Fleetside Regular Cab	00089733109		1 Aug 2022	158 443	-	(44 315)	114 129
Isuzu Kb 250C Fleetside Regular Cab	00089733338		1 Aug 2022	279 616	-	(78 205)	201 411
Isuzu N Series NLR 150	00089733443		1 Aug 2022	302 442	-	(84 589)	217 853
Isuzu Kb 250C Fleetside Regular Cab	00089733478		1 Aug 2022	158 443	-	(44 315)	114 129
Isuzu N Series NLR 150	00089733656		1 Aug 2022	302 442	-	(84 589)	217 853
Isuzu N Series NLR 150	00089733664		1 Aug 2022	302 442	-	(84 589)	217 853
Isuzu N Series NLR 150	00089733915		1 Aug 2022	302 442	-	(84 589)	217 853
Isuzu Kb 250C Fleetside Regular Cab	00089734008		1 Aug 2022	158 443	-	(44 315)	114 129
Toyota Etios Sedan 1.5SD Sprint	00089760637		1 Aug 2022	124 974	-	(34 954)	90 021
Toyota Etios Sedan 1.5SD Sprint	00089760769		1 Aug 2022	124 974	-	(34 954)	90 021
Total Finance Lease Liabilities - Vehicles				3 063 961	-	(864 537)	2 199 424
Total Long-Term Liabilities				20 581 279	748 550	(4 131 274)	17 198 555

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APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2020

	OPENING BALANCE R	GRANTS RECEIVED / (REPAID) R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	OTHER MOVEMENT R	CLOSING BALANCE R
NATIONAL GOVERNMENT						
Equitable Share	-	49 200 761	(49 200 761)	-	-	-
Municipal Infrastructure Grant (MIG)	-	15 667 000	(2 688 593)	(13 929 311)	950 904	-
Financial Management Grant (FMG)	-	2 085 000	(2 085 000)	-	-	-
Integrated National Electrification Programme (INEP)	-	9 642 000	(1 257 519)	(8 383 462)	-	1 019
Expanded Public Works Program (EPWP)	-	1 954 000	(1 954 000)	-	-	-
Water Service Infrastructure Grant (WSIG)	1 254 762	28 745 238	(526 004)	(3 532 320)	-	25 941 676
Municipal Disaster Relief Grant (Drought Relief)	-	-	-	-	-	-
Municipal Disaster Relief Grant (COVID-19)	-	209 000	(132 469)	-	-	76 531
Total	1 254 762	107 502 999	(57 844 346)	(25 845 093)	950 904	26 019 226
PROVINCIAL GOVERNMENT						
Human Settlement Development Grant	-	-	-	-	-	-
Library Services MRF	-	4 599 000	(4 594 432)	-	-	4 568
CDW Support	8 889	325 111	(328 824)	-	-	5 176
Housing Consumer Education	-	-	-	-	-	-
Municipal Drought Support Grant	268 788	3 500 000	(424 045)	(3 239 257)	-	105 486
Local Government Graduate Internship Grant	92 888	80 000	(16 029)	-	-	156 859
Financial Management Support Grant	44 584	580 000	(499 611)	-	-	124 973
Municipal Capacity Building Grant	267 836	644 500	(34 055)	-	-	878 281
Acceleration of Housing Delivery	698 058	-	(91 051)	(607 007)	-	-
Thusong Service Centre Grant	8 898	200 000	(29 355)	-	-	179 543
Municipal Disaster Grant (Drought Relief)	47 577	(47 577)	-	-	-	-
Road Maintenance (Proclaimed)	-	-	-	-	-	-
Local Government Support Grants (COVID-19)	-	550 000	(550 000)	-	-	-
Total	1 437 518	10 431 034	(6 567 401)	(3 846 263)	-	1 454 886
OTHER GRANT PROVIDERS						
West Coast District Municipality - COVID 19	-	50 000	(50 000)	-	-	-
Total	-	50 000	(50 000)	-	-	-
ALL SPHERES OF GOVERNMENT	2 692 280	117 984 033	(64 461 748)	(29 691 356)	950 904	27 474 112

