

Cederberg
Municipality

Annual Report



2020/21

Annual Report

MAYOR'S MESSAGE.....	4	3.3 Water Provision	66
MUNICIPAL MANAGER OVERVIEW	6	3.4 Waste Water (Sanitation) Provision.....	70
CHAPTER 1	8	3.5 Electricity	73
EXECUTIVE SUMMARY.....	8	3.6 Waste Management (Refuse collections, waste disposal, street cleaning and recycling)	75
1.1 Municipal Overview	8	3.7 Housing.....	78
1.2 Municipal Functions, Population and Environmental Overview	9	3.8 Free Basic Services and Indigent Support	82
1.3 Service Delivery Overview.....	16	COMPONENT B: ROAD TRANSPORT	84
1.4 Financial Health Overview	19	3.9 Roads and Stormwater	84
1.5 Auditor-General Report.....	20	COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)	89
1.6 2020/21 IDP/Budget Process	21	3.10 Planning.....	89
1.7 COVID-19	25	3.11 Local Economic Development (including tourism and market places)	92
CHAPTER 2.....	30	3.12 Tourism	93
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	30	COMPONENT D: COMMUNITY AND SOCIAL SERVICES	96
2.1 National Key Performance Indicators - Good Governance and Public Participation	30	3.13 Libraries	96
2.2 Performance Highlights - Good Governance and Public Participation	30	3.14 Cemeteries.....	98
2.3 Challenges - Good Governance and Public Participation ..	31	COMPONENT G: SECURITY AND SAFETY	100
2.4 Governance Structure	31	3.15 Law Enforcement	100
COMPONENT B: INTERGOVERNMENTAL RELATIONS	35	3.16 Traffic Services.....	101
2.5 Intergovernmental Relations	35	3.17 Fire Services and Disaster Management	104
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	37	COMPONENT H: SPORT AND RECREATION	106
2.6 Public Meetings.....	37	3.18 Sport and Recreation	106
COMPONENT D: CORPORATE GOVERNANCE.....	41	COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	109
2.7 Risk Management	41	3.19 Executive and Council	109
2.8 Anti-Corruption and Anti-Fraud	43	3.20 Financial Services	112
2.9 Audit Committee	44	3.21 Human Resource Services.....	115
2.10 Performance Audit Committee	45	3.22 Information and Communication Technology Services... 118	
2.11 Communication	46	3.23 Legal Services	119
2.12 Website	48	3.24 Procurement Services	120
CHAPTER 3	51	COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2021/22	122
3.1 Overview of Performance within Organisation	51	3.25 Service Delivery Priorities for 2021/22.....	122
3.2 Introduction to Strategic and Municipal Performance for 2020/21	56	CHAPTER 4	128
COMPONENT A: BASIC SERVICES	66	4.1 National Key Performance Indicators - Municipal Transformation and Organisational Development.....	128
		4.2 Introduction to the Municipal Workforce	128
		4.3 Managing the Municipal Workforce.....	131

Annual Report

4.4	Capacitating the Municipal Workforce	132
4.5	Managing the Municipal Workforce Expenditure	134
	CHAPTER 5	136
	COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	136
5.1	Financial Summary	136
5.2	Financial Performance per Municipal Function	142
5.3	Grants	151
5.4	Asset Management	155
5.5	Financial Ratios Based on Key Performance Indicators ...	157
	COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	158
5.6	Sources of Finance	158
	COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	162
5.7	Cash Flow	162
5.8	Gross Outstanding Debtors per Service.....	164
5.9	Total Debtors Age Analysis	164
5.10	Borrowing and Investments	165
	CHAPTER 6	166
	COMPONENT A: AUDITOR-GENERAL OPINION 2019/20	166
6.1	Auditor-General Report 2019/20	166
	COMPONENT B: AUDITOR-GENERAL OPINION 2020/21.....	167
6.2	Auditor-General Report 2020/21	167
	LIST OF ABBREVIATIONS	168
	LIST OF TABLES	169
	LIST OF GRAPHS.....	172
	LIST OF FIGURES	172

MAYOR'S MESSAGE

It is my privilege to present the 2020/21 Annual Report for Cederberg Municipality. Reflecting on the past year, there is much to be proud of and this in turn has strengthened our sense of purpose as we continue to work with our stakeholders towards the fulfilment of the municipality's Vision and Mission statement. But there is also much to reflect on such as the devastating impact of the COVID-19 pandemic, economic turmoil and the adverse impact on service delivery during Level 5-3. The Municipality had to effect changes to the planned public participation mechanisms and introduce mechanisms compliant with to the COVID-19 health protocols. We truly appreciate the cooperation received from all our 6 wards, our public participation mechanisms were indeed successful including compliance to the COVID-19 health protocols for reducing the spread of the virus.

In presenting this Annual Report, Cederberg Municipality sets out the financial performance highlights and financial position for the 2020/21 financial year along with the achievements of management.

This Annual Report is a culmination of the implementation of the Municipality's Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan (SDBIP) as adopted by Council for the 2020/21 financial year. The report is an account of Cederberg Municipality's achievements in the year under review, and it also assists in identifying our successes and failures.

This report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people. The five-year IDP will remain the basis on which we will plan and implement strategy to deliver the required services as expected from our citizens. As a consequence of Cederberg Municipality delivering quality basic services it is has become an attractive destination for inward migration which once again places an additional burden on infrastructure.

Aging infrastructure and the demand for new infrastructure to accommodate the increased numbers continue to place the Municipality under severe financial pressure. Slow growth of the economy and unemployment has not made it any easier for us to perform optimally.

The effect of the COVID-19 pandemic on our citizens and on the Municipality's finances, resources and service delivery should not be under-estimated. The initial lockdown period resulted in the launch of various soup kitchens to feed destitute families, increased levels of unemployment, temporary and possible permanent closures of businesses, a significant reduction in monthly billings for services rendered and lower debtor collection rates. A number of our citizens and staff members tested positive for the COVID-19 virus and some sadly succumbed. In the months ahead, the Municipality will need to deal with the challenges of the "new normal" which will include assisting the recovery of the local economy and of jobs, ensuring the safety and dignity of citizens and restoring the financial health of the Municipality.

Regardless of the pressure to perform, I am pleased to announce some highlights in the 2020/21 financial year:

Annual Report

- i. Filling of two of the three critical Section 57, Senior Manager Positions, reporting to the Municipality. These positions include the Director: Support Services (Finance and Corporate Services) and the Director: Community Services.
- ii. 311 EPWP job opportunities created.
- iii. Completion of Clanwilliam and Citrusdal sports facility upgrades.
- iv. Under the Provincial Title Deeds Restoration Programme, the Municipality hand over 12 title deeds to first time home owners and 12 sales agreements already signed and delivered to transfer attorneys.
- v. Resealing of roads throughout the municipal area.
- vi. Total of 28 projects were registered on the business plan for the 2020/21 financial year. 259 Work opportunities were created.
- vii. Completion of Citrusdal Waste Water Treatment Works (WWTW)
- viii. Sanitation (ablution) facilities constructed for the informal settlement in Clanwilliam

I want to thank all the staff and senior management to achieve the outcomes of the 2020/21 Annual Report. I hope this Annual Report provides readers with insight into the affairs of the Municipality which will further put them in a position to engage with us on service delivery issues should a need arise.

We are here to serve you better!!

Alderslady Sylvia Nosipihwo Qunta

Executive Mayor: Cederberg Municipality

MUNICIPAL MANAGER OVERVIEW

The Annual Report for 2020/21 is more than just the gains achieved in the past financial year. A review of municipal governance in Cederberg over the past financial year is also provided. This report also documents the substantial progress achieved in the provision of basic services in line with the approved strategic plan of the Council. The Constitution of the Republic of South Africa states that every person has the right to access adequate housing and that, in order to achieve a gradual realisation of that right, the state must take appropriate legislative and other steps within its available resources. In order to ensure that households enjoy a fair standard of living, access to housing also requires access to services such as potable water, basic sanitation, reliable energy sources and refuse collection services.

The COVID-19 pandemic was having a devastating impact on the economy of the Cederberg, and the health and livelihoods of its citizens. During this crisis, Cederberg still needs to function and provide essential services such as water, sanitation, electricity and solid waste removal. During this unprecedented moment in time, it is more essential than ever that Cederberg is able to carry out its duties towards local communities.

Investment in infrastructure remains an important priority for the Municipality. This involves recognising investment and development patterns in order to ensure the provision of sufficient infrastructure in areas of high development. By investing in adequate economic and social infrastructure to promote and facilitate any further economic growth, the Municipality continues to serve as a catalyst. In order to ensure that service delivery and good governance practices are accelerated throughout the organisation, we have placed different controls in place. This Annual Report again demonstrates this commitment.

The COVID-19 pandemic has, however exposed and emphasized the severity of inequality and lack of resilience in our urban and social environment. While the MSDP introduces sound policy and values, embracing the development norms and principles embedded in national policy, the pandemic brings home the realisation that our drive to spearhead spatial transformation and redress needs to be escalated needs to be pursued with intensity.

ACHIEVEMENTS:

1. The drilling, equipping and commissioning of an additional borehole for Graafwater was completed
2. Drafting of Renewable Energy Policy. This Renewable Energy Policy will focus on meeting these local energy policy goals with regard to competitiveness, environment, and security of supply, Research and development and the development of a sustainable energy market. Cederberg identified renewable energy provision as reliable power source. Renewable energy also helps conserve the nation's natural resources. The policy will regulate all renewable energy processes.
3. Drafting of small scale embedded energy/PV Policy. These requirements are applicable to all customers who wish to install SSEG systems, with a generation capacity less than 1 MVA, in Cederberg's licensed area of supply. It specifies the minimum requirements to:

- i. SSEG project developers and installers
 - ii. Commercial, industrial and residential property owners
 - iii. Engineering consultants commissioned to design SSEG systems
 - iv. ECSA registered professionals involved in the commissioning of SSEG systems
 - v. Cederberg officials involved in the registration and authorisation process for SSEG systems.
4. Approval of land for PV/alternative energy plant. This will allow Cederberg Municipality to create extra capacity of electricity provision within the municipal area and decrease dependency on the Eskom grid.
 5. Title deeds hand over of Lamberts Bay Phase 1 Housing Project
 6. Elands Bay- updating and registration of WCHDDB
 7. Manage of homeless shelter during COVID-19 in all municipal areas
 8. Food parcels distribution in all wards.
 9. Cederberg Municipality entered into a partnership with The Free Market Foundation (Khayalam) in a spirit of co-operation and good faith to assist the Municipality with transfers of identified land, properties still in the name of the Municipality to the rightful beneficiaries as title deed holders, those who is not listed under the Western Cape Provincial Department of Human Settlement: Title Deeds Restoration Project.

This Annual Report reflects all the efforts in building a better Cederberg with a sustainable future.

Finally, it is worth mentioning that the service delivery progress reported in this Annual Report would not have been possible without the commitment, hard work and dedication of municipal staff, sometimes under extremely difficult circumstances. I would like to express my sincere appreciation to them.

Mr. Andries Titus

Acting 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 2020/21 Annual Report reflects on the performance of the Cederberg Municipality for the period 1 July 2020 to 30 June 2021. 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

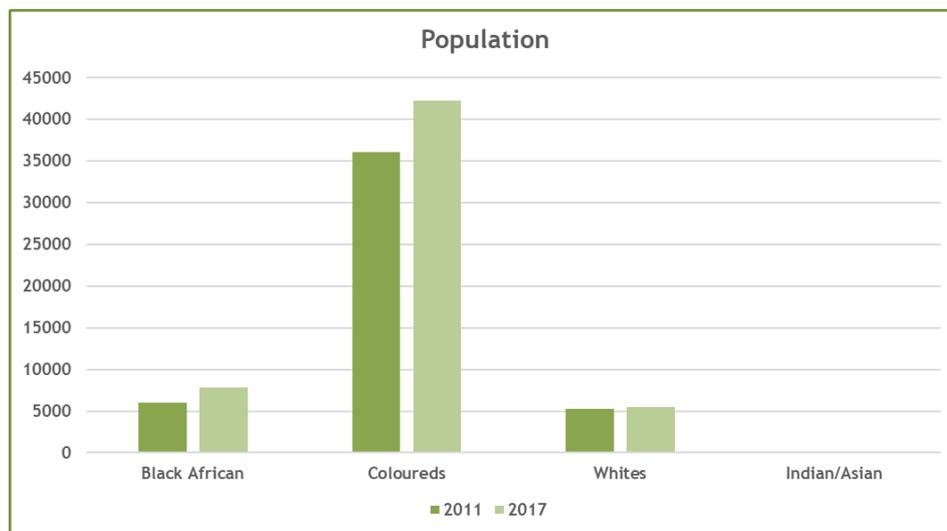
a) Total Population

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	55 739			

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

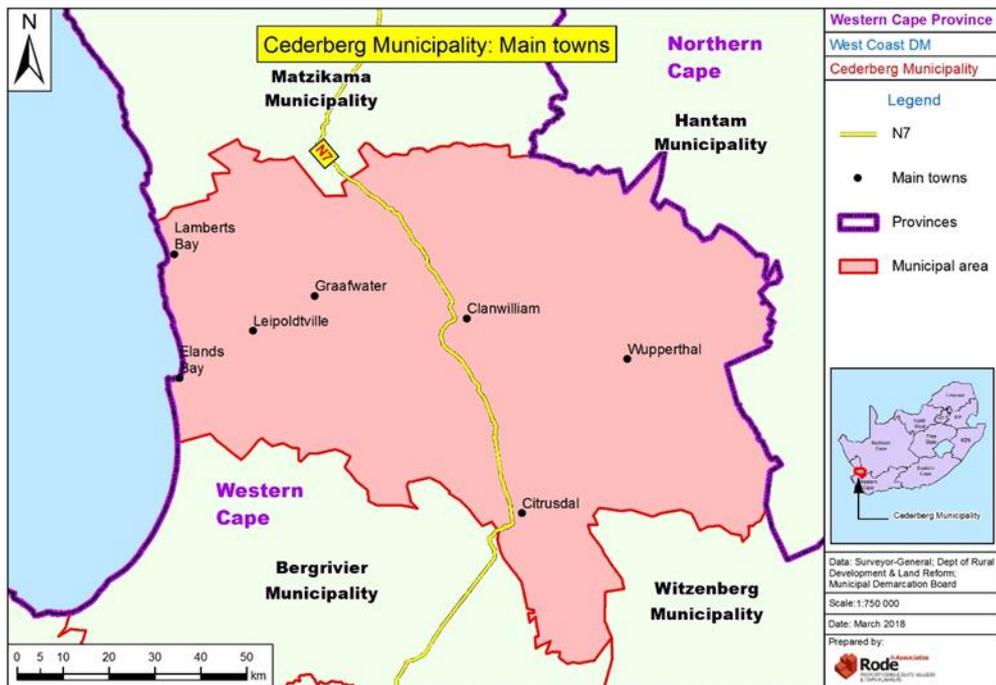
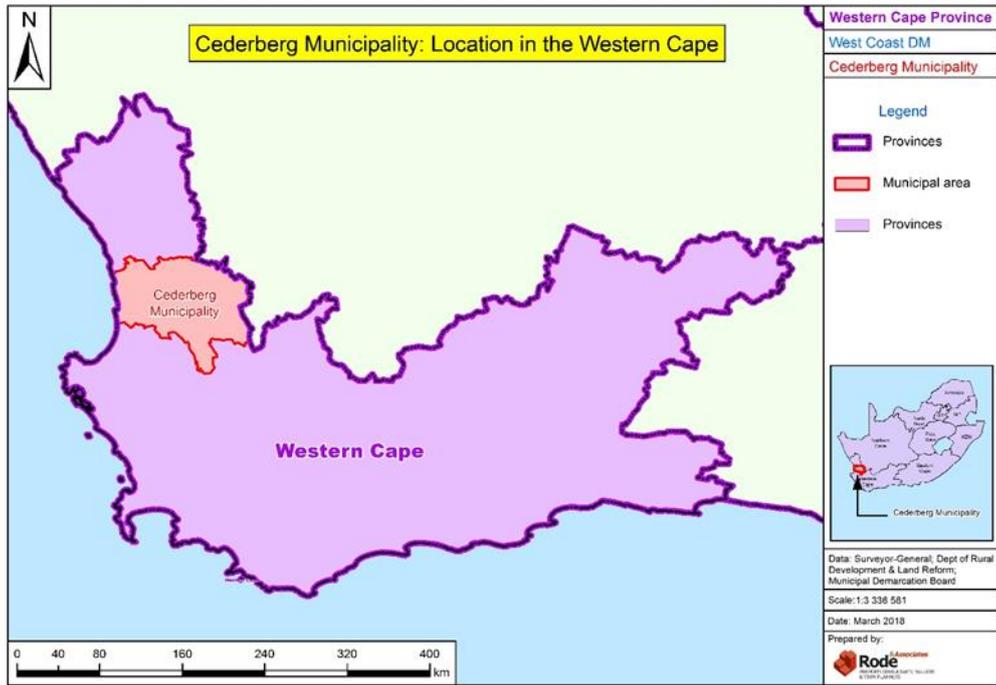
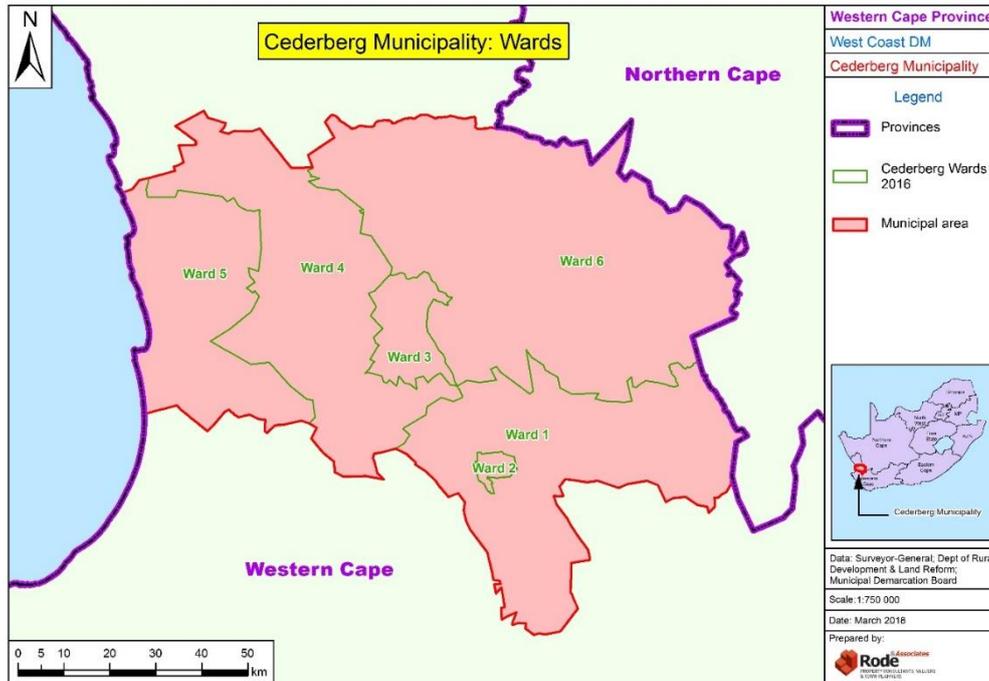