CEDERBERG LOCAL MUNICIPALITY

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
FINANCIAL PERFORMANCE						
Property rates	46 908 626	(889 547)	46 019 079	45 526 373	(492 706)	42 146 144
Service charges	154 476 840	(8 489 179)	145 987 661	144 762 931	(1 224 730)	128 887 500
Investment revenue	2 012 516	(1 724 609)	287 907	505 556	217 649	892 942
Transfers and subsidies - operational	84 703 391	8 164 524	92 867 915	64 461 748	(28 406 167)	62 084 857
Other own revenue	41 741 579	(190 720)	41 550 859	31 690 856	(9 860 003)	42 314 112
Total Operating Revenue (excluding capital transfers)	329 842 952	(3 129 531)	326 713 421	286 947 464	(39 765 957)	276 325 555
Employee costs	119 499 420	(2 620 888)	116 878 532	115 364 247	(1 514 285)	104 281 701
Remuneration of councillors	5 493 000	83 205	5 576 205	5 569 861	(6 344)	5 392 291
Debt impairment	35 531 750	9 393 250	44 925 000	45 905 361	980 361	38 387 315
Depreciation and asset impairment	23 355 000	(3 222 530)	20 132 470	18 882 270	(1 250 200)	16 635 139
Finance charges	8 449 015	231 493	8 680 508	9 786 135	1 105 627	8 455 545
Bulk purchases	82 383 212	3 915 773	86 298 985	84 184 752	(2 114 233)	71 810 102
Other Materials	9 327 530	(845 562)	8 481 968	-	(8 481 968)	-
Contracted Services	35 860 759	6 858 528	42 719 287	18 205 886	(24 513 401)	16 696 031
Transfers and grants	4 120 525	524 367	4 644 892	1 144 278	(3 500 614)	1 066 144
Other expenditure	20 061 309	60 146	20 121 455	24 163 445	4 041 990	27 653 950
Loss on disposal of PPE	-	-	-	141 216	141 216	467 952
Total Expenditure	344 081 520	14 377 782	358 459 302	323 347 451	(35 111 851)	290 846 170
Surplus/(Deficit)	(14 238 568)	(17 507 313)	(31 745 881)	(36 399 988)	(4 654 107)	(14 520 615)
Transfers and subsidies - capital (monetary)	47 433 609	4 559 745	51 993 354	29 691 356	(22 301 998)	83 598 795
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	11 476 772
Surplus/(Deficit) for the year	33 195 041	(12 947 568)	20 247 473	(6 708 631)	(26 956 104)	80 554 952
CAPITAL EXPENDITURE & FUNDS SOURCES						
Capital expenditure	60 698 593	(4 092 927)	56 605 666	34 583 834	(22 021 832)	104 874 098
Transfers recognised - capital	47 433 607	4 559 745	51 993 352	29 691 356	(22 301 996)	83 742 707
Public Contributions and Donations	-	-	-	-	-	11 476 772
Borrowing	3 000 000	(3 000 000)	-	-	-	-
Internally generated funds	10 264 986	(5 652 672)	4 612 314	4 892 478	280 164	9 654 619
Total sources of capital funds	60 698 593	(4 092 927)	56 605 666	34 583 834	(22 021 832)	104 874 098
CASH FLOWS						
Net cash from (used) operating	65 473 240	(11 536 207)	53 937 033	47 344 297	(6 592 736)	83 043 968
Net cash from (used) investing	(60 698 593)	4 092 927	(56 605 666)	(33 768 545)	22 837 121	(90 859 963)
Net cash from (used) financing	(275 082)	(3 694 941)	(3 970 023)	(4 078 260)	(108 237)	(3 528 673)
Net Cash Movement for the year	4 499 565	(11 138 221)	(6 638 656)	9 497 493	16 136 148	(11 344 668)
Cash/cash equivalents at beginning of year	505 325	6 682 072	7 187 397	7 187 397	-	18 532 065
Cash/cash equivalents at the year end	5 004 891	(4 456 149)	548 741	16 684 890	16 136 148	7 187 397

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	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATEMENT OUTCOME 2019 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	43 112 203	1 037 296	44 149 499	43 111 964	(1 037 535)	40 041 682
Finance and administration	63 678 044	(1 505 177)	62 172 867	62 753 189	580 322	59 529 265
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	5 262 590	488 226	5 750 816	5 474 330	(276 486)	5 395 041
Sport and recreation	4 210 850	(1 784 434)	2 426 416	2 413 474	(12 942)	2 846 579
Public safety	20 893 000	3 525 280	24 418 280	12 735 201	(11 683 080)	-
Housing	17 860 000	5 925 217	23 785 217	-	(23 785 217)	45 401 956
Economic and environmental services						
Planning and development	18 152 054	(6 370 381)	11 781 673	13 121 084	1 339 411	22 881 677
Road transport	3 385 549	301 140	3 686 689	2 735 961	(950 728)	24 122 432
Trading services						
Energy sources	111 631 645	(2 752 231)	108 879 414	109 470 763	591 349	92 890 437
Water management	61 864 884	(7 513 790)	54 351 094	36 587 864	(17 763 231)	44 312 177
Waste water management	12 889 494	14 370 150	27 259 644	13 956 929	(13 302 715)	13 271 403
Waste management	14 336 248	(4 291 082)	10 045 166	14 278 062	4 232 896	20 708 473
Total Revenue - Standard	377 276 561	1 430 214	378 706 775	316 638 820	(62 067 955)	371 401 122
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	13 305 410	(914 877)	12 390 533	11 757 113	(633 420)	11 062 951
Finance and administration	76 141 995	8 935 087	85 077 082	86 842 008	1 764 926	75 853 471
Internal audit	1 060 500	9 553	1 070 053	1 020 634	(49 419)	842 310
Community and public safety						
Community and social services	9 421 657	279 909	9 701 566	9 366 347	(335 219)	6 053 043
Sport and recreation	13 230 371	(759 709)	12 470 662	12 030 420	(440 242)	10 941 106
Public safety	25 507 010	2 850 438	28 357 448	19 829 655	(8 527 793)	-
Housing	21 279 500	4 018 842	25 298 342	2 061 522	(23 236 820)	1 969 660
Economic and environmental services						
Planning and development	8 442 941	(1 124 744)	7 318 197	6 832 276	(485 921)	5 289 689
Road transport	14 915 868	(1 834 517)	13 081 351	12 454 681	(626 670)	37 596 564
Trading services						
Energy sources	94 308 227	5 683 402	99 991 629	99 149 390	(842 239)	82 097 594
Water management	30 221 321	2 694 398	32 915 719	30 070 969	(2 844 750)	28 437 329
Waste water management	16 629 452	(2 911 938)	13 717 514	15 045 852	1 328 338	15 413 612
Waste management	19 617 268	(2 548 062)	17 069 206	16 886 586	(182 621)	15 288 842
Total Expenditure - Standard	344 081 520	14 377 782	358 459 302	323 347 452	(35 111 850)	290 846 172
Surplus/(Deficit) for the year	33 195 041	(12 947 568)	20 247 473	(6 708 632)	(26 956 105)	80 554 950