Figure 1: Cederberg Area Map

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

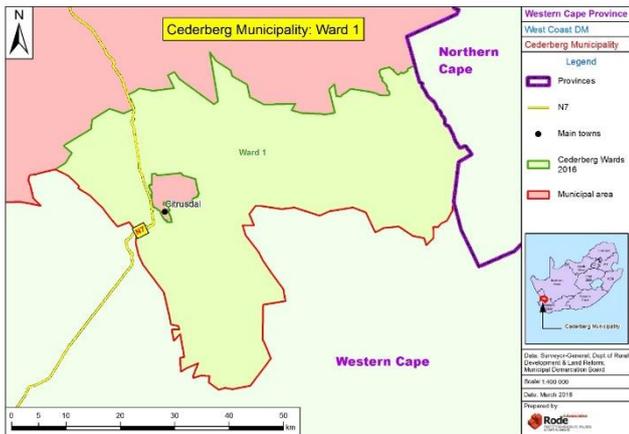


Figure 2: Ward 1

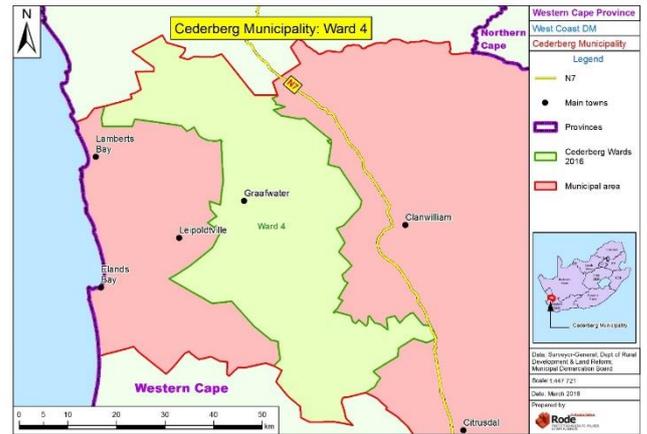


Figure 5: Ward 4

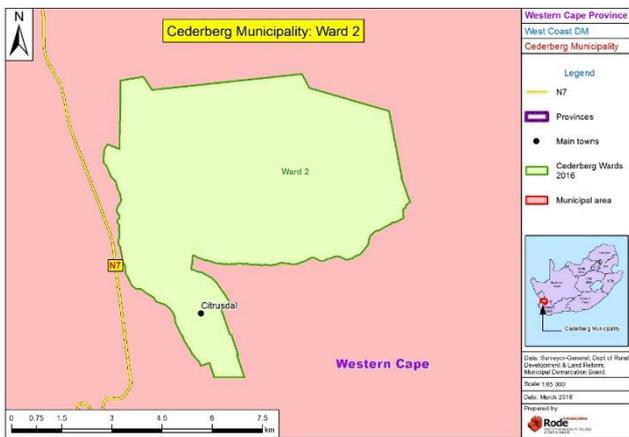


Figure 3: Ward 2



Figure 6: Ward 5



Figure 4: Ward 3

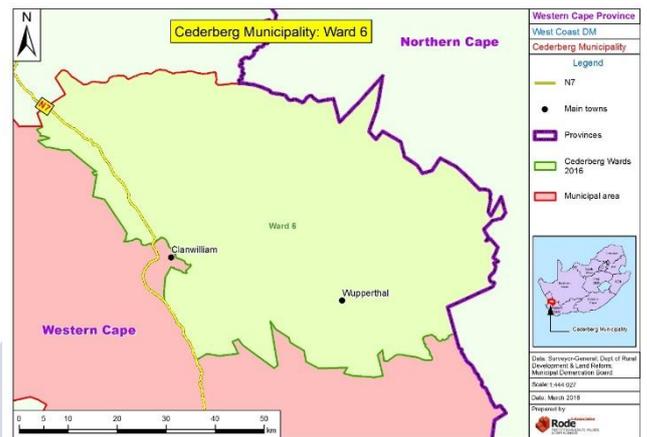


Figure 1: Ward 6

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

Annual Report

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

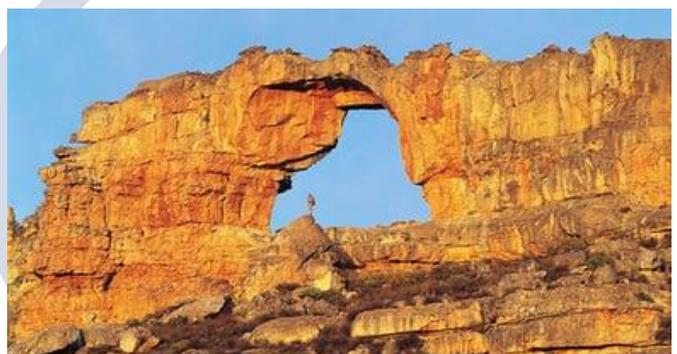
Lamberts Bay is a coastal town with its reason for existence linked to the fishing industry and the Harbour. The building of a processing factory for



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
The drilling, equipping and commissioning of an additional borehole for Graafwater was completed	The over abstracting of the existing two boreholes compelled the Municipality to develop a third borehole to spread the abstraction of underground water over a broader area
Upgrade of 1.1km of the 200mm class 16 PVC raw water pipeline at Graafwater	The refurbishment of the 1.1km raw water high raising pipeline, which hosts the borehole connection, became essential due to countless leakages that contributes to high water losses
The construction of a 0.75Ml raw water storage dam at Graafwater Water Treatment Works (WTW)	The total storage capacity of the plant was at risk and the additional storage capacity was desperately needed
Completion of Citrusdal Waste Water Treatment Works (WWTW)	The Citrusdal WWTW was completed which unlocks the potential for town development
Graafwater oxidation ponds	The upgrade was completed to the inlet works, secondary and tertiary ponds, which enable the Municipality to re-use the final effluent on the sports field for irrigation. This will reduce the consumption of drinking water and have a positive impact on the water demand in town
Sanitation (ablution) facilities constructed for the informal settlement in Clanwilliam	Containers (6) with 6 facilities each were installed in the informal settlement to provide water and sanitation to the residents of Khayelitsha
Bulk Electrification Upgrade Project 66kV (Clanwilliam to Graafwater)	Phase1: 90% of the overhead line material (MOS)S were procured for 2020/21
External auditing of waste disposal facilities (WDF's)	A service provider was appointed to conduct an external audit of Clanwilliam, Citrusdal, Elands Bay and Lamberts Bay WDF's. in order to adhere to licence conditions

Highlights	Description
Develop Recycling Implementation Plan	Council adopted the plan to implement recycling and avail land to the recyclers
Separation of waste at source	Collecting of recyclables-service providers
Implementation of waste pickers initiative	Community members assist with sourcing and sorting of recyclable material
Covid-19 Programme Operation of Homeless Shelter and Food Relief Program	During the lockdown, the Human Settlement Section coordinated with the Rural Development Section, the Homeless Shelter in Clanwilliam and the Food Relief Project to assist with shelter and food parcels
Partnership: Cederberg Municipality and the Freemarket Foundation	Cederberg Municipality entered into a partnership with the Free Market Foundation (Khayalam) in a spirit of co-operation and good faith to assist the Municipality with transfers of identified land, properties still in the name of the Municipality to the rightful beneficiaries as title deed holders, those who are not listed under the Western Cape Provincial Department of Human Settlement
Title deeds handover- January 2021	Under the Provincial Title Deeds Restoration Programme, Cederberg Municipality handed over 12 title deeds to 1 st time homeowners and 12 sales agreements were signed and delivered to the transfer attorneys

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 Implementation Ready Study for the water purification works must be utilised and a funding application must be submitted to Department of Water and Sanitation (DWS)
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	A business plan will be draft for the construction of the 3ML reservoir
Funding requirements to complete the desalination plant at Lamberts Bay	DWS provided funding to complete the reverse osmosis plant
Funding to provide sanitation services to the informal settlements of Cederberg municipal area	Initiate the introduction of interim sanitation services until such time housing development is possible
Rural areas are without proper sanitation and require urgent interventions with regards to sanitation services	Negotiation with landowners to enable the Municipality to conduct feasibility studies on properties
Sewer sludge removal from WWTW is hampering operations resulting in none-compliance	Since sewer sludge removal is a huge cost driver in operation and maintenance, a business plans requesting funding must be submitted to DWS
Insufficient bulk capacity in Clanwilliam	Construction of the overhead line will commence within 2021/22
Insufficient refuse equipment	Budgetary provision must be made to replace old equipment and trucks

Challenges	Actions to address
Fires occurring at dump sites	Develop Emergency Response Plan (ERP) to address fires on sites in Clanwilliam, Citrusdal and Lamberts Bay
Waste removal: Informal settlements	Budgetary provision must be made for the distribution of refuse bag to the community and collection of refuse
Influx of illegal residents	<ul style="list-style-type: none"> Establishment of New Informal Settlement Committees. Training and workshop with new elected committee members Community survey on need and problems in area Re-blocking of informal settlement and updating of registry Regular monitoring and control of informal settlements. Appointment of Informal Settlement officer and EPWP fieldworkers <p>Creating a dialogue between government departments and Municipality to activate a strategic engagement with community</p>
Insufficient bulk infrastructure	<ul style="list-style-type: none"> Housing Consumer Education to maintain our existing infrastructure <p>Working close with technical team and PMU in understanding our bulk infrastructure challenges</p>
Backlog of title deeds	<ul style="list-style-type: none"> Door to door investigation on issues or cases Report cases to Council for discussion and resolution <p>Quarterly report to Provincial Steering Committee on challenges and victories</p>

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	
	2019/20	2020/21
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	5 799	5 816
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	7 907	7 950
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	4 780	4 854
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020	5 873	5 735

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	Comply with statutory requirements
Transparency	All supply chain management contracts in terms of Section 75 (1)(g) of the MFMA are published on the municipal website
Alignment of SCM processes and procedures that will ensure compliance	National Treasury and Provincial Treasury guidelines and regulations are strictly adhered to

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
Implementation of 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

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	2019/20	2020/21
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.00	0.40
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.83	0.74
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	40.22	44.07

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

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.

Annual Report

- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or these insufficient evidence 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 2019/20 and 2020/21 financial years:

Year	2018/19	2019/20	2020/21
Opinion received	Unqualified with no findings/ Clean Audit	Unqualified with findings	Unqualified without findings

Table 11: Opinion Received

1.6 2020/21 IDP/BUDGET PROCESS

The table below provides details of the 2020/21 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 2019
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 2019
3	Submit monthly report on the budget for period ending 30 June 2019 within 10 working days to the Executive Mayor	Manager Budget	12 July 2019
4	Submit the Draft IDP/PMS/BUDGET Process Plan to Council	IDP/PMS	25 June 2019
5	Advertise Draft IDP/PMS/BUDGET Process Plan for public comments	IDP/PMS	5 August 2019
6	2018/19 4 th Quarter Performance (Section 52) Report tabled to Council	IDP/PMS	29 August 2019
7	Submit monthly report on the budget for period ending 31 July 2019 within 10 working days to the Executive Mayor	Manager Budget	15 August 2019
8	Table Final IDP/PMS/BUDGET Time Schedule to Council for adoption	IDP/PMS	29 August 2019
9	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS/CFO	29 August 2019
10	Submit the Annual Performance Report and Annual Financial Statements to the Auditor General	IDP/PMS/ CFO	30 August 2019
11	Submit IDP/Budget key deadlines to provincial Government and West Coast District Municipality	IDP/PMS	2 September 2019

Annual Report

No	Activity	Responsible person	Date
12	Advertisement of IDP/PMS/BUDGET Time Schedule on website/local newspaper/notice boards	IDP/PMS	6 September 2019
13	Make public the 4 th Quarter 2018/2019 Performance Report	IDP/PMS	6 September 2019
14	Submit the 4 th Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	6 September 2019
15	Provincial IDP Managers Forum	IDP/PMS	5 - 6 September 2019
16	Submit monthly report on the budget for period ending 31 August 2019 within 10 working days to Executive Mayor	Manager Budget	13 September 2019
17	IDP Meetings with Ward Committees	IDP/PMS	11-30 September 2019
18	Submit 1 st Quarter Performance Report (Section 52) to Council	IDP/PMS	24 October 2019
19	Submit monthly report on the budget for period ending 30 September 2019 within 10 working days to the Executive Mayor	Manager Budget	14 October 2019
20	Make public the 1 st Quarter Performance Report	IDP/PMS	7 November 2019
21	Submit the 1 st Quarter Performance Report to Provincial Treasury, National Treasury and Department Local Government	IDP/PMS	7 November 2019
22	Submit monthly report on the budget for period ending 31 October 2019 within 10 working days to the Executive Mayor	Manager Budget	14 November 2019
23	Provincial IDP Managers Forum	IDP/PMS	5-6 December 2019
24	Submit Monthly Report on the Budget for period ending 30 November 2019 within 10 working days to Executive Mayor	Manager Budget	13 December 2019
25	Submit Monthly Report on the budget for period ending 31 December 2019 within 10 working days to the Executive Mayor	Manager Budget	15 January 2020
26	Submit Mid-Year Performance Assessment Report to Executive mayor	IDP/PMS	24 January 2020
27	Submit Mid-Year Budget Assessment to Executive mayor	CFO	22 January 2020
28	Submit 2 nd Quarter Performance Report to Council	IDP/PMS	30 January 2020
29	Table Draft Annual Report 2018/19 to Council	Municipal Manager	30 January 2020
30	Submit Mid-Year Budget & Performance Report to Council	IDP/PMS & CFO	30 January 2020
31	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	Municipal Manager	30 January 2020
32	Submit 2 nd Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	30 January 2020
33	Make Public the Annual Report for public comments	IDP/PMS	7 February 2020
34	Make Public the Mid-Year Budget and Performance Report	Municipal Manager	7 February 2020
35	Make Public th 2 nd Quarter Performance Report	IDP/PMS	7 February 2020
36	Submit monthly report on the budget for period ending 31 January 2020 within 10 working days to the Executive Mayor	Manager Budget	14 February 2020
37	Council considers and adopts 2019/20 Adjustment Budget and potential revised -2019/20 SDBIP	Municipal Manager	27 February 2020
38	Advertise the approved 2019/20 Adjustment Budget and submit budget and B Schedule to National Treasury as required per legislation (within 10 working days)	Municipal Manager	6 March 2020

Annual Report

No	Activity	Responsible person	Date
39	Provincial IDP Managers Forum Meeting	IDP/PMS	27-29 February 2020
40	Submit monthly report on the budget for period ending 28 February 2020 within 10 working days to Executive Mayor	Manager Budget	13 March 2020
41	Budget Steering Committee Meeting	CFO	23 March 2020
42	Table Draft IDP/Budget/SDBIP to Council	Municipal Manager	31 March 2020
43	Table Oversight Report to Council	Municipal Manager	31 March 2020
44	Submit the draft IDP/SDBIP and budget to West Coast District Municipality	IDP/PMS	3 April 2020
45	Submit the draft IDP/SDBIP and budget to Department of Local Government, National and Provincial Treasury	IDP/PMS CFO	3 April 2020
46	Advertise the Draft IDP/SDBIP/Budget and other required documents and provide at least 21 days for public comments and submissions	IDP/PMS CFO	3 April 2020
47	Make public the Oversight Report within 7 days of adoption (MFMA Sec 129)	IDP/PMS	9 April 2020
48	Submit the Annual Report and Oversight Report to the Provincial Legislature as per circular (MFMA-Sec 132)	IDP/PMS	9 April 2020
49	Submit monthly report on the budget for period ending 31 March 2020 within 10 working days to the Executive Mayor	Manager Budget	16 April 2020
50	Community Roadshow to consult the Draft IDP, SDBIP and Budget	IDP/PMS	16-30 April 2020
51	Closing of comments and representations on the Draft IDP and Budget	IDP/PMS	08 May 2020
52	Submit monthly report on the budget for period ending 30 April 2020 within 10 working days to the Executive Mayor	Manager Budget	14 May 2020
53	Budget Steering Committee Meeting	CFO	15 May 2020
54	Mayco meeting to approve Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	25 May 2020
55	Submit 3 rd Quarter Performance Report to Council	IDP/PMS	28 May 2020
56	Council to adopt Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	28 May 2020
57	Provincial IDP Managers Forum Meeting	IDP/PMS	4 - 5 June 2020
58	Make Public the 3 rd Quarter Performance Report	IDP/PMS	5 June 2020
59	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	IDP/PMS CFO	4 - 5 June 2020
60	Submit a copy of the revised IDP to MEC for LG (within 10 days of the adoption of the plan)	IDP/PMS	9 June 2020
61	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	9 June 2020
62	Submit a copy of the revised IDP to West Coast District Municipality	IDP/PMS	9 June 2020
63	Submit the 3 rd Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	9 June 2020
64	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	11 June 2020

Annual Report

No	Activity	Responsible person	Date
65	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	12 June 2020
66	Submit monthly report on the budget for period ending 31 May 2020 within 10 working days to the Executive Mayor	Manager Budget	11 June 2020
67	Executive Mayor takes all reasonable steps to ensure that SDBIP is approved (within 28 days after approval of budget)	Municipal Manager	28 June 2020
68	Place Performance agreements on the website	IDP/PMS	28 June 2020
69	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	10 July 2020
70	Submit the SDBIP to National and Provincial Treasury within 10 working days of the approval of the plan	IDP& PMS	10 July 2020
71	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	10 July 2020
72	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 2020
Community Participation Process			
73	No public participation meetings were held due to COVID-19 regulations. The community was invited to submit written representations on the Draft IDP and Budget 2020/21	All Wards	4 May 2020
Budget Preparatory Process			
74	Budget process plan approved by Council 2020/21	Executive Mayor	20 May 2020
Budgetary Policies			
75	<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 	Executive Mayor	31 May 2020

No	Activity	Responsible person	Date
	<ul style="list-style-type: none"> 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 		
Tabling of Budget			
76	Annual Report 2019/20 approved	Executive Mayor	31 March 2021
77	Draft budget approved by Council & Draft IDP 20/21 approved	Executive Mayor	26 March 2020
78	Final Budget approved by Council	Executive Mayor	31 May 2020
Finalising			
79	Oversight Report with Annual Report 2019/20 approved by Council	Executive Mayor	31 May 2020

Table 12: 2020/21 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).)