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	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATEMENT 2019 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Executive and Council	43 112 203	1 037 296	44 149 499	43 111 964	(1 037 535)	40 041 682
Vote 2 - Office of Municipal Manager	150 000	147 472	297 472	16 029	(281 443)	39 513
Vote 3 - Financial Administrative Services	55 232 264	(1 240 135)	53 992 129	59 745 043	5 752 914	56 980 849
Vote 4 - Community Development Services	7 333 880	181 356	7 515 236	7 074 552	(440 684)	34 500 593
Vote 5 - Corporate and Strategic Services	5 968 872	(671 896)	5 296 976	651 943	(4 645 033)	411 875
Vote 6 - Planning and Development Services	18 157 672	(6 375 999)	11 781 673	13 121 084	1 339 411	239 426 610
Vote 7 - Risk Management and Legal Services	-	-	-	-	-	-
Vote 7 - Public Safety	24 528 549	4 398 290	28 926 839	16 211 113	(12 715 726)	-
Vote 8 - Electricity	111 631 645	(2 752 231)	108 879 414	109 470 763	591 349	-
Vote 9 - Waste Management	14 336 248	(4 291 082)	10 045 166	14 278 062	4 232 896	-
Vote 10 - Waste Water Management	12 889 494	14 370 150	27 259 644	13 956 929	(13 302 715)	-
Vote 11 - Water	61 864 884	(7 513 790)	54 351 094	36 587 864	(17 763 231)	-
Vote 12 - Housing	17 860 000	5 925 217	23 785 217	-	(23 785 217)	-
Vote 13 - Road Transport	-	-	-	-	-	-
Vote 14 - Sports and Recreation	4 210 850	(1 784 434)	2 426 416	2 413 474	(12 942)	-
Total Revenue by Vote	377 276 561	1 430 214	378 706 775	316 638 820	(62 067 955)	371 401 122
EXPENDITURE						
Vote 1 - Executive and Council	10 889 910	(2 029 114)	8 860 796	8 612 247	(248 550)	8 460 203
Vote 2 - Office of Municipal Manager	8 591 461	1 210 640	9 802 101	8 788 446	(1 013 655)	3 790 877
Vote 3 - Financial Administrative Services	43 997 530	8 043 586	52 041 116	55 400 675	3 359 559	45 486 302
Vote 4 - Community Development Services	15 170 908	(713 081)	14 457 827	14 268 512	(189 315)	50 664 908
Vote 5 - Corporate and Strategic Services	18 641 390	1 254 348	19 895 738	18 512 460	(1 383 278)	16 426 934
Vote 6 - Planning and Development Services	7 755 272	(1 203 776)	6 551 496	6 402 156	(149 340)	164 437 346
Vote 7 - Risk Management and Legal Services	-	-	-	-	-	1 579 601
Vote 7 - Public Safety	30 293 122	3 481 809	33 774 931	25 114 393	(8 660 538)	-
Vote 8 - Electricity	94 308 227	5 683 402	99 991 629	99 149 390	(842 239)	-
Vote 9 - Waste Management	19 617 268	(2 548 062)	17 069 206	16 886 586	(182 621)	-
Vote 10 - Waste Water Management	15 045 452	(2 708 890)	12 336 562	13 726 113	1 389 551	-
Vote 11 - Water	30 221 321	2 694 398	32 915 719	30 070 969	(2 844 750)	-
Vote 12 - Housing	21 279 500	4 018 842	25 298 342	2 061 522	(23 236 820)	-
Vote 13 - Road Transport	15 039 788	(2 046 611)	12 993 177	12 323 565	(669 612)	-
Vote 14 - Sports and Recreation	13 230 371	(759 709)	12 470 662	12 030 420	(440 242)	-
Total Expenditure by Vote	344 081 520	14 377 782	358 459 302	323 347 452	(35 111 850)	290 846 172
Surplus/(Deficit) for the year	33 195 041	(12 947 568)	20 247 473	(6 708 632)	(26 956 105)	80 554 950