Annual Report

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 personnel protection equipment (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
Andries Titus	Acting Municipal Manager	15 July 2020 19 August 2020 16 September 2020 19 October 2020 12 December 2020 22 December 2020 04 February 2021 14 March 2021
Andre Dirks	Manager: Protection Services	
Anthony Mlata	Communication Officer	
Brian Blaauw	Manager: Strategic Services	
Christo Filander	Disaster Management Officer	
Collin Julies	Occupational Health and Safety Officer	
Mbulelo Memani	Chief Financial Officer (CFO)	
Magdalene Sandt	District Department of Health	

Annual Report

Name of representative	Representative forum	Meeting dates
Henry Slimmert	Director: Community Services	
Henry Witbooi	Manager: Human Resources	
Colonel Nell	Clanwilliam SAPS	
	Elands Bay SAPS Citrusdal SAPS Graafwater SAPS Elands Bay SAPS	

Table 13: Committee Members

1.7.2 COVID-19: Statistical Information

The table below indicates the documented statistical information for COVID-19 within the Cederberg area.

Description	2019/20	2020/21
Infections	37	1 071
Deaths	4	63
Recoveries	33	1 008

Table 14: COVID-19: Statistical Information

1.7.3 Challenges: COVID-19

The table below gives a brief description of the COVID-19 challenges during the 2020/21 financial year:

Challenges	Corrective Actions
Impact on Municipal Revenue	Focus on provision of sustainable services through efficient technologies
Impact on Municipal Expenditure	Consider long-term financial implications in planning and budgeting
Impact on Service Delivery	Investigate community-driven interventions and volunteer programs Seek opportunities for public - private partnerships
Impact on Municipal staff	Monthly memorandums on the state of Covid-19 and preventative protocols etc. Workplace rotation

Table 15: 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
<ul style="list-style-type: none"> • Not trained or unaware of the risks (workers and management unaware of the chain of infection and possible routes of entry and transmission of coronavirus: droplet, contact, aerosol) • Vulnerable Groups of People (aged chronic disease, pregnant workers, smokers, etc.) • Cleaners or maintenance staff might come into contact with coronavirus • No warning or safety signage displayed • Workers that might not understand the language used on awareness posters or reminders • No medical or health surveillance conducted 	<ul style="list-style-type: none"> • Develop COVID-19 Preparedness plan, Risk Assessments and Protocols and train employees on these documents via COVID-19 Induction • Identify Pre-screening and Isolation Rooms. • Conduct daily Pre-screening of employees / contractors / cleaners • Inform and train employees about possible risks hazards of coronavirus and how to prevent exposure to the virus and chain of infection • Give vulnerable groups of people more attention • Providing/implement flu vaccinations (if available) for employees when necessary • Training employees on how to use personal protective equipment and safety signage • Ensure adequate facilities (Pre-screening areas, isolation room, PPE, cleaning and disinfection supplies, medical supplies, etc.) • Ensure proper disposal of health care risk waste and ensure cleaners are trained to handle this type of waste • Providing information in different languages and/or with many illustrations • Inform employees / cleaners about medical and health surveillance and inform them of the results
<ul style="list-style-type: none"> • Proper waste disposal procedures not followed • Areas not cleaned and disinfected daily • Social distancing not practiced • No ventilation (natural or mechanical) • No sanitizers provided 	<ul style="list-style-type: none"> • Train employees / cleaners on proper waste disposals of health care risk waste and general waste • Daily cleaning and disinfection of rooms especially after they have been used • Keep records of cleaning activities • Install and insure adequate ventilation (natural or mechanical) • Inspect and regularly clean local exhaust ventilation systems to maintain maximum efficiency to decontaminate. • Ensure video conferencing and avoid face to face meetings
<ul style="list-style-type: none"> • Employees / cleaners / service providers not provided with a wearing mandatory PPE 	<ul style="list-style-type: none"> • Provide all employees / cleaners / security with mandatory PPE and ensure that they are wearing them at all times • Train employees / cleaners / security on the correct use, maintenance and disposal of PPE • Provide face shields/visitors or safety glasses
<ul style="list-style-type: none"> • Hand washing limited or no facilities provided to wash hands • Social distancing in communal areas 	<ul style="list-style-type: none"> • Providing adequate (hand) washing facilities with soap, running water and if necessary disinfectants) • Ensuring that all employees / cleaners / security have easy access to (hand) washing facilities
<ul style="list-style-type: none"> • Pandemic Response Team (PRT) not formulated. • Pre-screening not conducted • Isolation Room not identified 	<ul style="list-style-type: none"> • Formulate a PRT • Train the team on the Pre-screening procedure • Identify Pre-screening and Isolations Rooms • PRT to keep order at Pre-screening area and ensure that all employees / cleaners / security comply with mandatory PPE and COVID-19 Workplace Preparedness Plan • PRT to review Workplace plan regularly to ensure alignment with government publications

Table 16: 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
Public notices/Monitoring/Load hailing	Social Media platform of Cederberg Municipality	Regularly
VCP Transport of farm workers	Inspection on social distancing and awareness programs	Regularly
Law Enforcement patrols	Door to door inspection of shops and awareness by distribution pamphlets	Regularly
COVID-19 Communication	Social Media platform of Cederberg Municipality	Regularly

Table 17: 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	
		2020/21	2020/21
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	58.11%	92.90%

Table 18: 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
Unqualified (with findings) Audit Opinion in 2020/21 financial year	The Municipality received an Unqualified (with findings) Audit Opinion in 2020/21 financial year
Review of macro and micro-organogram	Macro and micro organogram was approved during a Council Meeting in December 2020
Filling of the position of Director Support Services (Finance and Administration)	After the review of the Organogram the position of Director Support Services was filled and incumbent appointed for 5 years
Reduction in roll-over funds	In the 2019/20 financial year more than R27 million was unspent and had to roll over to the next financial year. Some of these grants were not approved by transferring departments

Highlights	Description
	to be rolled over. The roll over funds were reduced to R1,3 million in the 2020/21. The spending on capital and operational grants was drastically improved which led to a substantial reduction of roll over funds
Development of a Revenue Enhancement and Budget Plan	A Revenue Enhancement Strategy was implemented and a Budget Funding Plan was tabled and approved by Council. Debtors Collection rate achieved: 89.71%

Table 19: 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
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
Revenue Collection	The adverse impact of Covid-19 on the local economy has led to a drop in the revenue collection rate of the Municipality. The current collection rate is 89.71% and the target was 91.0% while the norm is 95.0%. The Revenue Enhancement and Budget Plan was approved by Council in order to address this issue
Impact of Covid-19 on the finances and service delivery	The adverse effects of Covid-19 led to the National and Provincial Government cutting budgetary allocations and shifting money to combating the pandemic. This affected service delivery and the municipal finances which exacerbated by increase in unemployment and poor payment of municipal services

Table 20: 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.

Annual Report

Below is a table that categorised the councillors within their specific political parties and wards for the 2020/21 financial year:

Name of Councillor	Capacity	Political Party	Ward representing or proportional
Paulus Strauss	Speaker	ANC	Ward 4
Nosiphiwo Qunta	Executive Mayor	ANC	PR
Lorna Scheepers	Deputy Executive Mayor	ANC	PR
Maxwell Heins	Mayco Member	ANC	Ward 3
Francois Kamfer	Mayco Member	ANC	PR
Evelyn Majikijela	Chairperson of MPAC	ANC	PR
Raymond Pretorius	Ward Councillor	DA	Ward 2
Jan Meyer (deceased)	Ward Councillor	DA	Ward 1
William Farmer	Ward Councillor	DA	Ward 5
Rhoda Witbooi	Ward Councillor	DA	Ward 6
Francina Sokoyeka	Councillor	ADC	PR

Table 21: Council 2020/21

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
Maxwell Heins	Member of Mayoral Committee
Francois Kamfer	Member of Mayoral Committee

Table 22: Executive Committee 2020/21

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 2020 until 30 June 2021 were as follow:

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

Table 23: 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 Councillors
- 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 21 December 2020 and the Management Team and directorates were as follow:

Name of Official	Position
Mr A Titus	Acting Municipal Manager
Mr M Memani	Director: Support Services (Corporate and Finance)
Vacant	Director: Technical Services
Mr H Slimmert	Director: Community Services and Public Safety

Table 24: 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; Department of Social Development (D.S.D.) ; 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 25: 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), Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)
Red tape reduction interventions	Creation of online portal to process building control applications, supply chain transactions and event applications	Department of Economic Development and Tourism (DEDAT)
Integrated waste management initiatives	Capacity building programmes, technical support to recyclers, awareness campaigns and education	Department of Environmental Affairs and Development Planning (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.
Municipal Infrastructure Grant (MIG) Coordination Meetings	For MIG reporting and Information sharing	Western Cape Municipalities, Department of Cooperative Governance (DCoG), Department of Local Government (DLG), DWS, Department of Human Settlements (DHS), Municipal Infrastructure Support Agent (MISA), Expanded Public Works Programme (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, South African Local Government Association (SALGA)

Annual Report

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved
West Coast Joint District Approach (JDA) - Presidency	Planning on District Level	Municipalities in West Coast, DLG, DEADP, WCDM, Department of Rural Development and Land Reform (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
Water Service Infrastructure Grant (WSIG) Coordination meetings	To coordinate projects and funding from Department Water Affairs (DWA)	Municipalities in Province, DWA

Table 26: 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

Name of representative	Capacity representing
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 27: 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
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 28: 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 29: 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 30: 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 31: 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

Name of representative	Capacity representing
Gregory Koopman	Geographic
Richolene Coetzee	Geographic
Barnett Cornellison	Geographic

Table 32: Ward 6: Committee Members

2.6.2 Representative Forums

a) Labour Forum

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

Name of representative	Capacity
Councillor Lorna Scheepers	Chairperson
Councillor Maxell Heins	Member
Andries Titus	Act. Municipal Manager
Mbulelo Memani	Director: Support Services
Henry Slimmert	Community Services & Public Safety
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
Izaan Tieties	HR Practitioner: Labour Relations
Jessica Cloete	Committee Services Officer
Collin Julies	Health and Safety Officer
Izak Van Der Westhuizen	HR Practitioner: Skills Development

Table 33: 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
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 34: 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
Andries Titus	Municipal Manager
Joylyon Goeieman	Internal Auditor
Ridaa Kearns	Technical Services Manager PMU
Mbulelo Memani	Chief Financial Officer (CFO)
Jennifer Maarman	Manager: Supply Chain Management
Randall September	Manager: Electro- Mechanical
Henry Witbooi	Manager: Human Resources
Henry Slimmert	Director: Integrated Development Services
Jaques Kotze	Manager: Civils
Collin Julies	Officer: OHS and Organizational Risk Management

Table 35: 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	31 May 2021
Fraud and Corruption Prevention Strategy	Yes	31 May 2021

Table 36: 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

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
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 37: 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

* Nico Smit resigned on 25 October 2020

Table 38: 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.

Annual Report

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
* Nico Smit resigned on 25 October 2020	

Table 39: 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 40: Newsletter

Awareness Campaigns

Topic	Target Groups
Covid-19	All communities: municipal wide
Vaccination	The age groups 18 years and above as per Department of Health's vaccination programme. The Department rolled out the programme for 60
Construction Education & Training Authority (CETA) Skills Programme	To inform the local unemployed of the opportunity and to invite to apply for the CETA Skills Programme. We also post continuous progress of all groups within the Cederberg municipal area
Indigent household registration	For people who are unemployed, pensioners and those with an income of below two state pensions combined
Digital migration	For people who meet the criteria as Indigent households or persons with an analogue TV, ready to migrate to digital
Social Relief Grant	For vulnerable households, generally indigent households' assistance are provided with the replacement of electricity boxes and emergency informal settlement support (4 poles, 4 iron sheets and 1kg of nails)
Paleisheuwel Hanover Ceremony	Those persons living in Transnet houses over more than 30 years or their living relatives that requested ownership
Farmworkers Summit	Farm workers and farm dwellers

Table 41: Awareness Campaigns

Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes. This system is mainly used to inform the public of municipal service challenges, disasters and employment opportunities.
Call system and WhatsApp	
Facebook	This form of social media is to relay information regarding service delivery, outages of municipal services, employment opportunities, sharing of provincial, national government information. Total Facebook friends- 10 329 Total views- 32 534

Channel	Yes/No
IGR Forums/Engagements	<p>These platforms is used by the Cederberg Municipality's IGR and Communication Unit (Strategic Services) to engage with all relevant government departments in the province and nationally. These engagements is to share information, discuss policy changes, and work collectively to address service</p> <p>Dates of IGR Engagements:</p> <p>23/07/2020 Cederberg : Business Plan Discussions with DHS</p> <p>30/07/2020 Cederberg Business Plan Discussions with DHS</p> <p>05/08/2020 - Towards a possible formulation of a district structure, with a focus on identified social challenges within Municipalities in the West Coast District</p> <p>06/08/2020 - DCFTECH</p> <p>11/08/2020 - Cederberg Municipality and Overberg Water Board</p> <p>13/08/2020 - MM Briefing on Citrusdal WWTW by DWS</p> <p>20/08/2020 - West Coast District Coordinating Forum (DCF)</p> <p>21/08/2020 - - Municipal Managers Forum</p> <p>01/09/2020 - Premier's Coordinating Forum (PCF)</p> <p>16/09/2020 - Cederberg Coordination Meeting</p>
Joint Operations Centre Meetings	<p>29/09/2020 - Back to Basics meeting with DLG</p> <p>08/10/2020 - Special MinMay: 8 October 2020</p> <p>05/11/2020 - DCFTECH (District Coordinating Forum Technical Committee)</p> <p>04/02/2021 - DCFTECH (District Coordinating Forum Technical Committee)</p> <p>18/02/2021 - DCF (District Coordinating Forum)</p> <p>02/03/2021 - Back to Basics meeting with DLG</p> <p>17/03/2021 - West Coast District Special DCF Tech: TIME Engagement</p> <p>06/05/2021 - DCFTECH (District Coordinating Forum - Technical Committee)</p> <p>10/05/2021 - 2021 Strategic Integrated Municipal Engagement: Cederberg Municipality (Microsoft Teams Virtual Conference)</p> <p>01/06/2021 - MinMay 1 June 2021</p> <p>24/06/2021 - Provincial MM Forum Meeting</p> <p>25/06/2021 - Technical Meeting between Department of Human Settlements and Cederberg Municipality</p> <p>28/06/2021 - Visit of Deputy Minister of Communications & Digital Technologies to Citrusdal</p>

Table 42: 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.

Annual Report

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 2020/21	Yes
Adjusted Budget 2020/21	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 2020/21	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 2020/21	Yes
IDP Process Plan for 2020/21	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 2019/20	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes

Description of information and/or document	Yes/No
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the MSA)	
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 43: Website Checklist

CHAPTER 3

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

a) Adoption of a Performance Management Framework

The Municipality's performance framework was approved by Council on 31 May 2019.

b) The IDP and the Budget

The reviewed IDP for 2020/21 and the budget for 2020/21 were approved by Council on 29 May 2020. 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 25 June 2020. 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 26 February 2021.

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):

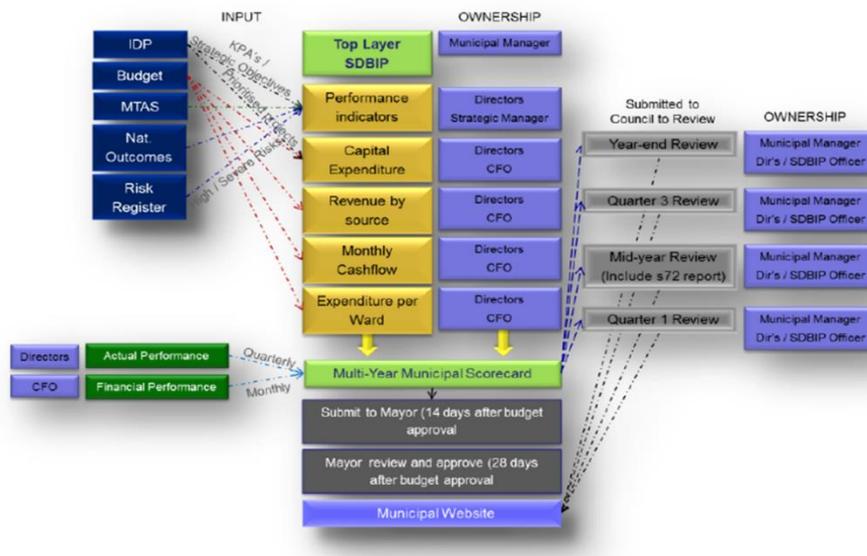


Figure 7: Components of the Municipal Scorecard (Top Layer)

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 25 June 2020
- ⇒ 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 2020/21 financial were signed during 15 July 2020.

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

During the 2020/21 financial year, no appraisals were done due to the fact that Senior Managers were only were merely acting/ appointed on a temporary basis. Therefore, there where no Senior Managers appointed in terms of Section 57 of the MSA 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 2020/21

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).

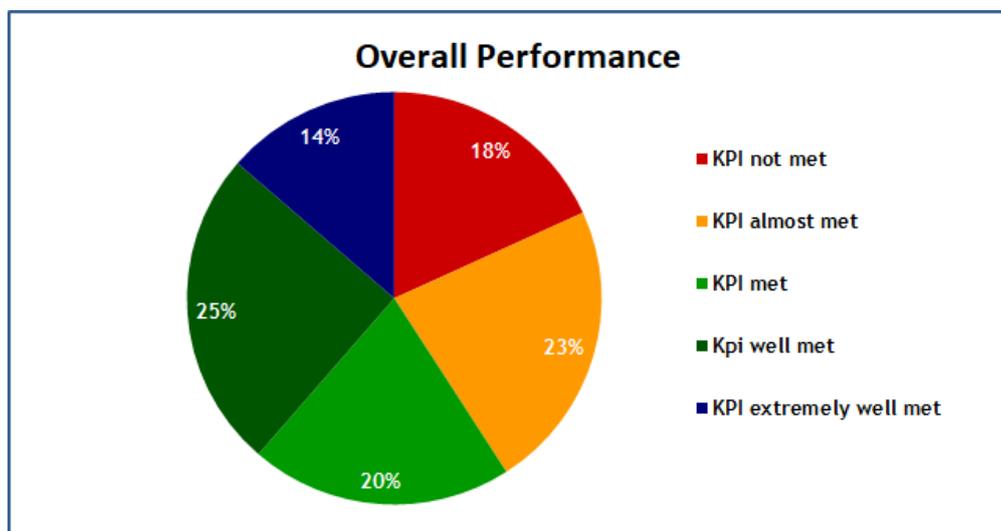
In the paragraphs below the performance achieved is illustrated against the Top layer SDBIP according to the IDP (strategic) objectives.

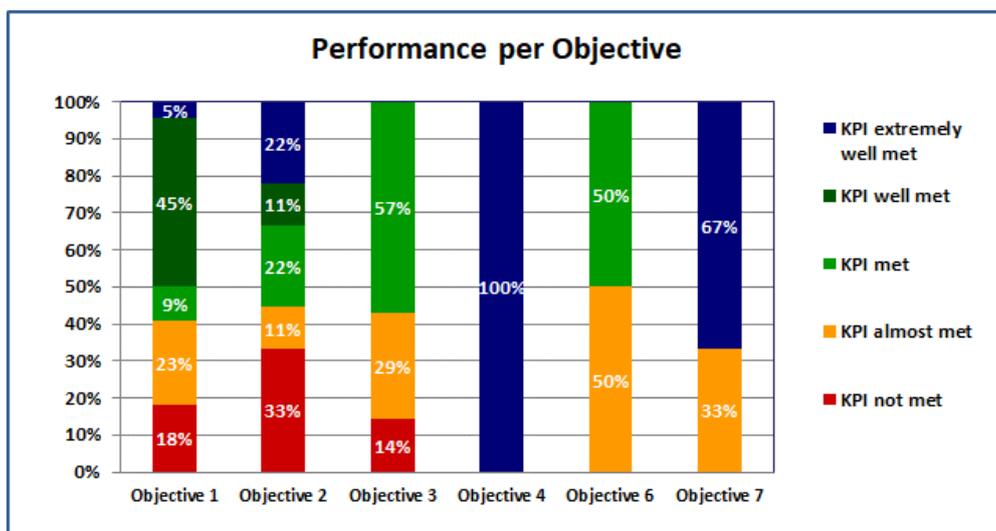
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

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 8: 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 2: 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	
KPI Not Met	5	3	1	0	0	0	0	9
KPI Almost Met	5	1	2	0	0	1	1	10
KPI Met	2	2	4	0	0	1	0	9
KPI Well Met	10	1	0	0	0	0	0	11
KPI Extremely Well Met	0	2	0	1	0	0	2	5
Total	22	9	7	1	0	2	3	44

Table 44: Top Layer SDBIP per Strategic Objectives

Annual Report

a) Improve and sustain basic service delivery and infrastructure development

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
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	58.11%	0.00%	20.00%	60.00%	90.00%	90.00%	92.90%	G2
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	5 799	5 779	5 779	5 806	5 806	5 806	5 816	G2
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	7 907	7 877	7 877	7 960	7 960	7 960	7 950	O
Corrective Action		To ensure accurate billing a service provider appointed to conduct a Revenue Enhancement Program									
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	4 780	4 758	4 758	5 875	5 875	5 875	4 854	O
Corrective Action		To ensure accurate billing a service provider appointed to conduct a Revenue Enhancement Program									
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	5 873	5 862	5 862	4 846	4 846	4 846	5 735	G2
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	2 251	2 001	2 001	2 506	2 506	2 506	2 640	G2
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	2 115	2 280	2 280	2 318	2 318	2 318	2 487	G2
TL31	Provide free basic sanitation to indigent households as per the requirements in the	Number of households receiving free basic sanitation services	All	2 160	1 911	1 911	2 323	2 323	2 323	2 536	G2

Annual Report

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	indigent policy as at 30 June 2021											
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	2 262	2 009	2 009	2 428	2 428	2 428	2 650	G2	
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	100.00%	0.00%	20.00%	60.00%	90.00%	90.00%	90.80%	G2	
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	62.00%	0.00%	20.00%	60.00%	90.00%	90.00%	75.23%	○	
Corrective Action		Due to COVID-19 regulations expenditure was not achieved. Expenditure will improve in the next financial year										
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	67.79%	0.00%	20.00%	60.00%	90.00%	90.00%	41.37%	R	
Corrective Action		Due to COVID-19 regulations expenditure was not achieved. Expenditure will improve in the next financial year										
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	87.96%	0.00%	20.00%	60.00%	90.00%	90.00%	51.60%	R	
Corrective Action		Due to COVID-19 regulations expenditure was not achieved. Expenditure will improve in the next financial year										
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%	20.00%	40.00%	70.00%	100.00%	100.00%	100.00%	G	
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	66.00%	95.00%	95.00%	95.00%	95.00%	95.00%	91.42%	○	
Corrective Action		Rural areas do not have proper WTW. This influences the water quality results negatively										
TL45	90% of the approved maintenance budget spent for water by 30 June 2021 [(Actual expenditure on	% of budget spent by 30 June 2021	All	87.87%	0.00%	20.00%	60.00%	90.00%	90.00%	75.82%	○	

Annual Report

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	maintenance/total approved maintenance budget)x100]											
Corrective Action		Due to COVID-19 regulations expenditure was not achieved. Expenditure will improve in the next financial year										
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	32.00%	0.00%	20.00%	60.00%	90.00%	90.00%	34.50%	R	
Corrective Action		Due to COVID-19 regulations expenditure was not achieved. Expenditure will improve in the next financial year										
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	72.00%	0.00%	20.00%	60.00%	90.00%	90.00%	23.60%	R	
Corrective Action		Due to COVID-19 regulations expenditure was not achieved. Expenditure will improve in the next financial year										
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	22.70%	15.00%	15.00%	15.00%	15.00%	15.00%	12.80%	B	
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	100.00%	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2	
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	0	0	1	0	1	2	2	G	
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	New KPI for 2020/21	0.00%	20.00%	60.00%	90.00%	90.00%	100.00%	G2	

Table 45: Improve and sustain basic service delivery and infrastructure development

Annual Report

b) Financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL15	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage by 30 June 2021	All	5.62%	0.00%	0.00%	0.00%	45.00%	45.00%	4.01%	B
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	67%	0.00%	0.00%	0.00%	30.00%	30.00%	10.64%	B
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 excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fixed operating expenditure with available cash	All	0	0	0	0	1	1	0.35	R
Corrective Action		A debt collection service provider has been appointed. The data cleansing project has been advertised to bring about accuracy on the billing system. The Cash Flow Committee will sit to ensure availability of cash to meet commitments									
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	100.00%	0.00%	20.00%	60.00%	90.00%	90.00%	72.95%	O
Corrective Action		Subject to change as journals need to be processed with the year-end processes									
TL20	Submit financial statements to the Auditor-General by 31 October 2020	Approved financial statements submitted to the Auditor-General by 31 October 2020	All	1	0	1	0	0	1	0	R
Corrective Action		Extension was provided by National Treasury as result of the COVID-19 pandemic.									
TL21	Achievement of a payment percentage of 85% by 30 June 2021 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad	Payment % achieved by 30 June 2021	All	85.17%	85.00%	85.00%	85.00%	85.00%	85.00%	89.71%	G2

Annual Report

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	Debts Written Off/Billed Revenue) x 100										
TL22	Achieve an unqualified audit opinion for the 2019/20 financial year	Unqualified Audit opinion received	All	1	0	0	1	0	1	0	R
Corrective Action		Unqualified with findings, Delays experienced due to COVID-19									
TL23	Submit the draft main budget to Council by 31 March 2021	Draft main budget submitted to Council by 31 March 2021	All	1	0	0	1	0	1	1	G
TL24	Submit the adjustments budget to Council by 28 February 2021	Adjustment budget submitted to Council by 28 February 2021	All	1	0	0	1	0	1	1	G

Table 46: Financial viability and economically sustainability

c) Good governance, community development & public participation

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
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	0.8	0	0	0	1	1	1	G
TL3	Compile and submit the draft annual report for 2019/20 to Council by 31 March 2021	Draft annual report for 2019/20 submitted to Council by 31 March 2021	All	1	0	0	1	0	1	1	G
TL4	Compile and submit the final annual report and oversight report for 2019/20 to Council by 31 May 2021	Final annual report and oversight report for 2019/20 submitted to Council by 31 May 2021	All	1	0	0	0	1	1	1	G
TL5	Submit the final reviewed IDP to Council by 31 May 2021	Final IDP submitted to Council by 31 May 2021	All	1	0	0	0	1	1	1	G
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	0	0	0	0	1	1	0	R
Corrective Action		Dedicated official to be appointed in the risk position. The risk assessment will be done by 26 July 2021 and the risk committee will be functional as from September/ Dec 2021 and March/June 2022									
TL14	Address 100% of ICT Audit findings by 30 June 2021	% of Audit findings addressed by 30 June 2021	All	100.00%	0.00%	0.00%	0.00%	100.00%	100.00%	80.00%	O
Corrective Action		IT Manager to develop an action plan to address the outstanding audit queries									
TL52	90% of the approved maintenance budget spent for municipal buildings by 30 June 2021 [(Actual expenditure on	% of budget spent by 30 June 2021	All	95.78%	0.00%	20.00%	60.00%	90.00%	90.00%	68.48%	O

Annual Report

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	maintenance/total approved maintenance budget)x100]										
Corrective Action		Due to austerity measures implemented by the Municipality, the 90% target could not be reached. We will intensively engage with our finance department to put measures in place									

Table 47: 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 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
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	394	0	0	0	200	200	311	B

Table 48: Facilitate, expand and nurture sustainable economic growth and eradicate poverty

e) To facilitate social cohesion, safe and healthy communities

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
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		0.00%	20.00%	60.00%	90.00%	90.00%	86.96%	O
Corrective Action		Due to austerity measures implemented by the municipality, the 90% target could not be reached. We will intensively engage with our finance department to put measures in place									
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	0	0	0	0	1	1	1	G

Table 49: To facilitate social cohesion, safe and healthy communities

f) 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 2019/20	Overall Performance 2020/21						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL8	The number of people from employment equity target groups employed in the three highest levels of management	Number of people employed	All	0	0	0	0	1	1	7	B

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2019/20	Overall Performance 2020/21							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	in compliance with the equity plan as at 30 June 2021											
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	0.15%	0.00%	0.00%	0.00%	0.10%	0.10%	0.45%	B	
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		0.00%	20.00%	60.00%	90.00%	90.00%	88.56%	○	
Corrective Action		Outstanding payment provisions were made to be paid in July 2021										

Table 50: 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
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

Municipal Function	Municipal Function Yes / No
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 51: 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 ineradicably 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. The Department of Local government funded an all-town water reconciliation study to enhance water provision over the next twenty (20) years. With thee funding support, exploration of boreholes was investigated and initiated.

3.3.2 Highlights: Water Services

The table below specifies the highlights for the year:

Highlights	Description
The drilling, equipping and commissioning of an additional borehole for Graafwater was completed	The over abstracting of the existing two boreholes compelled the Municipality to develop a third borehole to spread the abstraction of underground water over a broader area
Upgrade of 1.1km of the 200mm class 16 PVC raw water pipeline at Graafwater	The refurbishment of the 1.1km raw water high raising pipeline, which hosts the borehole connection, became essential due to countless leakages that contributes to high water losses
The construction of a 0.75MI raw water storage dam at Graafwater Water Treatment Works (WTW)	The total storage capacity of the plant was at risk and the additional storage capacity was desperately needed

Table 52: 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 Implementation Ready Study for the water purification works must be utilised and a funding application must be submitted to Department of Water and Sanitation (DWS)
Unwillingness of farmers at Lamberts Bay to allow the 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. The matter must be directed to DWS to intervene
To provide sustainable drinking water to rural areas during peak season	Department of Local Government is busy to investigate the issue of water provision to rural areas
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	A business plan will be draft for the construction of the 3ML reservoir
Funding requirements to complete the desalination plant at Lamberts Bay	DWS provided funding to complete the reverse osmosis plant

Table 53: Water Services Challenges

Annual Report

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 2019/20 and 2020/21:

Description	2019/20	2020/21
	Actual	Actual
Household		
Water: (above minimum level)		
Piped water inside dwelling	5 799	5 816
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	7 320	7 337
Minimum Service Level and Above Percentage	83.40%	83.56%
Water: (below minimum level)		
Using public tap (more than 200m from dwelling)	1 252	1 239
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Sub-total	1 252	1 239
Below Minimum Service Level Percentage	14.60%	14.44%
Total number of Households (formal and informal)	8 572	8 576
<i>Include informal settlements</i>		

Table 54: 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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	13	20	15	5	25
4 - 6	3	5	1	4	80
7 - 9	6	7	5	1	14.2

Employees: Water Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	3	2	1	1	50
13 - 15	1	0	0	0	0
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	26	35	22	11	31.4

Table 55: Employees: Water Services

3.3.6 Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Desalination plant (Drought Relief Grant)	0	91 727	0	(100%)
Water Equipment: Citrusdal	50 000	7 900	0	(100%)
Fencing of water treatment work: Citrusdal	150 000	76 460	0	(100%)
New building chlorine gas: Citrusdal	50 000	50 000	0	(100%)
New building toilette: Citrusdal	50 000	28 100	0	(100%)
Replace asbestos sheet Platdamme: Clanwilliam	100 000	199 362	172 112	(13.67%)
Fencing of Platdamme: Clanwilliam	100 000	14 638	27 340	(86.78%)
WSIG : Upgrade of Graafwater raw water infrastructure	0	7 177 274	7 137 382	(0.56%)
WSIG: 3 MI reservoir Citrusdal and upgrade pumpstation	26 086 956	0	0	0%
Telemetry system: Elands Bay & Leipoldville	80 000	0	0	0%
Water: Equipment	60 000	53 540	41 208	(23.03%)
Generator - Amber Road	0	60 000	0	(100%)
Water equipment Clanwilliam	60 000	54 000	21 550	(60.09%)

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Plant & equipment Lamberts Bay	50 000	54 946	51 056	(7.08%)
Plant & equipment Elands Bay	50 000	104 827	85 827	(18.13%)
Upgrade water network: Clanwilliam	80 000	227	0	(100%)

Table 56: Capital Expenditure 2020/21: Water Services

3.4 WASTE WATER (SANITATION) PROVISION

The Department of Water and Sanitation (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.

3.2.4 Highlights: Waste Water (Sanitation) Provision

The table below specifies the highlights for the year:

Highlights	Description
Completion of Citrusdal Waste Water Treatment Works (WWTW)	The Citrusdal WWTW was completed which unlocks the potential for town development
Graafwater oxidation ponds	The upgrade was completed to the inlet works, secondary and tertiary ponds, which enable the Municipality to re-use the final effluent on the sports field for irrigation. This will reduce the consumption of drinking water and have a positive impact on the water demand in town
Sanitation (ablution) facilities constructed for the informal settlement in Clanwilliam	Containers (6) with 6 facilities each were installed in the informal settlement to provide water and sanitation to the residents of Khayelitsha

Table 57: Waste Water (Sanitation) Provision Highlights

3.2.5 Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

Description	Actions to address
Funding to provide sanitation services to the informal settlements of Cederberg municipal area	Initiate the introduction of interim sanitation services until such time housing development is possible
Rural areas are without proper sanitation and require urgent interventions with regards to sanitation services	Negotiation with landowners to enable the Municipality to conduct feasibility studies on properties
Sewer sludge removal from WWTW is hampering operations resulting in none-compliance	Since sewer sludge removal is a huge cost driver in operation and maintenance, a business plans requesting funding must be submitted to DWS

Table 58: Waste Water (Sanitation) Provision Challenges

3.2.6 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 2019/20 and 2020/21:

Description	2019/20	2020/21
	Actual	Actual
Household		
Sanitation/Sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	4 780	4 854
Flush Toilet (with Septic tank)	512	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	5 693	5 765
Minimum Service Level and Above Percentage	72.57%	72.84%
Sanitation/Sewerage: (below minimum level)		
Bucket Toilet	0	0
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	27.43%	27.16%
Total number of households	7 845	7 923

Table 59: Waste Water (Sanitation) Provision Service Delivery Levels

3.2.7 Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Employees: Sanitation Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	9	3	6	66.6
4 - 6	3	6	3	3	50
7 - 9	2	6	4	2	33.33
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	17	21	10	11	52.3

Table 60: Employees Waste Water (Sanitation) Provision

3.2.8 Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
WSIG: Upgrade of Graafwater oxidation ponds	0	7 133 204	7 133 164	0%
Sewerage: Equipment Graafwater	80 000	40 700	1 543	(96.21%)
Sewerage: Equipment Lamberts Bay	60 000	26 000	25 894	(0.41%)
Sewerage: Equipment Elands Bay	50 000	32 199	27 000	(16.15%)
Sewerage: Equipment Clanwilliam	50 000	76 000	66 651	(12.30%)
Sewerage: Equipment Citrusdal	50 000	3 300	0	(100%)
Fencing Eike Street Sewerage pump station: Citrusdal	30 000	30 000	0	(100%)
MIG: WWTW Citrusdal	9 717 518	11 085 262	12 570 161	13.40%

Table 61: Capital Expenditure 2020/21: 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 specify the highlight for the year:

Highlight	Description
Bulk Electrification Upgrade Project 66kV (Clanwilliam to Graafwater)	Phase1: 90% of the overhead line material (MOS)S were procured for 2020/21

Table 62: Electricity Highlights

3.5.3 Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Insufficient staff	Staff were appointed for Citrusdal (1x Electrical Artisan) and Lamberts Bay (1x Electrical Artisan) and they will start on 1 September 2021
Insufficient bulk capacity in Clanwilliam	Construction of the overhead line will commence within 2021/22

Table 63: Electricity Challenges

3.5.4 Service Delivery Levels: Electricity

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

Households		
Description	2019/20	2020/21
	Actual	Actual
	No.	No.
Households		
Electricity	7 873	7 950
Total number of households	10 486	10 591
<i>Number of debtors according to the billing system</i>		

Table 64: Electricity Service Delivery Levels

3.5.5 Employees: Electricity

The following table indicates the staff composition for this division:

Employees: Electricity Services					
Job Level	2019/20	2020/21			
	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	5	15	6	9	60
7 - 9	3	3	2	1	33.3
10 - 12	4	7	4	3	42.8
13 - 15	0	1	1	0	0
16 - 18	1	0	0	0	0
19 - 20	0	0	0	0	0
Total	13	26	13	13	50

Table 65: Employees: Electricity Services

3.5.6 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Electricity: Upgrade network	100 000	21 000	0	(100%)
Electricity: Upgrade network Citrusdal	60 000	139 000	120 498	(13.31%)
Electricity: Upgrade network Clanwilliam	60 000	60 000	0	(100%)
Generator: Water works	100 000	40 000	0	(100%)
Electricity: Upgrade network Graafwater	60 000	54 000	0	(100%)
Upgrade water network: Starting panel	75 000	75 000	0	(100%)
Upgrade sewerage pumpstation: Starting panel	80 000	80 000	0	(100%)
INEP: Bulk electricity upgrade Clanwilliam	19 786 087	14 782 609	15 439 838	4.45%
Fencing: Substation	25 000	4 000	0	(100%)
Streetlights and spotlights	50 000	50 000	0	(100%)
Streetlights and spotlights	50 000	50 000	0	(100%)
Streetlights and spotlights	50 000	50 000	35 350	(29.30%)
Electricity: Equipment	40 000	0	0	0%
Electricity: Equipment Clanwilliam	40 000	66 000	43 400	(34.24%)
Electricity: Equipment	40 000	0	0	0%

Table 66: Capital Expenditure 2020/21: 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.