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	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATEMENT 2019 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	46 908 626	(889 547)	46 019 079	45 526 373	(492 706)	42 146 144
Service charges - electricity revenue	101 751 235	(4 598 479)	97 152 756	97 603 904	451 148	84 699 555
Service charges - water revenue	31 523 071	(2 405 912)	29 117 159	28 020 766	(1 096 393)	25 746 763
Service charges - sanitation revenue	11 110 225	(984 788)	10 125 437	9 105 511	(1 019 926)	9 648 703
Service charges - refuse revenue	10 092 309	(500 000)	9 592 309	10 032 749	440 440	8 792 479
Rental of facilities and equipment	529 046	(88 038)	441 008	2 871 161	2 430 153	3 274 156
Interest earned - external investments	2 012 516	(1 724 609)	287 907	505 556	217 649	892 942
Interest earned - outstanding debtors	3 745 255	1 250 768	4 996 023	4 983 566	(12 457)	3 996 023
Fines, penalties and forfeits	20 928 728	3 531 829	24 460 557	13 205 468	(11 255 089)	22 245 450
Licences and permits	-	-	-	-	-	-
Agency services	3 382 581	304 108	3 686 689	2 735 961	(950 728)	3 332 665
Transfers and subsidies - Operating	84 703 391	8 164 524	92 867 915	64 461 748	(28 406 167)	62 084 857
Other revenue	13 155 969	(5 189 387)	7 966 582	7 894 700	(71 882)	9 465 818
Gain on disposal of PPE	-	-	-	-	-	-
Total Revenue (excl capital transfers)	329 842 952	(3 129 531)	326 713 421	286 947 464	(39 765 957)	276 325 555
EXPENDITURE BY TYPE						
Employee related costs	119 499 420	(2 620 888)	116 878 532	115 364 247	(1 514 285)	104 281 701
Remuneration of councillors	5 493 000	83 205	5 576 205	5 569 861	(6 344)	5 392 291
Debt impairment	35 531 750	9 393 250	44 925 000	45 905 361	980 361	38 387 315
Depreciation and asset impairment	23 355 000	(3 222 530)	20 132 470	18 882 270	(1 250 200)	16 635 139
Finance charges	8 449 015	231 493	8 680 508	9 786 135	1 105 627	8 455 545
Bulk purchases	82 383 212	3 915 773	86 298 985	84 184 752	(2 114 233)	71 810 102
Other Materials	9 327 530	(845 562)	8 481 968	-	(8 481 968)	-
Contracted Services	35 860 759	6 858 528	42 719 287	18 205 886	(24 513 401)	16 696 031
Transfers and grants	4 120 525	524 367	4 644 892	1 144 278	(3 500 614)	1 066 144
Other expenditure	20 061 309	60 146	20 121 455	24 163 445	4 041 990	27 653 950
Loss on disposal of PPE	-	-	-	141 216	141 216	467 952
Total Expenditure	344 081 520	14 377 782	358 459 302	323 347 451	(35 111 851)	290 846 170
Surplus/(Deficit)	(14 238 568)	(17 507 313)	(31 745 881)	(36 399 988)	(4 654 107)	(14 520 615)
Transfers and subsidies - Capital (monetary)	47 433 609	4 559 745	51 993 354	29 691 356	(22 301 998)	83 598 795
Transfers and subsidies - Capital (in-kind)	-	-	-	-	-	11 476 772
Surplus/(Deficit) for the year	33 195 041	(12 947 568)	20 247 473	(6 708 631)	(26 956 104)	80 554 952

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 6 - Planning and Development Services	13 059 304	(4 826 943)	8 232 361	8 917 643	685 282	49 177 733
Vote 8 - Electricity	4 447 130	191 596	4 638 726	4 553 530	(85 196)	-
Vote 10 - Waste Water Management	-	3 106 217	3 106 217	3 363 278	257 061	-
Total Multi-year expenditure	17 506 434	(1 529 130)	15 977 304	16 834 451	857 147	49 177 733
Single-year expenditure						
Vote 1 - Executive and Council	-	650	650	-	(650)	2 290
Vote 2 - Office of Municipal Manager	25 000	(25 000)	-	-	-	-
Vote 3 - Financial Administrative Services	3 110 000	(3 040 515)	69 485	52 421	(17 064)	559 783
Vote 4 - Community Development Services	102 500	(42 630)	59 870	59 869	(1)	4 064 349
Vote 5 - Corporate and Strategic Services	350 000	(238 412)	111 588	829 287	717 699	2 571 506
Vote 6 - Planning and Development Services	80 000	549 616	629 616	621 646	(7 970)	48 485 117
Vote 7 - Public Safety	1 440 736	(295 571)	1 145 165	989 315	(155 850)	13 320
Vote 8 - Electricity	5 249 717	1 667 810	6 917 527	6 807 642	(109 885)	-
Vote 9 - Waste Management	344 500	(285 802)	58 698	58 146	(552)	-
Vote 10 - Waste Water Management	9 670 652	(572 200)	9 098 452	1 933 488	(7 164 964)	-
Vote 11 - Water	18 170 054	3 253 811	21 423 865	5 974 199	(15 449 666)	-
Vote 12 - Housing	25 000	647 922	672 922	0	(672 922)	-
Vote 13 - Road Transport	672 500	(546 688)	125 812	107 839	(17 973)	-
Vote 14 - Sports and Recreation	3 951 500	(3 636 788)	314 712	315 531	819	-
Total Single-year expenditure	43 192 159	(2 563 797)	40 628 362	17 749 383	(22 878 979)	55 696 366
Total Capital Expenditure by Vote	60 698 593	(4 092 927)	56 605 666	34 583 834	(22 021 832)	104 874 098
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	650	650	-	(650)	2 290
Finance and administration	3 507 500	(3 323 823)	183 677	884 312	700 635	3 178 091
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	70 000	(12 734)	57 266	57 266	(0)	110 605
Sport and recreation	3 951 500	(3 636 788)	314 712	315 531	819	4 164 353
Public safety	-	1 145 165	1 145 165	989 315	(155 850)	-
Housing	25 000	647 922	672 922	0	(672 922)	44 251 268
Economic and environmental services						
Planning and development	13 149 304	(4 287 327)	8 861 977	9 539 289	677 312	18 435 157
Road transport	2 035 736	(1 916 861)	118 875	101 438	(17 437)	7 169 905
Trading services						
Energy sources	9 696 847	1 859 406	11 556 253	11 361 172	(195 081)	7 939 661
Water management	18 170 054	3 253 811	21 423 865	5 974 199	(15 449 666)	16 710 966
Waste water management	9 748 152	2 463 454	12 211 606	5 303 168	(6 908 438)	2 858 914
Waste management	344 500	(285 802)	58 698	58 146	(552)	52 889
Total Capital Expenditure - Standard	60 698 593	(4 092 927)	56 605 666	34 583 834	(22 021 832)	104 874 098