Annual Report

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
External auditing of waste disposal facilities (WDF's)	A service provider was appointed to conduct an external audit of Clanwilliam, Citrusdal, Elands Bay and Lamberts Bay WDF's in order to adhere to licence conditions
Develop Recycling Implementation Plan	Council adopted the plan to implement recycling and avail land to the recyclers
Separation of waste at source	Collecting of recyclables-service providers
Implementation of waste pickers initiative	Community members assist with sourcing and sorting of recyclable material

Table 67: 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
Fires occurring at dump sites	Develop Emergency Response Plan (ERP) to address fires on sites in Clanwilliam, Citrusdal and Lamberts Bay
Waste removal: Informal settlements	Budgetary provision must be made for the distribution of refuse bag to the community and collection of refuse
Illegal dumping on road reserves	Awareness and cleaning campaigns should be conducted

Table 68: Waste Management Challenges

3.6.4 Service Delivery Levels: Waste Management

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

Description	Households	
	2019/20	2020/21
	Actual	Actual
	No.	No.
<i>Solid Waste Removal: (Minimum level)</i>		
Removed at least once a week	5 512	5 873
<i>Minimum Service Level and Above sub-total</i>	5 512	5 873
<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	5 873

Table 69: 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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	32	27	24	3	11.1
4 - 6	0	9	3	6	66.6
7 - 9	9	8	7	1	12.5
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0

Employees: Solid Waste Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0
Total	42	45	35	10	22.2

Table 70: Employees: Waste Management

3.6.6 Capital: Waste Management

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Refuse: Equipment	50 000	0	0	0%
Refuse: Equipment	50 000	0	0	0%
Building dump site - Clanwilliam	30 000	30 000	23 522	(21.59%)
Refuse: Equipment Clanwilliam	60 000	0	0	0%
Refuse: Equipment Lamberts Bay	30 000	0	0	0%
Fencing dump site - Clanwilliam	90 000	71 600	0	0%
Container dumping site - Citrusdal	50 000	0	0	0%

Table 71: Capital Expenditure 2020/21: 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 72: 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.

C. Individual Subsidy Opportunities (Plot & Plan)

Providing assistance to those who acquire a service site without any subsidy, can apply for financial assistance for the construction of the top structure.

If your monthly household income is less than R3 500, you qualify for a subsidy of R160,573. Note: You don't have to repay this subsidy as it isn't a loan.

If you can prove that you are disabled or in permanent bad health, you qualify for a housing subsidy, plus a set disability variance amount to pay for the cost of any extra features your house may need, for example, a ramp for wheelchair access. However, your household income needs to be less than R3 500 a month.

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

Description	Number
Subsidy	4 949
Gap	580

Table 73: Housing Needs

3.7.2 Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Covid-19 Programme Operation of Homeless Shelter and Food Relief Program	During the lockdown, the Human Settlement Section coordinated with the Rural Development Section, the Homeless Shelter in Clanwilliam and the Food Relief Project to assist with shelter and food parcels
Partnership: Cederberg Municipality and the Freemarket Foundation	Cederberg Municipality entered into a partnership with the Free Market Foundation (Khayalam) in a spirit of co-operation and good faith to assist the Municipality with transfers of identified land, properties still in the name of the Municipality to the rightful beneficiaries as title deed holders, those who are not listed under the Western Cape Provincial Department of Human Settlement

Highlights	Description
Cancellation of 50 mortgages	Mortgage loans were registered during the late 1980s against the owners in favour of the then (Clanwilliam and Citrusdal) municipalities. Through the partnership between Cederberg Municipality and Freemarket Foundation, Cederberg Human Settlements set out to capture all outstanding properties who still has a mortgage release to their names and provide Khayalam with the documentation and October 2020 it was a 1 st in West Coast that a municipality handover title deeds to 50 beneficiaries
Assist registered homeowners within Cederberg municipal jurisdiction with loss of title deeds	In May 2021, Human Settlement Section launch the project of Verlore Aktes (VA) in Cederberg. People could come and apply for loss of title deeds assistance. Approximately 150 applications receive and submitted to transfer attorney Dirk Verdoes
Launching Free Testament Month in December 2020	Problems are created with intestate estates - especially with marriages within community of property - if there are no wills dealing specifically with the real estate. Erasmus & Associates assisted with this project and 80 property owners were provided with testaments
Title deeds handover- January 2021	Under the Provincial Title Deeds Restoration Programme, Cederberg Municipality handed over 12 title deeds to first time homeowners and 12 sales agreements were signed and delivered to the transfer attorneys
Estate registrations	We experience high volume of enquiries from children when parents passed away without testament and they don't know what process to follow. The Human Settlement Section created a doorway with the local magistrate office to assist families with estate registrations

Table 74: Housing Highlights

3.7.3 Challenges: Housing

The table below specifies the challenges for the year:

Description	Actions to address
Influx of illegal residents	<ul style="list-style-type: none"> Establishment of New Informal Settlement Committees. Training and workshop with new elected committee members Community survey on need and problems in area Re-blocking of informal settlement and updating of registry Regular monitoring and control of informal settlements. Appointment of Informal Settlement officer and EPWP fieldworkers Creating a dialogue between government departments and Municipality to activate a strategic engagement with community
Insufficient bulk infrastructure	<ul style="list-style-type: none"> Housing Consumer Education to maintain our existing infrastructure

Description	Actions to address
	<ul style="list-style-type: none"> Working close with technical team and PMU in understanding our bulk infrastructure challenges
Backlog of title deeds	<ul style="list-style-type: none"> Door to door investigation on issues or cases Report cases to Council for discussion and resolution Quarterly report to Provincial Steering Committee on challenges and victories

Table 75: 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	4 145
Service Site	R3 501 - R7 000	804
FLISP	R7001 - R22 000	580

Table 76: Applicants on the Western Cape Housing Demand Database

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2019/20	5 476	4%
2020/21	5 602	2.3%

Table 77: 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			
2019/20	3 903	3 387	97.99	0	240
2020/21	13'000	0	0	184	0

Table 78: Houses Built and Sites Service

Annual Report

3.7.5 Employees: Housing

The following table indicates the staff composition for this division:

Employees: Housing					
Job Level	2019/20	2020/21			
	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	0	0	0	0
10 - 12	3	4	4	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	6	5	5	0	0

Table 79: Employees: Housing

3.7.6 Capital: Housing

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Furniture and office equipment	0	2 600	0	(100%)

Table 80: Capital Expenditure 2020/21: 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 800 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 31% of the total number of households received free basic services in 2020/21 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	%
2019/20	2 262	2 115	93%	2 251	99%	2 160	95%	2 262	100%
2020/21	2 650	2 487	94%	2 640	99%	2 536	96%	2 650	100%

Table 81: 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
2019/20	2 041	50	134 704	7 907	200	3 626 056	22	120	190 653
2020/21	2 487	50	167 872	7 950	200	3 450 300	22	120	190 653

Table 82: 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
2019/20	2 251	6	15 701	5 799	20	669 969
2020/21	2 640	6	137 808	5 816	20	1 011 984

Table 83: 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
2019/20	2 160	190	410 400	4 780	220	561 963
2020/21	2 536	202	512 272	4 854	202	980 508

Table 84: 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
2019/20	2 262	153	346 086	5 873	153	552 483
2020/21	2 650	132	349 800	5 735	132	757 020

Table 85: Free Basic Refuse Removal Services to Indigent Households

Financial Performance 2020/21: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2019/20	2020/21		
	Actual	Budget	Adjustment Budget	Actual
	R			
Water	896 080	1 263 478	1 263 478	1 136 775
Sanitation	3 578 558	5 377 126	5 377 126	4 801 037
Electricity	64 264	3 280 000	3 280 000	72 436
Refuse	422 514	602 356	602 356	535 854

Table 86: 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 2020/21 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 2020/21 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
Installation of sub-soil drains	Underground water causes dampness in houses. Subsoil drainage systems were installed to drain away and remove excess water

Table 87: 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 for the implementation of recommendations	MIG funds were allocated for the 21/22 financial year to upgrade roads

Table 88: 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)
2019/20	18	0	0.12	0.16
2020/21	18	0	0	4

Table 89: 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)
2019/20	106	0.12	3.5	0	2
2020/21	106	0	0	6	3

Table 90: 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
2019/20	0	0	0	9 333	0	101
2020/21	0	0	0	0	0	0

Table 91: 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)
2019/20	31	0	0	12
2020/21	31	0	0	10

Table 92: Stormwater Services Delivery Statistics

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

Stormwater Measures			
Year	New	Upgraded	Maintained
2019/20	0	0	101 000
2020/21	0	0	135 000

Table 93: Stormwater Services Delivery Statistics - Financials

3.9.6 Employees: Roads

The following table indicates the staff composition for this division:

Employees: Roads					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	21	32	30	2	6.2
4 - 6	1	6	0	6	100
7 - 9	9	13	11	2	15.3
10 - 12	0	3	3	0	0
13 - 15	0	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	32	56	46	10	17.8

Table 94: Employees: Roads

3.9.7 Employees: Stormwater

The following table indicates the staff composition for this division:

Employees: Stormwater					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	5	4	1	20
4 - 6	0	1	0	1	100
7 - 9	0	1	1	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	7	5	2	28.5

Table 95: Employees: Waste Water (Stormwater)

3.9.8 Capital: Roads and Stormwater

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Tar and maintain the road: Rossouw Street, Alheit Street	60 000	0	0	0%
Upgrade sidewalks and build new sidewalks in Denne Street	50 000	0	0	0%
Upgrade stormwater system	80 000	60 000	0	(100%)
Provide stormwater channel curbs	80 000	60 000	0	(100%)
Roads: Equipment - Citrusdal	90 000	0	0	0%
Roads: Equipment - Lamberts Bay and Elands Bay	50 000	40 365	40 346	(0.05%)
Upgrade sidewalks Annemoon Ave - Citrusdal	50 000	0	0	0%
Tar more roads: Graafwater Noord	60 000	0	0	0%
Roads: Equipment - Clanwilliam	50 000	0	0	0%
Elands Bay Stormwater Pipe	100 000	100 000	0	(100%)

Table 96: Capital Expenditure 2020/21: 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 2019/20 planning challenges rolled over to the 2020/21 financial year due to budget constraints. Council has approved the Cederberg Municipality Zoning Scheme By-law and has come into operation on the 7 July 2020 as required by legislation.

3.10.2 Highlights: Planning

The table below specifies the highlights for the year:

Highlights	Description
Coastal Management By-law	The Coastal Management By-law was adopted by Council on the 21 December 2020 and published in the Government Gazette on the 30 April 2021
By-law relating to the control of boats and boating on the Clanwilliam Dam	The by-law relating to the control of boats and boating on the Clanwilliam Dam was adopted by Council on the 21 December 2020 and published in the Government Gazette on the 30 April 2021
The Cederberg Municipality invasive alien plant monitoring, control and eradication plan	The Cederberg Municipality invasive alien plant monitoring, control and eradication plan was completed on the 11 January 2021. It is in progress to be adopted by Council
Arbor Month - September 2020	Indigenous trees were donated by the Department of Forestry, Fisheries & Environment (DFFE) and was planted by Cederberg Municipality at local schools in Clanwilliam, Citrusdal, Graafwater and Leipoldtville
Community awareness programs	Community awareness programs were done by DFFE at Cederberg Municipality in Clanwilliam on the 28 April 2021 and Citrusdal on the 18 May 2021
School awareness programs	School awareness programs were conducted at local schools in Lamberts Bay and Clanwilliam in 2021 together with DFFE and Cape Nature regarding environmental topics. Stationary handouts were sponsored by the Department of Environmental Affairs and Development Planning
Recycling projects	The recycling project started in November 2020 in Clanwilliam. The recycling project started in March 2021 in Lamberts Bay. These projects are in progress to be developed in the other towns within Cederberg
Ramskop Nature Reserve	The Ramskop Nature Reserve flower season preparations started in June 2021 together with the Clanwilliam wildflower association and Cederberg Municipality. The

Highlights	Description
	garden will be opened to the public and tourist beginning of August 2021
Cederberg Municipality Zoning Scheme By-law	The Cederberg Municipality Zoning Scheme By-law came into operation to regulate and control municipal zoning. This scheme helped landowners with additional use rights and reduced unnecessary land use applications to help stimulate Cederberg's economy
Appointment of a Building Control Officer	A Building Control Officer was appointed with the department to facilitate the legislative requirements of the Municipality

Table 97: 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 Plan Examiner. Also Building Inspectors to each town (Citrusdal, Clanwilliam, Elands Bay, Graafwater, Lamberts Bay) and rural areas as well as an inspector to do all illegal building work in the Cederberg municipal area
Budgetary constrains	Budgetary provision must be made to procure the necessary equipment, i.e. office stationary, vehicle for building inspector, training, and attendance of workshops
Temporary change of normal operating procedures during Covid-19	Restricting the building control functions during the COVID-19 pandemic, i.e. dealing with public consultation with the low-income demographic population, site inspections, physical building plan processing, etc

Table 98: 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	
	2019/20	2020/21	2019/20	2020/21
Planning application received	0	0	82	49
Applications not approved	0	0	0	0
Applications closed	0	0	1	0
Applications outstanding at year end	0	0	4	0
Awaiting DEA&DP decision	0	0	0	0

Table 99: Applications for Land Use Development

Annual Report

Type of service	2019/20	2020/21
Building plans application processed	116	215
Total surface (m ²)	25 293	56 102
Approximate value	R164 404 500	R297 312 490
Residential extensions	13 748	32 030
Land use applications processed	89	55

Table 100: 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	2019/20	2020/21			
	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	1	1	0	0
7 - 9	0	0	0	0	0
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	6	2	25

Table 101: Employees: Planning

3.10.6 Capital: Project Management and Town Planning

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Town planning: Equipment	20 000	0	0	0%

Table 102: Capital Expenditure 2020/21: 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 highlights with the implementation of the LED Strategy:

Highlights	Description
Small, medium and micro enterprises (SMMEs) forums per town	The Municipality established economic development forums or SMME forums per town to address development needs of SMME's
Advertising of vacant land	The Municipality advertised some of its vacant land for development purposes of these properties

Table 103: 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 is in process of selling their vacant land and consideration must be given to use these funds to improve 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	Marketing of the Cederberg area is crucial for investment purposes. A prospectus for film readiness should be developed to increase the promotion of the area

Table 104: Challenges LED

3.11.4 Employees: LED

The following table indicates the staff composition for this division:

Employees: LED					
Job Level (T-grade)	2019/20	2020/21			
	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	5	5	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	6	6	0	0

Table 105: 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 Develop tourism activities throughout the Cederberg region, to aid in an increase of tourism traffic over time</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 and newly developed rural areas over time 1.2 Catalytic Tourism Development Projects: Identify and develop new and existing portfolio of high-profile catalytic tourism products, designed and built by the locals, that will enhance the profile of the Cederberg as a national tourism destination of note</p>

Strategic Objective	Sub-Objective
	<p>1.3 Extreme Sports Tourism: Develop the Cederberg’s extreme and adventure sports potential as a vibrant tourism sub-sector in the region. Utilize current unique selling points, in particular resorts, to promote water sports</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. The main aim to focus on certain events becoming an annual occurrence, thus contributing to guaranteed LED growth</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 Utilize the Tourism Transformation Platform to ensure empowerment of upcoming entrepreneurs, within the sector</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 106: Tourism Strategic Objectives

3.12.2 Highlights: Tourism

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

Highlights	Description
Ramskop Nature Reserve - Clanwilliam	Ramskop Nature Reserve houses a variety of different plant species. The reserve serves as a magnet for annual visitors during the flower season each year - that feeds tourist inward, further throughout the Cederberg region
MOU signed between Cederberg Municipality and Change Makers Hub	Open space transformed into a Legacy Garden, made out of echo-brick benches and the Spekboom plant. Spekboom is a recognised plant species with many environmental healing properties. The legacy garden will also contain memorial bricks, paying tribute to deceased members of the local community. Visitors should experience the tranquil ambiance the garden will offer, with its amphitheatre setup, catering for local performances

Table 107: Highlights: Tourism

3.12.3 Challenges: Tourism

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

Description	Actions to address
<p>Governance:</p> <ul style="list-style-type: none"> Over-reliance on role of tourism information offices as sources of information Current COVID-19 pandemic subjected to curfews, the minimizing of social gatherings and the overall fear of traveling 	<ul style="list-style-type: none"> Channel newly developed tourism projects directly through tourism information offices. Close working relationship will local media platforms for promote these offices and update content Promote safe traveling throughout and implement safety measures to curb and prevent the spread of COVID-19 during tourism related operations
Mainstreaming of community-based tourism initiatives	<ul style="list-style-type: none"> Community-based initiatives are slowly developing through the community's involvement in tourism related initiatives Current and newly born initiatives will all be linked to upcoming projects
Emphasis on traditional tourist attractions	Culture expeditions became a focus point, in order to offer sites and exposure, unusual to the everyday dwelling and traveling destinations. Community engagements and involvement will slowly evolve

Table 108: Challenges: Tourism

Annual Report

3.12.4 Employees: Tourism

The following table indicates the staff composition for this division:

Employees: Tourism					
Job Level (T-grade)	2019/20	2020/21			
	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	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	1	0	0	0

Table 109: 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 110: Libraries in the Municipal Area

Annual Report

3.13.2 Highlights: Libraries

The table below specify the highlight for the year:

Highlight	Description
Elandskloof Library	A temporary library was opened in Elanskloof and it will be formally opened in 2021/22

Table 111: 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
Covid-19	Need to adapt to the new way of deliver our service to the community. Staff members are in-process of training for online services and e-books

Table 112: Libraries Challenges

3.13.4 Service Statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2019/20	2020/21
Library members	10 050	5 304
Books circulated	155 136	120 671
Exhibitions held	216	356
Internet users	8 235	359
New library service points or wheelie wagons	1	0
Children programs	15	0
Visits by school groups	220	0
Book group meetings for adults	0	0
Primary and Secondary Book Education Sessions	0	0

Table 113: Service Statistics for Libraries

3.13.5 Employees: Library Services

The following table indicates the staff composition for this division:

Employees: Libraries					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	0	0	0	0
4 - 6	7	14	9	5	35.7
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	16	21	16	5	23.8

Table 114: 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 specify the highlight for the year:

Highlight	Description
An agreement was struck between Cederberg Municipality and Moutons Citrus for a land transfer	The current cemetery in Citrusdal is nearly at full capacity. The land transfer from Mouton Citrus resulted in additional land for a new cemetery

Table 115: Cemeteries Highlights

3.14.3 Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Vandalism and theft	Appoint security services at the cemeteries and the installation of lights
Stray animals in cemeteries	Upgrade fencing and meet with small farmers to address the challenge

Table 116: Cemeteries Challenges

3.14.4 Service Statistics for Cemeteries

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

Type of service	2019/20	2020/21
Burials	111	437

Table 117: Service Statistics for Cemeteries

3.14.5 Capital: Community and Social Services

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Upgrade Thusong Centre Clanwilliam	50 000	0	0	0%
Upgrade Thusong Centre Citrusdal	50 000	35 884	35 806	(0.22%)
MRFG - Equipment	0	3 972	0	(100%)
Furniture And Office Equipment	0	37 350	0	(100%)

Table 118: 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
Covid-19 Protocols investigations and inspections	Random inspections to shops in CBD and Spaza Shops to see if required COVID-19 protocols are followed
Departmental in-service training in vehicle check points (VCP's) and roadblock operations	Training of Law Enforcement Officers by Senior Traffic Officers to assist at Roadblocks and VCP

Table 119: Law Enforcement Highlights

3.15.2 Challenges: Law Enforcement

The table below specifies the challenges for the year:

Description	Actions to address
Limited skills	Training was postponed due to Covid-19/Lockdown. Law Enforcement Officers to be sent to accredited traffic training college to be equipped with a Traffic Officers Diploma
Limited patrol vehicles and safety equipment	Budgetary provision must be made to procure additional vehicles and equipment

Table 120: Law Enforcement Challenges

3.15.3 Service Statistics for Law Enforcement

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

Details	2019/20	2020/21
Number of by-law infringements attended	276	407
Number of officers in the field on an average day	5	5
Number of officers on duty on an average day	8	8

Table 121: 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	2019/20	2020/21			
	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	13	13	11	2	15.3
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	13	14	11	3	21.4

Table 122: 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
Impounding of 27 illegal taxis	During an operation 27 illegal taxis was impounded in the Cederberg area and taken to Vredenburg impound facility
Higher visibility during lockdown periods	Visible patrols during curfew times led to fewer people on the streets and adhering to the regulations
Automatic number-plate recognition (ANPR)	During roadblocks/ VCP's with SAPS and Provincial Traffic outstanding fines were collected
Roadblocks/VCP's	Successful roadblocks were conducted over weekends together with SAPS and Provincial Traffic

Table 123: 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	4 Vehicles will be transferred to Traffic Department after the completion of the TMT contract. New equipment was procured for both testing stations
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	New equipment was procured for both testing stations. Vacant land was identified in Lamberts Bay with offices and impound facilities. A proposal was submitted to Council for the establishment of a testing station in Lamberts Bay
Non-compliance of Citrusdal test yard to national prescripts	Citrusdal is compliant and up and running again. The challenge currently is to obtain funding for perimeter fencing to secure the building
Higher accident rate in Citrusdal area and N7	Motorists don't adhere to Traffic Regulations on the N7, more VCP must be conducted and increased visibility

Table 124: 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	2019/20	2020/21
Motor vehicle licenses processed	14 243	24 417
Learner driver licenses processed	370	223
Driver licenses processed	353	335
Driver licenses issued	844	726
Fines issued for traffic offenses	26 155	1 615
R-value of fines collected	3 917 100	1 906 550
Roadblocks held	245	150
Complaints attended to by Traffic Officers	73	65
Awareness initiatives on public safety	2	1
Number of road traffic accidents during the year	139	469
Number of officers in the field on an average day	3	3
Number of officers on duty on an average day	3	3

Table 125: 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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	1	1	50
4 - 6	4	3	3	0	0
7 - 9	2	10	5	5	50
10 - 12	6	9	6	3	33.3
13 - 15	0	1	0	1	100
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	13	26	16	10	38.4

Table 126: Employees: Traffic Services

3.17 FIRE SERVICES AND DISASTER MANAGEMENT

3.17.1 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.

3.17.2 Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Awareness campaigns at roadblocks/vehicle check points (VCPs) with Traffic and Law Enforcement and other stakeholders	During joint operations with municipal traffic, SAPS and provincial traffic, safety and awareness campaigns was held at roadblocks/VCPs regarding COVID-19 protocols and Fire and Disaster Management
Non-drowning festive season	Deployment of lifeguards and awareness programmes contributed to a non-drowning festive season
Random inspections at Spaza Shops, Supermarkets	During operations with law enforcement random inspection was conducted to see if Spaza Shops and shops in CBD comply with the Disaster Management Act

Table 127: Fire Services and Disaster Management Highlights

3.17.3 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	Provision to be made to point additional staff and to procure additional vehicles and equipment
Accessibility to roads in informal settlements	Control and monitor the growth of the informal settlements

Table 128: Fire Services and Disaster Management Challenges

3.17.4 Service Statistics for Fire Services and Disaster Management

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

Details	2019/20	2020/21
Operational callouts	115	254

Annual Report

Details	2019/20	2020/21
Awareness initiatives on fire safety	initiatives/ 5 000 people	15 initiatives/10 000 people
Total fires attended in the year	115	254
Average turnout time - urban areas	2 hours	2 hours
Average turnout time - rural areas	3 hours	3 hours

Table 129: Service Statistics for Fire Services

3.17.5 Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management					
Job Level	2019/20	2020/21			
	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	4	1	3	80
10 - 12	0	1	1	0	0
13 - 15	1	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	5	2	3	60

Table 130: Employees: Fire Services and Disaster Management

3.17.6 Capital: Public Safety

The following table indicates the capital expenditure for this division:

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office furniture Citrusdal		R6 750	R5 618	(16.77%)
Office furniture Clanwilliam	0	R4 750	0	(100%)

Table 131: Capital Expenditure 2020/21: 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 2020/21 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
Establishment of the Cederberg Sports Council	The Cederberg Sports Council was established to coordinate all sport codes and assist with development of facilities and programmes. The Department of Cultural Affairs and Sport (DCAS) has given recognition to this structure to engage for future facilities
Upgrade of the Clanwilliam Sportsground facilities	The Clanwilliam sport field upgrade commenced in May 2021 and will be completed on 15 September 2021. The seating capacity of the facility has been increased with 50% and will be the main facility in the Municipality
Drafting of Sport Facilities Master Plan	Cederberg Municipality in partnership with DBSA Civil Engineers has developed a Draft Sport Facility Master Plan. This plan focuses on the status quo, future upgrades and development of facilities, sport development programmes etc

Table 132: Sport and Recreation Highlights

3.18.3 Challenges: Sport and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Lamberts Bay sports field (pavilion)	Funding applications will be submitted based on the fact that a Sport Council has been established and a Draft Sport Facility Master Plan has been developed. Applications will be submitted to MIG
Citrusdal sports field (soccer field ablution incomplete)	Funding applications will be submitted based on the fact that a Sport Council has been established and a Draft Sport Facility Master Plan has been developed. Applications will be submitted to MIG

Description	Actions to address
Lack of adequate seating at all sports fields	Funding applications will be submitted based on the fact that a Sport Council has been established and a Draft Sport Facility Master Plan has been developed. Applications will be submitted to MIG.
Vandalism of sport facilities and amenities	Funding applications will be submitted based on the fact that a Sport Council has been established and a Draft Sport Facility Master Plan has been developed. Applications will be submitted to MIG
Graafwater sports field needs urgent attention	Funding applications were submitted and approval was given for 2022/23 financial year
Rural Sport facilities and programmes	Discussion will be initiated between Cederberg Municipality and farmers to investigate the development, maintenance and transfer of sport facilities in the rural areas

Table 133: 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	2019/20	2020/21
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	R37 562.26	R1 290.60
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	R6 321.36	R1 862.43

Table 134: 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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	18	12	6	33.3
4 - 6	6	5	5	0	0
7 - 9	0	1	0	1	100
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	19	25	18	7	28

Table 135: 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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	25	39	36	3	8.3
4 - 6	0	6	0	6	100
7 - 9	3	6	3	3	50
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	28	51	39	12	23.5

Table 136: Employees: Parks and Gardens

3.18.7 Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Entrance Upgrade & Beautification: Resorts Clanwilliam	30 000	0	0	0%
Upgrade and beautification: Caravan Park Elands Bay	20 000	0	0	0%
Upgrade and beautification: Caravan Park Lamberts Bay	20 000	0	0	0%
Elands Bay Pavilion (New)	50 000	0	0	0%
Renewal of Graafwater Pavilion	50 000	0	0	0%
Upgrade kitchen - Sports Ground Citrusdal	50 000	0	0	0%
Plant & Equipment - Lamberts Bay	50 000	0	0	0%
Equipment - Clanwilliam	50 000	0	0	0%
Upgrade Sport Fields Clanwilliam	1 458 876	1 000 000	363 743	(63.63%)
MIG: Upgrade sport fields Clanwilliam	2 186 443	1 316 877	1 195 429	(9.22%)
Sport grounds and stadiums: Equipment	30 000	0	0	0%

Table 137: Capital Expenditure 2020/21: 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
Unqualified (with findings) Audit Opinion in the financial year	The Municipality received an Unqualified (with findings) Audit Opinion

Highlights	Description
Review of macro and micro-organogram	Macro and micro organogram was approved during a Council Meeting in December 2020
Filling of the position of Director Support Services (Finance and Administration)	After the review of the Organogram the position of Director Support Services was filled and incumbent appointed for 5 years
Reduction in roll-over funds	In the 2019/20 financial year more than R27 million was unspent and had to roll over to the next financial year. Some of these grants were not approved by transferring departments to be rolled over. The roll over funds were reduced to R1,3 million in the 2020/21. The spending on capital and operational grants was drastically improved which led to a substantial reduction of roll over funds
Development of a Revenue Enhancement and Budget Plan	A Revenue Enhancement Strategy was implemented and a Budget Funding Plan was tabled and approved by Council. Debtors Collection rate achieved: 89.71%

Table 138: Executive and Council Highlights

3.19.2 Challenges: Executive and Council

The table below specifies the challenges for the year:

Description	Actions to address
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
Revenue Collection	The adverse impact of COVID-19 on the local economy has led to a drop in the revenue collection rate of the Municipality. The current collection rate is 89.71% and the target was 91.0% while the norm is 95.0%. The Revenue Enhancement and Budget Plan was approved by Council in order to address this issue
Impact of COVID-19 on the finances and service delivery	The adverse effects of COVID-19 led to the National and Provincial Government cutting budgetary allocations and shifting money to combating the pandemic. This affected service delivery and the municipal finances which exacerbated by increase in unemployment and poor payment of municipal services

Table 139: 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	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	0	0	0	0
4 - 6	2	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	1	0	0	0	0
13 - 15	1	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	7	0	0	0	0

Table 140: Employees: Area Management

3.19.4 Employees: Administrative Services

The following table indicates the staff composition for this division:

Employees: Administrative Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	7	4	3	42.8
4 - 6	8	6	4	2	33.3
7 - 9	1	2	2	0	0
10 - 12	6	6	3	3	50
13 - 15	1	0	0	0	0
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	19	22	14	8	36.3

Table 141: Employees: Administrative Services

3.19.5 Employees: Thusong Centres

The following table indicates the staff composition for this division:

Employees: Thusong Centres					
Job Level	2019/20	2020/21			
	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	1	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	4	6	4	2	33.3

Table 142: 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 143: 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
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 144: Financial Services Challenges

3.20.3 Debt Recovery

The following table represents the debt recovery for the financial years 2019/20 and 2020/21:

Details of the types of account raised and recovered	Debt Recovery					
	2019/20			2020/21		
	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	45 526 373	40 582 028	89.14	52 074 156	44 783 774	86
Electricity	97 603 904	92 474 038	94.74	109 161 472	99 336 939	91
Water	28 020 766	18 156 897	64.80	32 242 767	19 023 232	59
Sanitation	9 105 511	5 074 283	55.73	21 835 665	6 351 938	29
Refuse	10 032 749	6 230 478	62.10	21 740 602	7 118 751	33

Table 145: Debt Recovery

3.20.4 Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Finance					
Job Level	2019/20	2020/21			
	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	11	10	6	4	40
7 - 9	9	9	9	0	0
10 - 12	11	17	13	4	23.5
13 - 15	5	5	4	1	20
16 - 18	2	2	2	0	0
19 - 20	0	0	0	0	0
Total	38	43	34	9	20.9

Table 146: Employees: Financial Services

3.20.5 Capital: Finance and Administration

The following table indicates the capital expenditure for this division:

Capital Projects	2020/21			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office furniture/equipment	0	20 000	0	(100%)
Generator: SCM	50 000	0	0	0%
New vehicles (loan)	1 500 000	0	0	0%
Purchase of land: Paleisheuwel	0	31 900	29 889	(6.30%)
Fencing and safety gate Citrusdal Head Office	0	29 600	29 600	0%
Plant & equipment	0	15 325	15 214	(0.72%)
Backup and recovery project	70 000	0	0	0%
IT equipment & software	70 000	185 665	170 547	(8.14%)
Council conferencing system	130 000	0	0	0%

Table 147: Capital Expenditure 2020/21: 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 2020/21 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 2020/21 financial year, the Cederberg Municipality has filled 33 vacancies, of which 28 were external and 5 were internal appointments, whilst 21 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 2021 for the 2021/22 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 2020/21				
Injuries		Compensation for Occupational Injuries and Diseases (COID) Applications	Disabling Injuries	Schedule 8 Investigations (Ill Health)
Temp	0	0	0	0
Perm	7	7	0	2

Table 148: Occupational Health and Safety 2020/21

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 9 injuries in 2019/20 to 7 injuries in the 2020/21 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. 334 Employees were tested and examined in the Cederberg region
COVID-19 screenings	Cederberg successfully implemented screening protocol tests at all offices on a daily basis and succeeded to minimise the impact on employees
Water Learnership Course	15 Learners completed training for NQF level 2 6 Learners completed NQF level 4 5 Learners are currently busy with NQF level 3 A total of 21 Learners received National Certificates of which 6 were in water purification and 15 received certificates in water and waste water treatment from the Energy and Water Sector Education Training Authority (EWSETA)

Table 149: 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
Budgetary constraints	The Municipality cannot implement all necessary training programmes in a single financial year due to budgetary constraints as training cost has increased significantly
Absenteeism	Absenteeism remains the number one form of misconduct, due to substance abuse
COVID-19	The effects of the COVID-19 pandemic impacts negatively on service delivery in the Cederberg area as well as the ability to provide training to employees due to restrictions. COVID-19 has also impacted negatively on the health of employees and contributed to absenteeism
Employee wellness	Health of employees and their low morale must be addressed in order to improve their quality of life and service delivery

Table 150: 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	2019/20	2020/21			
	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	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	3	4	3	1	25
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	6	7	6	1	14.2

Table 151: 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
Appointments	2 Interns were appointed in the IT department
Communication	Adapted operations and ICT tools and access to comply with COVID-19 regulations
ICT Helpdesk	Helpdesk was setup and will be operational from 1 July 2021
Security	ICT successfully tested intrusion detection and prevention system for implementation

Table 152: 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	Budget provision was made for the 2022/21 financial year
Additional staff required	Interns were appointed but the department must be capacitated with permanent staff
Limited storage space	Storage will be addressed by means of the Disaster Recovery Project that needs to be implemented
Inadequate financial resources	The ICT departments budget was increased to address critical infrastructure needs

Table 153: ICT Challenges

3.22.4 Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services					
Job Level	2019/20	2020/21			
	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	0	2	0	2	100
13 - 15	2	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 154: 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
Legal support and assistance internally as well as external support to attorneys and advocates	Positive outcomes on High Court judgements and settlements
Using the law library to keep colleagues on top of the latest legal developments in local government law	Case law commentary, Provincial Gazettes, Constitutional- and High Court judgements
Legal assistance and support across all directorates/sectoral departments with legal memorandum of understanding (MOU's), by-laws, lease agreements etc	Legal input on the draft MOU of the Spekboom project, implementation/strategy/proposal for Lamberts Bay/Citrusdal-phase 2 housing projects, Bulk Infrastructure Contribution Levies (BICL) agreement- erf 1324 Graafwater

Table 155: Legal Services Highlights

Annual Report

3.23.2 Challenges: Legal Services

The table below specify the challenge for the year:

Description	Actions to address
Budget and capacity constraints remain a thorny issue	Management should allocate a dedicated budget for the filling of the vacant position of legal officer and the optimal function of the division
Appointment of a dedicated person to assist with contract management in the Municipality	Budget should be made available for this position

Table 156: Legal Services Challenges

3.23.3 Employees: Legal Services

The following table indicates the staff composition for this division:

Employees: Legal Services					
Job Level	2019/20	2020/21			
	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	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	1	2	1	1	50

Table 157: 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	Comply with statutory requirements

Highlights	Description
Transparency	All supply chain management contracts in terms of Section 75 (1)(g) of the MFMA are published on the municipal website
Alignment of SCM processes and procedures that will ensure compliance	National Treasury and Provincial Treasury PT guidelines and regulations are strictly adhered to

Table 158: Procurement Services Highlights

3.24.2 Challenges: Procurement Services

The table below specify the challenge 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

Table 159: 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
Orders processed	987	82.25	4.1
Requests cancelled or referred back	47	3.9	0.2

Table 160: 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)(b)(i)-Emergency	16	656 830	43%
Clause 36(1)(b)(ii)-Sole Supplier	7	145 918	9%
Clause 36(1)(b)(vi) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and	11	612 482	40%
Clause 36(1)(b)(viii) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and	2	126 143	8%
Total	36	1 541 373	100%

Table 161: Statistics of Deviations from the SCM Policy

COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2021/22

3.25 SERVICE DELIVERY PRIORITIES FOR 2021/22

The main development and service delivery priorities for 2021/22 forms part of the Municipality's Top Layer SDBIP for 2021/22 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 2022 (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 2022	All	90.00%
TL21	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 2022	Number of residential properties which are billed for water or have pre paid meters	All	5 835
TL22	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 2022	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	7 999
TL23	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 2022	Number of residential properties which are billed for sewerage	All	5 904
TL24	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2022	Number of residential properties which are billed for refuse removal	All	4 780
TL25	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2022	Number of households receiving free basic water	All	2 506
TL26	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2022	Number of households receiving free basic electricity	All	2 318
TL27	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2022	Number of households receiving free basic sanitation services	All	2 323
TL28	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2022	Number of households receiving free basic refuse removal	All	2 428

Annual Report

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL32	90% of the approved maintenance budget spent for electricity services by 30 June 2022 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2022	All	90.00%
TL33	90% of the approved maintenance budget spent for roads and stormwater by 30 June 2022 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2022	All	90.00%
TL34	90% of the approved maintenance budget spent for waste water by 30 June 2022 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2022	All	90.00%
TL35	100% of the MIG grant spent by 30 June 2022 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2022	All	100.00%
TL36	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%
TL37	90% of the approved maintenance budget spent for water by 30 June 2022 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2022	All	90.00%
TL38	Limit unaccounted for water to less than 15% by 30 June 2022 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified x 100}	% unaccounted water	All	15.00%
TL40	Report bi-annually to Council during the 2021/22 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
TL42	90% of the approved capital budget spent by 30 June 2022 to upgrade roads and stormwater infrastructure in Citrusdal [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	2	90.00%
TL43	90% of the approved capital budget spent by 30 June 2022 to upgrade electricity provision in Clanwilliam [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	3	90.00%
TL44	90% of the approved capital budget spent by 30 June 2022 to upgrade the Waste Water Treatment Works in Citrusdal [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	2	90.00%
TL45	90% of the approved capital budget spent by 30 June 2022 to upgrade the ablution facilities	% of budget spent by 30 June 2022	5	90.00%