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	47 433 607	2 609	47 436 216	25 845 093	(21 591 123)	25 184 614
Provincial Government	-	4 557 136	4 557 136	3 846 263	(710 873)	58 558 093
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	47 433 607	4 559 745	51 993 352	29 691 356	(22 301 996)	83 742 707
Public contributions & donations	-	-	-	-	-	11 476 772
Borrowing	3 000 000	(3 000 000)	-	-	-	-
Internally generated funds	10 264 986	(5 652 672)	4 612 314	4 892 478	280 164	9 654 619
Total Capital Funding	60 698 593	(4 092 927)	56 605 666	34 583 834	(22 021 832)	104 874 098

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	45 499 882	(5 308 370)	40 191 512	40 582 028	390 516	38 334 319
Service charges	136 828 646	(12 630 753)	124 197 893	123 172 181	(1 025 712)	113 481 344
Other revenue	22 326 574	(2 965 738)	19 360 836	12 106 897	(7 253 939)	14 993 666
Government - operating	84 703 391	5 921 705	90 625 096	88 292 677	(2 332 419)	31 312 055
Government - capital	47 433 609	2 461 638	49 895 247	29 691 356	(20 203 891)	83 598 795
Interest	5 570 508	(2 296 332)	3 274 176	505 556	(2 768 620)	892 942
Payments						
Suppliers and employees	(270 838 830)	4 364 384	(266 474 446)	(242 081 028)	24 393 418	(196 142 595)
Finance charges	(1 930 015)	(541 694)	(2 471 709)	(3 781 092)	(1 309 383)	(2 360 413)
Transfers and grants	(4 120 525)	(541 047)	(4 661 572)	(1 144 278)	3 517 294	(1 066 144)
NET CASH FROM OPERATING ACTIVITIES	65 473 240	(11 536 207)	53 937 033	47 344 297	(6 592 736)	83 043 968
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	66 739	66 739	702 082
Payments						
Capital assets	(60 698 593)	4 092 927	(56 605 666)	(33 835 284)	22 770 382	(91 562 045)
NET CASH USED IN INVESTING ACTIVITIES	(60 698 593)	4 092 927	(56 605 666)	(33 768 545)	22 837 121	(90 859 963)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	3 000 000	(3 000 000)	-	-	-	-
Increase (decrease) in consumer deposits	141 548	-	141 548	53 014	(88 534)	100 851
Payments						
Repayment of borrowing	(3 416 630)	(694 941)	(4 111 571)	(4 131 274)	(19 703)	(3 629 524)
NET CASH FROM FINANCING ACTIVITIES	(275 082)	(3 694 941)	(3 970 023)	(4 078 260)	(108 237)	(3 528 673)
NET INCREASE/ (DECREASE) IN CASH HELD	4 499 565	(11 138 221)	(6 638 656)	9 497 493	16 136 148	(11 344 668)
Cash/cash equivalents at the year begin:	505 325	6 682 072	7 187 397	7 187 397	-	18 532 065
Cash/cash equivalents at the year end:	5 004 891	(4 456 149)	548 741	16 684 890	16 136 149	7 187 397

Annexure B

Report of the Auditor General

Report of the auditor-general to the Western Cape Provincial Legislature and the council on the Cederberg Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Cederberg Municipality set out on pages 4 to 77, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the 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 Cederberg Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practises (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).