Annual Report

Ref	KPI	Unit of Measurement	Wards	Annual Target
	and wash through in Eland's Bay [(Total actual expenditure on the project/ Approved capital budget for the project)x100]			
TL46	90% of the approved capital budget spent by 30 June 2022 to upgrade the ablution facilities and water points in Clanwilliam [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	3	90.00%
TL47	90% of the approved capital budget spent by 30 June 2022 to pave roads in Clanwilliam [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	3	90.00%
TL48	Purchase a digger loader and single cab bakkie for Clanwilliam by 30 June 2022	Number of vehicles purchased by 30 June 2022	3	2
TL49	90% of the approved capital budget spent by 30 June 2022 to pave roads in Riverview Citrusdal [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	2	90.00%
TL50	90% of the approved capital budget spent by 30 June 2022 to pave roads in Graafwater, ASLA [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	4	90.00%
TL51	90% of the approved capital budget spent by 30 June 2022 to refurbish the overhead line east of Graafwater [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	4	90.00%
TL52	90% of the approved capital budget spent by 30 June 2022 to upgrade reservoir in Eland's Bay [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	5	90.00%
TL53	90% of the approved capital budget spent by 30 June 2022 for water pressure management in Citrusdal [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	2	90.00%
TL54	Purchase a refuse truck and NPR300 by 30 June 2022	Number of vehicles purchased by 30 June 2022	All	2
TL55	90% of the approved capital budget spent by 30 June 2022 for the 11kv cable in Mark Street Clanwilliam [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	3	90.00%
TL56	90% of the approved capital budget spent by 30 June 2022 for the 11kv cable - RMU Waterworks & Overhead line in Lamberts Bay [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	5	90.00%

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL57	90% of the approved capital budget spent by 30 June 2022 to replace the RMU in Voortrekker Street Citrusdal	% of budget spent by 30 June 2022	2	90.00%
TL58	90% of the approved capital budget spent by 30 June 2022 to fence the cemetery in Lamberts Bay [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	5	90.00%
TL59	90% of the approved capital budget spent by 30 June 2022 to construct the Multi Purpose Centre in Graafwater [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	4	90.00%

Table 162: 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
TL12	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2022 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Rev	% of debt coverage by 30 June 2022	All	45.00%
TL13	Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors by 30 June 2022	All	30.00%
TL14	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	1
TL15	90% of the Financial Management Grant spent by 30 June 2022 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2022	All	90.00%
TL16	Submit financial statements to the Auditor-General by 31 August 2021	Approved financial statements submitted to the Auditor-General by 31 August 2021	All	1
TL17	Achievement of a payment percentage of 90% by 30 June 2022 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2022	All	90.00%
TL18	Achieve an unqualified audit opinion for the 2020/21 financial year	Unqualified Audit opinion received	All	1

Annual Report

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL19	Submit the draft main budget to Council by 31 March 2022	Draft main budget submitted to Council by 31 March 2022	All	1
TL20	Submit the adjustments budget to Council by 28 February 2022	Adjustment budget submitted to Council by 28 February 2022	All	1

Table 163: 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 2022/23 to the Audit Committee by 30 June 2022	Risk based audit plan submitted to the Audit Committee by 30 June 2022	All	1
TL3	Compile and submit the draft annual report for 2020/21 to Council by 31 January 2022	Draft annual report for 2020/21 submitted to Council by 31 January 2022	All	1
TL4	Compile and submit the final annual report and oversight report for 2020/21 to Council by 31 March 2022	Final annual report and oversight report for 2019/20 submitted to Council by 31 March 2022	All	1
TL5	Submit the final reviewed IDP to Council by 31 May 2022	Final IDP submitted to Council by 31 May 2022	All	1
TL7	Complete the annual Risk Assessment and submit the strategic and operational risk register to the Risk Committee by 30 June 2022	Strategic and operational risk register submitted to the Risk Committee by 30 June 2022	All	1
TL11	Address 100% of ICT Audit findings by 30 June 2022	% of Audit findings addressed by 30 June 2022	All	100.00%
TL39	90% of the approved maintenance budget spent for municipal buildings by 30 June 2022 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2022	All	90.00%
TL41	90% of the approved capital budget spent by 30 June 2022 for the Backup & Recovery project [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	All	90.00%

Table 164: 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 2022	Number of job opportunities created in terms of EPWP by 30 June 2022	All	200

Table 165: 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
TL29	Construct 100 top structures in Lamberts Bay Pr.No.114 by 30 June 2022	Number of top structures constructed by 30 June 2022	5	100

Table 166: 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
TL30	Develop a Social Development Framework and submit to Council by 30 June 2022	Social Development Framework submitted to Council by 30 June 2022	All	1
TL31	Complete a feasibility study for the Testing Centre (DLTC) for driving licenses Lambert's Bay and submit to Council by 30 September 2021	Feasibility study submitted to Council by 30 September 2021	5	1

Table 167: 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 2022	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 2022 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2022 (Actual amount spent on training/total personnel budget)x100	All	0.50%
TL10	90% of the approved capital budget spent for the IT equipment and software by 30 June 2022 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	All	90.00%

Table 168: 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 335 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 169: 2020/21 EE Actual by Racial Classification

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

Table 170: 2020/21 EE Actual by Gender Classification

Annual Report

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	51	274	1	9	335

Table 171: EE Population 2020/21 (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	1	1	0	1	0	11	0	1	15
Professionally qualified and experienced specialists and mid- management	0	8	0	2	2	12	0	1	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	28	0	1	5	38	0	2	75
Semi-skilled and discretionary decision making	5	35	0	1	7	44	1	0	93
Unskilled and defined decision making	12	20	0	0	18	77	0	0	127
Temporary employees	1	8	0	0	1	7	0	0	17
Total	20	100	0	5	33	189	1	4	352

Table 172: 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	1	14	0	0	15
Financial and Administration Services	5	64	0	3	72
Integrated and Development Services	8	73	1	1	83
Technical Services	37	123	0	5	165
Total	51	274	1	9	335

Table 173: Departments: Race

Annual Report

4.2.2 Vacancy Rate

The approved organogram for the Municipality had 534 posts for the financial year. Posts vacant at the end of 2019/20 resulted in a funded vacancy rate of 5.7% compared to 396 posts of which 61 posts were vacant in 2020/21, resulting in a funded vacancy rate of 15.4%. Below is a table that indicates the vacancies within the Municipality:

Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	15	1
Financial and Administration Services	72	16
Integrated Development Services	83	15
Technical Services	165	29
Total	335	61

Table 174: 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	2
Senior management (T14-T19)	1	18
Total	4	22

Table 175: 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 2020/21.

Employee Movement					
Movement Type	African	Coloured	Indian	White	Total
Termination	1	19	0	1	21
Recruited Internal	0	4	0	1	5
Recruited External	5	23	0	0	28
Transferred / Placement	0	4	0	0	4
Total	6	50	0	2	58

Table 176: 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 13 employees injured in the 2019/20 financial year compared to 8 employees in the 2020/21 financial year.

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

Directorates	2019/20	2020/21
Municipal Manager	0	0
Corporate and Strategic Services	1	0
Financial Services	2	1
Community and Development Services	1	0
Technical Services	9	7
Total	13	8

Table 177: 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

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

Table 178: 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 2020/21 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	3	2	0	0	0	6	0	0	11
Managers	0	1	0	1	0	7	0	0	9
Professionals	0	8	0	0	1	11	0	0	20
Technicians and Trade Workers	1	0	0	0	3	6	0	2	12
Community and Personal Service Workers	0	8	0	0	0	1	0	0	9
Clerical and Administrative Workers	1	1	0	0	0	1	0	0	3
Sales Workers	0	4	0	0	0	1	0	0	5

Annual Report

Occupational Category	Female				Male				Total
	A	C	I	W	A	C	I	W	
Machine Operators and Drivers	0	0	0	0	1	4	0	0	5
Elementary Workers	8	13	0	0	12	59	0	0	92
Total	13	37	0	1	17	96	0	2	166

Table 179: Skills Matrix

4.4.2 Skills Development - Budget Allocation

Year	Total Allocated	Total Spend	% Spent
2019/20	R663 175	R438 209	66.08%
2020/21	R385 823	R346 612	89.84%

Table 180: 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	1	1	1
Chief financial officer	1	1	1

Annual Report

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))
Senior managers	1	1	1
Any other financial officials	0	0	0
Supply Chain Management Officials			
Heads of supply chain management units	1	0	1

Table 181: 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	2019/20		2020/21	
	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
Councillors (Political Office Bearers plus Other)				
Salary	4 313 159	4 593 897	4 123 088	4 392 154
Pension Contributions	510 316	562 137	589 810	584 787
Medical Aid Contributions	141 989	149 091	170 007	162 462
Motor vehicle allowance	74 903	78 650	0	0
Cell phone allowance	529 494	474 134	445 165	421 165
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total	5 569 861	5 857 909	5 328 070	5 560 569
Senior Managers of the Municipality				
Basic Salary and Wages	2 068 510	3 700 096	4 109 418	3 554 799
Pension Contributions	308 357	606 445	47 539	22 273

Annual Report

Financial year	2019/20	2020/21		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
Medical Aid Contributions	66 031	147 206	0	0
Performance Bonus	937	0	0	243 978
Motor vehicle allowance	315 717	532 200	296 045	100 172
Cell phone allowance	49 957	90 000	137 864	0
Housing allowance	0	0	0	0
Other benefits or allowances	26 247	51 179	40	40
Leave Pay Out	0	0	0	0
Long Service Awards	0	0	0	0
Sub Total	2 835 757	5 127 126	4 590 906	3 921 261
Other Municipal Staff				
Basic Salaries and Wages	76 973 846	83 348 592	83 644 695	83 259 238
Pension Contributions	11 422 404	12 895 454	12 927 107	12 793 930
Medical Aid Contributions	4 050 739	5 214 249	4 833 315	4 724 109
Motor vehicle allowance	5 173 949	5 457 971	5 543 976	5 423 051
Cell phone allowance	360 841	392 476	354 453	374 191
Housing allowance	505 492	560 936	420 161	420 162
Overtime	4 268 245	2 257 212	3 331 975	3 340 464
Other benefits or allowances	4 398 764	4 237 408	4 702 495	4 645 096
Leave Pay Out	2 600 046	1 482 000	2 833 000	2 833 000
Long Service Awards	475 325	547 000	508 000	508 000
Post-retirement benefit obligations	4 182 296	2 037 000	1 147 000	1 147 000
Sub Total	106 047 353	118 430 298	120 246 177	119 468 240
Total Municipality	114 452 971	129 415 333	130 165 153	123 389 501

Table 182: Personnel Expenditure

Annual Report

CHAPTER 5

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

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

5.1 FINANCIAL SUMMARY

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

Financial Summary						
R'000						
Description	2019/20	2020/21			2020/21 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	45 526	48 771	48 376	48 155	(1.28)	(0.46)
Service charges	144 763	159 185	152 161	151 562	(5.03)	(0.40)
Investment revenue	506	317	486	749	57.63	35.01
Transfers recognised - operational	64 462	85 436	92 744	77 633	(10.05)	(19.46)
Other own revenue	32 479	44 738	40 227	23 601	(89.56)	(70.44)
Total revenue (excluding capital transfers and contributions)	287 736	338 447	333 995	301 700	(12.18)	(10.70)
Employee costs	115 364	123 557	124 837	122 467	(0.89)	(1.94)
Remuneration of councillors	5 570	5 858	5 328	5 572	(5.13)	4.38
Debt Impairment	46 525	48 643	48 804	32 637	(49.04)	(49.54)
Depreciation & asset impairment	18 916	21 141	20 043	22 298	5.19	10.11
Finance charges	9 822	8 435	11 526	11 585	27.19	0.51
Bulk Purchases	82 347	90 160	88 209	82 514	(9.27)	(6.90)
Other Materials	0	6 345	7 778	0	0	0
Contracted Services	18 206	27 195	35 181	17 282	(57.36)	(103.57)
Transfers and grants	1 144	4 618	979	406	(1037.34)	(141.09)
Other expenditure	26 001	21 666	21 784	28 311	23.47	23.05
Loss on disposal of PPE	140	0	0	0	0	0
Total Expenditure	324 036	357 618	364 470	323 071	(10.69)	(12.81)
Surplus/(Deficit)	(36 300)	(19 171)	(30 475)	(21 371)	10.29	(42.60)

Annual Report

Financial Summary						
R'000						
Description	2019/20	2020/21			2020/21 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Transfers recognised -capital	28 740	58 774	42 354	42 237	(39.15)	(0.28)
Contributions recognised - capital & contributed assets	0	0	187	0	0	0
Surplus/(deficit) after capital transfers & contributions	(7 559)	39 603	12 067	20 866	-89.80	42.17
Capital Expenditure & Funds Sources						
Capital Expenditure						
Transfers recognized - capital	29 691	58 770	42 354	42 237	(39.14)	(0.28)
Public contributions & donations	0	0	0	0	0	0
Borrowing	0	1 500	0	0	0	0
Internally generated funds	4 892	5 949	3 376	2 872	(107.11)	(17.55)
Total sources of capital funds	34 584	66 219	45 731	45 109	(46.80)	(1.38)
Financial Position						
Total current assets	60 559	53 648	38 950	51 753	(3.66)	24.74
Total non-current assets	692 878	763 223	718 320	725 377	(5.22)	0.97
Total current liabilities	127 079	56 063	116 540	117 217	52.17	0.58
Total non-current liabilities	71 988	139 585	73 471	84 677	(64.85)	13.23
Community wealth/equity	554 371	621 222	567 260	575 236	(7.99)	1.39
Cash Flows						
Net cash from (used) operating	47 344	69 751	34 251	42 331	(64.78)	19.09
Net cash from (used) investing	(33 769)	(66 219)	(45 731)	(44 758)	(47.95)	(2.17)
Net cash from (used) financing	(4 078)	(2 088)	(4 516)	(4 508)	53.69	(0.18)
Cash/cash equivalents at the year end	16 685	1 993	690	9 750	79.56	92.93
Cash Backing/Surplus Reconciliation						
Cash and investments available	0	1 993	690	9 750	79.56	92.93
Application of cash and investments	0	389	(65 998)	(4 808)	108.10	(1272.75)
Balance -surplus (shortfall)	0	2 383	(65 308)	4 942	51.79	1421.45
Asset Management						
Asset register summary (WDV)	692 878	763 223	718 320	725 377	(5.22)	0.97
Depreciation & asset impairment	18 916	21 141	20 043	22 298	5.19	10.11
Renewal of existing assets	16 237	6 095	11 192	10 888	44.02	(2.79)
Repairs and maintenance	9 892	26 353	28 082	6 350	(314.99)	(342.23)

Annual Report

Financial Summary						
R'000						
Description	2019/20	2020/21			2020/21 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Free Services						
Cost of free basic services provided	4 961	10 523	6 411	6 546	(60.75)	2.06
Revenue cost of free services provided	3 474	28 301	3 916	3 919	0.00	0.00
Households Below Minimum Service Level						
Water	2 251	2 506	2 506	2 640	5.08	5.08
Sanitation/sewerage	2 160	2 318	2 318	2 536	8.60	8.60
Energy	2 115	2 323	2 323	2 487	6.59	0.00
Refuse	2 262	2 428	2 428	2 650	8.38	0.00

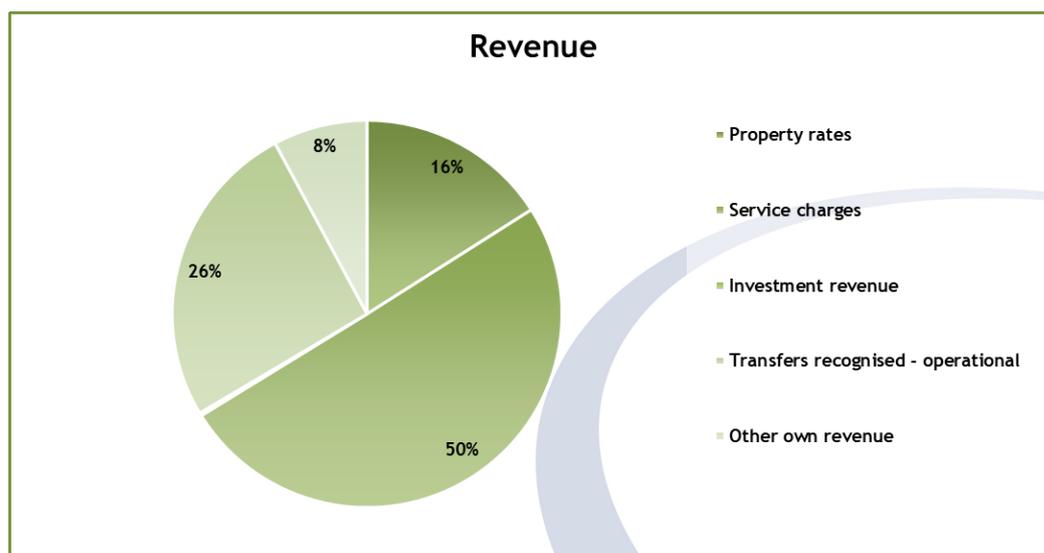
Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 183: Financial Performance 2020/21

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2019/20	326 713	287 736	(38 978)	(12)	358 459	324 036	34 424	10
2020/21	333 995	301 700	(32 295)	(10)	364 470	323 071	41 399	11