Context for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's 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 matter below. My opinion is not modified in respect of these matters.

Significant uncertainties

7. With reference to note 53 of the financial statements, the municipality is the defendant in a number of lawsuits. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R75,1 million (2018-19: R43,2 million) as a result of poor collection ratios and tough economic circumstances experienced by the public.
9. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R60,3 million (2018-19: R44,3 million) as a result of poor collection ratios.

Material uncertainty relating to going concern / financial sustainability

10. As disclosed in note 56 to the financial statements, the municipality's financial sustainability has been adversely impacted by the Covid-19 pandemic. This is mainly impacting the already strained cash flow position, lower revenue collection under hard lockdown during alert level 5 placing further financial burdens on normal households and the private sector. The impact of Covid-19 has been assessed by the municipality to have a long-term effect on the municipality's financial situation.

Other matters

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

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

13. The supplementary information set out on pages 78 to 86 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standards 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.
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate

governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the municipality's annual performance report for the year ended 30 June 2020:

Strategic objective	Pages in the annual performance report
Strategic objective 1: Improve and sustain basic service delivery and infrastructure development	10 – 14

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic objective:
 - Strategic objective 1: Improve and sustain basic service delivery and infrastructure development

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. Refer to the annual performance report on pages 10 to 14 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Strategic objective 1: Improve and sustain basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

28. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA

Conditional Grants - Utilisation of grant

29. The Water Services Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Division of Revenue Act 1 of 2018.

Procurement and Contract management

30. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by Municipal Supply Chain Management Regulations 2005 (SCM), regulation 19(a).
31. Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2)

Other information

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

Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
37. Leadership of the municipality did not sufficiently monitor the implementation of action plans to address compliance with laws and regulations relating to payment of suppliers within 30 days as this is a reoccurring finding from prior year and has now become material.
38. Leadership established and communicated SCM policies and procedures that are not in accordance with SCM regulation 29(2) when formulating the municipality's SCM policy.

39. Management did not appropriately review the municipality's procurement needs and specifications to identify instances where similar items could have been procured as a single transaction resulting in transactions with a procurement value of more than R200 000 being procured without inviting competitive bids, as required by SCM regulation 19(a)
40. Management review and monitoring controls did not identify that the composition of the Bid adjudication committee does not include all the directors of the municipality as required by the SCM policy and SCM Regulation 29(2).
41. Management did not track spending under each grant to ensure that grant allocations are spent for its intended purposes and this has been more so, as the municipality is experiencing financial difficulties.

Other reports

42. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
43. The Hawks are investigating allegations of fraud and corruption involving the former Deputy Mayor and an official where it is alleged that they misused municipal funds. The investigation has been concluded and is now in court
44. The Hawks are investigating the Lambert's Bay Waterslide matter where a contract of the service provider who operated the waterslide had expired and now it is alleged that there were irregularities in the appointment of a new service provider to operate the waterslide. The Hawks collected all relevant information on 18 February 2021 and will submit a report to Directorate of Public Prosecutions for a final decision in this matter. The investigation has not been concluded at the time of this report.
45. The Special Investigating Unit (SIU) raided the Cederberg municipality offices in September 2020 in line with the proclamation signed by President Cyril Ramaphosa authorising the SIU to investigate allegations of corruption and maladministration in the procurement of personal protective equipment (PPE) for Covid-19 in government institutions and entities of the state. The investigation covers the 2020/2021 financial year and has not been concluded at the time of this report.

46. The Public Protector is investigating a matter brought to its attention by a member of the public relating to the erection of a cell phone tower on vacant municipal property. The investigation has not been concluded at the time of this report.

Auditor - General

Cape Town

13 April 2021



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected objective and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may

reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.