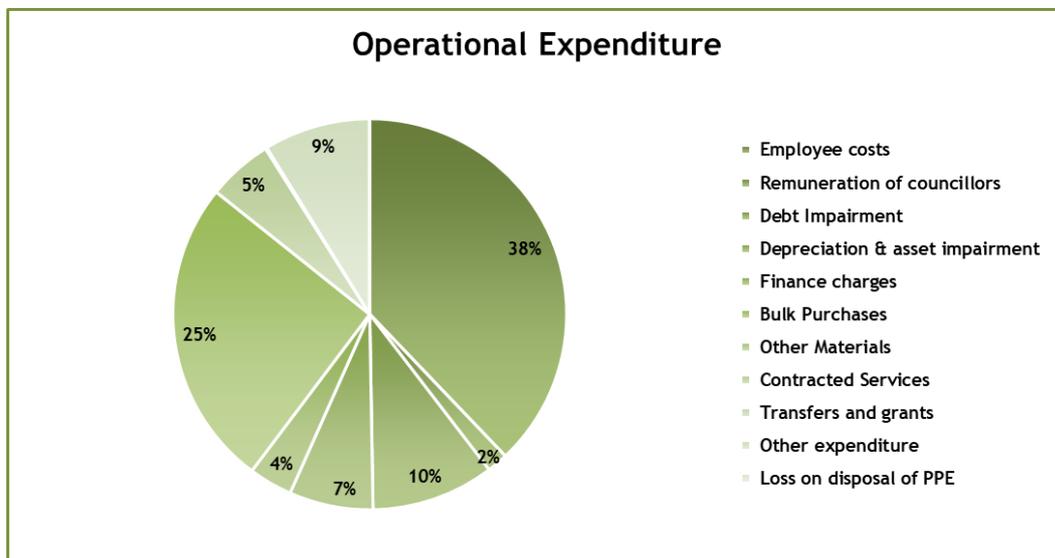
Table 184: Performance Against Budgets

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



Graph 3: Revenue

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



Graph 4: Operating Expenditure

5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2019/20	2020/21			2020/21 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive and Council	43 112	9 074	10 391	54 220	83.26	80.84
Vote 2 - Office of Municipal Manager	16	0	80	41	100.00	(95.93)
Vote 3 - Financial Administrative Services	59 745	56 643	58 133	57 355	1.24	(1.36)
Vote 4 - Community Development Services	7 075	7 661	8 015	8 329	8.01	3.77
Vote 5 - Corporate and Strategic Services	652	8 156	6 572	363	(2148.84)	(1711.97)
Vote 6 - Planning and Development Services	13 121	2 283	3 058	3 046	25.04	(0.40)
Vote 7 - Public Safety	17 000	25 894	22 848	11 594	(123.35)	(97.07)
Vote 8 - Electricity	109 471	137 974	130 905	119 367	(15.59)	(9.67)
Vote 9 - Waste Management	14 278	19 435	21 203	11 364	(71.02)	(86.58)
Vote 10 - Waste Water Management	13 006	30 355	42 786	35 687	14.94	(19.89)
Vote 11 - Water	36 588	77 039	54 039	38 362	(100.82)	(40.87)
Vote 12 - Housing	0	13 000	14 077	0	0	0
Vote 13 - Road Transport	0	3 031	0	0	0	0
Vote 14 - Sports and Recreation	2 413	6 674	4 431	4 209	(58.57)	(5.28)

Annual Report

Vote Description	2019/20	2020/21			2020/21 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Total Revenue by Vote	316 476	397 221	376 536	343 937	(15.49)	(9.48)

Table 185: Revenue by Vote

5.1.2 Revenue Collection by Source

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

Description	2019/20	2020/21			2020/21 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	45 526	48 771	48 376	48 155	(1.28)	(0.46)
Service Charges - electricity revenue	97 604	105 688	102 999	102 234	(3.38)	(0.75)
Service Charges - water revenue	28 021	32 390	28 905	29 064	(11.44)	0.55
Service Charges - sanitation revenue	9 106	10 734	9 456	9 457	(13.50)	0.01
Service Charges - refuse revenue	10 033	10 373	10 801	10 806	4.01	0.05
Rentals of facilities and equipment	2 871	493	359	2 333	78.85	84.61
Interest earned - external investments	506	317	486	749	57.63	35.01
Interest earned - outstanding debtors	4 984	5 236	6 458	5 733	8.67	(12.64)
Fines	13 994	22 034	20 285	9 186	(139.87)	(120.83)
Licences and permits	0	0	2	0	0.00	0.00
Agency services	2 736	3 908	3 757	3 720	(5.05)	(0.99)
Transfers recognised - operational	64 462	85 436	92 744	77 633	(10.05)	(19.46)
Other revenue	7 895	13 067	9 366	2 557	(411.08)	(266.31)
Gains on disposal of PPE	0	0	0	73	0.00	0.00
Total Revenue (excluding capital transfers and contributions)	287 736	338 447	333 995	301 700	(12.18)	(10.70)

Table 186: Revenue by Source

Annual Report

5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2020/21 financial year:

Financial Performance of Operational Services						
Description	2019/20	2020/21			2020/21 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	30 159	35 690	31 526	30 130	(18.45)	(4.63)
Waste water (sanitation)	15 477	12 162	13 275	11 786	(3.19)	(12.63)
Electricity	97 313	104 330	104 404	98 129	(6.32)	(6.39)
Waste management	16 917	16 185	17 489	15 866	(2.01)	(10.23)
Housing	2 062	15 750	16 925	2 571	(512.71)	(558.41)
Component A: sub-total	161 926	184 118	183 619	158 482	(16.18)	(15.86)
Roads and stormwater	12 324	12 853	12 855	13 039	1.43	1.41
Component B: sub-total	12 324	12 853	12 855	13 039	1.43	1.41
Planning	3 648	4 258	4 390	4 057	(4.96)	(8.20)
Local Economic Development	2 153	2 616	2 719	2 490	(5.03)	(9.18)
Component C: sub-total	5 801	6 874	7 108	6 547	(4.99)	(8.57)
Libraries	4 754	5 360	5 309	5 186	(3.36)	(2.39)
Component D: sub-total	4 754	5 360	5 309	5 186	(3.36)	(2.39)
Environmental Protection	0	0	0	0	0	0
Component E: sub-total	0	0	0	0	0	0
Traffic & licensing	21 900	31 458	28 767	19 291	(63.07)	(49.12)
Fire Services and Disaster Management	3 834	4 389	3 679	3 240	(35.49)	(13.57)
Component F: sub-total	25 734	35 847	32 446	22 531	(59.10)	(44.01)
Holiday Resorts and Campsites	4 929	5 028	4 974	4 798	(4.78)	(3.66)
Swimming pools - stadiums and sport ground	7 102	7 963	8 982	8 133	2.09	(10.45)
Community halls facilities Thusong centres	778	692	933	899	22.98	(3.83)
Component G: sub-total	12 809	13 682	14 889	13 830	1.06	(7.66)
Financial Services	47 441	44 135	49 000	47 264	6.62	(3.67)
Office of the MM	13 810	14 665	15 969	15 616	6.09	(2.26)
Administration	34 549	35 187	38 056	35 659	1.33	(6.72)
Human Resources	4 888	4 898	5 219	4 918	0.39	(6.13)
Component H: sub-total	100 688	98 885	108 243	103 457	4.42	(4.63)

Annual Report

Financial Performance of Operational Services						
Description	2019/20	2020/21			2020/21 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Total Expenditure	324 036	357 618	364 470	323 071	(10.69)	(12.81)
<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 187: 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	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	29 816	50 953	46 770	31 225	(63.18)
Expenditure:					
Bulk Purchases	800	963	963	743	(29.73)
Contracted Services	10 579	12 625	8 949	8 876	(42.23)
Debt Impairment	4 037	5 601	4 845	4 569	(22.59)
Depreciation and Amortisation	1 535	807	682	515	(56.93)
Employee Related Costs	11 684	12 456	12 674	12 327	(1.04)
Other Expenditure	1 522	3 238	3 413	3 101	(4.41)
Total Operational Expenditure	30 159	35 690	31 526	30 130	(18.45)
Net Operational (Service) Expenditure	(342)	15 262	15 243	1 095	(1294.42)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 188: Financial Performance: Water Services

Annual Report

5.2.2 Waste Water (Sanitation)

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	10 851	22 693	24 567	16 935	(34.01)
Expenditure:					
Contracted Services	1 814	1 850	1 450	839	(120.55)
Debt Impairment	5 225	3 689	4 449	2 122	(73.82)
Depreciation and Amortisation	2 518	2 352	2 645	3 780	37.78
Employee Related Costs	3 428	3 193	3 645	3 689	13.43
Other Expenditure	2 491	1 078	1 085	1 356	20.51
Total Operational Expenditure	15 477	12 162	13 275	11 786	(3.19)
Net Operational (Service)	(4 626)	10 531	11 292	5 149	(104.54)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 189: Financial Performance: Waste Water (Sanitation) Services

5.2.3 Electricity

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	99 367	118 188	116 123	104 584	(13.01)
Expenditure:					
Bulk Purchases	81 546	89 197	87 246	81 771	(9.08)
Contracted Services	176	350	454	318	(10.05)
Debt Impairment	4 543	3 108	3 932	3 736	16.80
Depreciation and Amortisation	4 002	4 302	4 386	4 199	(2.45)
Employee Related Costs	5 860	5 958	6 828	6 685	10.87
Other Expenditure	1 185	1 415	1 558	1 421	0.41
Total Operational Expenditure	97 313	104 330	104 404	98 129	(6.32)
Net Operational (Service)	2 054	13 858	11 719	6 454	(114.71)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 190: Financial Performance: Electricity

Annual Report

5.2.4 Waste Management

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	14 278	19 435	21 203	11 364	(71.02)
Expenditure:					
Contracted Services	1 532	1 320	1 495	1 134	(16.37)
Debt Impairment	3 635	2 741	3 209	2 155	(27.19)
Depreciation and Amortisation	1 133	1 613	1 111	1 163	(38.74)
Employee Related Costs	9 289	9 269	10 293	10 207	9.19
Other Expenditure	1 328	1 243	1 381	1 207	(2.97)
Total Operational Expenditure	16 917	16 185	17 489	15 866	(2.01)
Net Operational (Service)	(2 638)	3 250	3 714	(4 502)	172.19
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 191: Financial Performance: Waste Management

5.2.5 Housing

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	13 000	14 077	0	0
Expenditure:					
Contracted Services	56	13 175	14 252	48	(27350.66)
Depreciation and Amortisation	26	32	25	23	(38.13)
Employee Related Costs	1 882	2 333	2 450	2 447	4.68
Other Expenditure	98	210	198	52	(301.19)
Total Operational Expenditure	2 062	15 750	16 925	2 571	(512.71)
Net Operational (Service)	(2 062)	(2 750)	(2 848)	(2 571)	(6.98)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 192: Financial Performance: Housing

Annual Report

5.2.6 Roads and Stormwater

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Contracted Services	587	981	863	503	(95.18)
Depreciation and Amortisation	4 471	4 397	4 236	5 827	24.55
Employee Related Costs	5 719	6 118	6 015	5 834	(4.86)
Other Expenditure	1 547	1 357	1 740	875	(55.16)
Total Operational Expenditure	12 324	12 853	12 855	13 039	1.43
Net Operational (Service)	(12 324)	(12 853)	(12 855)	(13 039)	1.43
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 193: Financial Performance: Roads and Stormwater

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

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	3 412	2 255	2 292	2 677	15.78
Expenditure:					
Contracted Services	83	366	344	150	(143.90)
Depreciation and Amortisation	48	51	47	43	(17.43)
Employee Related Costs	3 392	3 602	3 716	3 737	3.61
Other Expenditure	126	239	283	127	(89.01)
Total Operational Expenditure	3 648	4 258	4 390	4 057	(4.96)
Net Operational (Service)	(236)	(2 003)	(2 097)	(1 379)	(45.22)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 194: Financial Performance: Planning

Annual Report

5.2.8 LED

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Contracted Services	24	0	0	0	0
Depreciation and Amortisation	0	0	0	0	0
Employee Related Costs	1 828	2 220	2 478	2 458	9.68
Other Expenditure	266	66	41	20	(227.69)
Transfers and grants	35	330	200	13	(2540.00)
Total Operational Expenditure	2 153	2 616	2 719	2 490	(5.03)
Net Operational (Service)	(2 153)	(2 616)	(2 719)	(2 490)	(5.03)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 195: Financial Performance: LED

5.2.9 Libraries

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	4 615	5 062	5 052	5 033	(0.57)
Expenditure:					
Contracted Services	0	0	0	0	0
Depreciation and Amortisation	146	153	144	139	(10.54)
Employee Related Costs	4 547	5 148	4 993	4 976	(3.46)
Other Expenditure	61	58	173	71	17.92
Total Operational Expenditure	4 754	5 360	5 309	5 186	(3.36)
Net Operational (Service)	(139)	(298)	(257)	(153)	(95.09)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 196: Financial Performance: Libraries

Annual Report

5.2.10 Traffic and Law Enforcement

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	16 260	25 873	22 761	11 583	(123.38)
Expenditure:					
Contracted Services	1 591	1 272	1 712	1 803	29.46
Debt Impairment	9 703	18 794	16 028	6 682	(181.27)
Depreciation and Amortisation	21	251	72	70	(260.93)
Employee Related Costs	9 937	10 545	10 192	10 053	(4.89)
Other Expenditure	647	596	762	683	12.85
Total Operational Expenditure	21 900	31 458	28 767	19 291	(63.07)
Net Operational (Service)	(5 640)	(5 584)	(6 006)	(7 708)	27.55
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 197: Financial Performance: Traffic and Law Enforcement

5.2.11 Fire Services and Disaster Management

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	740	21	85	9	0.00
Expenditure:					
Contracted Services	2 557	20	2 540	1 869	98.93
Depreciation and Amortisation	3	10	5	4	(121.67)
Employee Related Costs	536	586	654	663	11.56
Other Expenditure	187	74	481	703	89.44
Transfers and Grants	551	3 699	0	0	0
Total Operational Expenditure	3 834	4 389	3 679	3 240	(35.49)
Net Operational (Service)	(3 094)	(4 368)	(3 595)	(3 231)	(35.19)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 198: Financial Performance: Fire Services and Disaster Management

Annual Report

5.2.12 Holiday Resorts and Campsites

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	2 391	4 127	1 714	1 631	(153.02)
Expenditure:					
Contracted Services	59	60	52	15	(302.35)
Depreciation and Amortisation	153	149	155	153	2.33
Employee Related Costs	4 409	4 519	4 511	4 485	(0.75)
Other Expenditure	308	300	256	145	(106.32)
Total Operational Expenditure	4 929	5 028	4 974	4 798	(4.78)
Net Operational (Service)	(2 537)	(900)	(3 260)	(3 167)	71.57
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 199: Financial Performance: Holiday Resorts and Campsites

5.2.13 Stadiums and Sport Ground

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	22	361	1,401	1,382	73.91
Expenditure:					
Contracted Services	284	297	1,201	835	64.42
Depreciation and Amortisation	495	471	516	496	5.21
Employee Related Costs	5 807	6 408	6 451	6 351	(0.91)
Other Expenditure	516	787	814	451	(74.57)
Total Operational Expenditure	7 102	7 963	8 982	8 133	2.09
Net Operational (Service)	(7 080)	(7 602)	(7 582)	(6 750)	(12.62)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 200: Financial Performance: Swimming Pools and Sport Grounds

Annual Report

5.2.14 Community Facilities and Thusong Centres

Description	2019/20	Contracted Services			
	Actual	Depreciation and Amortisation	Adjusted Budget	Actual	Variance to Budget
	R'000				Employee Related Costs
Total Operational Revenue	119	90	183	173	48.25
Expenditure:					
Contracted Services	142	26	175	149	82.42
Depreciation and Amortisation	29	34	30	31	(10.21)
Employee Related Costs	531	574	668	669	14.29
Other Expenditure	77	59	60	50	(18.08)
Total Operational Expenditure	778	692	933	899	22.98
Net Operational (Service)	(659)	(602)	(750)	(725)	16.95
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 201: Financial Performance: Community Facilities and Thusong Centres

5.2.15 Financial Services

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	57 660	54 632	55 622	55 145	0.93
Expenditure:					
Contracted Services	1 013	1 610	1 049	1 062	(51.63)
Debt Impairment	12 839	7 686	12 237	9 066	15.22
Depreciation and Amortisation	830	653	903	894	26.91
Employee Related Costs	17 225	20 167	17 927	19 215	(4.95)
Finance Charges	9 822	8 435	11 526	11 585	27.19
Other Expenditure	5 571	5 583	5 358	5 442	(2.59)
Loss on Disposal of PPE	140	0	0	0	0
Total Operational Expenditure	47 441	44 135	49 000	47 264	6.62
Net Operational (Service)	10 219	10 497	6 622	7 881	(33.19)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 202: Financial Performance: Financial Services

Annual Report

5.2.16 Office of the Municipal Manager

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	43 112	9 074	10 391	54 220	83.26
Expenditure:					
Contracted Services	1 458	805	1 400	1 321	39.07
Depreciation and Amortisation	90	101	83	78	(29.98)
Employee Related Costs	4 462	5 686	6 688	6 532	12.96
Other Expenditure	2 134	2 125	2 331	2 001	(6.19)
Remuneration of Councillors	5 570	5 858	5 328	5 572	(5.13)
Transfers and grants	95	91	138	113	19.32
Total Operational Expenditure	13 810	14 665	15 969	15 616	6.09
Net Operational (Service)	29 302	(5 591)	(5 578)	38 604	114.48
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 203: Financial Performance: Office of the Municipal Manager

5.2.17 Administration

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	4 874	11 926	11 641	5 477	(117.76)
Expenditure:					
Contracted Services	4 784	3 989	7 010	6 241	36.08
Depreciation and Amortisation	897	959	821	812	(18.18)
Employee Related Costs	20 856	21 234	21 188	20 004	(6.15)
Other Expenditure	7 583	8 908	8 940	8 553	(4.15)
Transfers and grants	428	97	97	50	(93.91)
Total Operational Expenditure	34 549	35 187	38 056	35 659	1.33
Net Operational (Service)	(29 674)	(23 261)	(26 415)	(30 183)	22.93
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 204: Financial Performance: Administration

Annual Report

5.2.18 Human Resources

Description	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	219	757	300	260	(191.63)
Expenditure:					
Contracted Services	511	266	502	480	44.57
Depreciation and Amortisation	17	13	19	18	0.00
Employee Related Costs	3 424	3 542	3 467	3 471	(2.05)
Other Expenditure	752	677	688	635	(6.61)
Transfers and grants	184	401	543	314	(27.70)
Total Operational Expenditure	4 888	4 898	5 219	4 918	0.39
Net Operational (Service)	(4 669)	(4 141)	(4 919)	(4 658)	11.10
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 205: Financial Performance: Human Resources

5.3 GRANTS

5.3.1 Grant Performance

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Operating Transfers and Grants						
National Government:	82 739	125 545	114 331	114 105	(10.03)	(0.20)
Equitable share	49 201	53 069	60 767	60 767	12.67	0.00
Municipal Infrastructure Grant (MIG)	15 667	15 590	15 899	15 899	1.94	0.00
Financial Management Grant (FMG)	2 085	2 011	2 011	2 011	0.00	0.00
Integrated National Electrification Programme (INEP)	9 641	22 754	17 000	17 000	(33.85)	0.00
Expanded Public Works Program (EPWP)	1 954	2 121	2 121	2 121	0.00	0.00
Water Service Infrastructure Grant (WSIG)	4 058	30 000	16 457	16 308	(83.96)	(0.92)
Municipal Disaster Relief Grant (COVID-19)	132	0	77	0	0	0

Annual Report

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Provincial Government:	10 414	18 666	20 767	5 765	(223.81)	(260.26)
Library Services MRF	4 594	5 026	5 027	5 026	0.00	(0.01)
Library Services MRF Capital	0	0	4	0	0	0
CDW Support	329	169	169	0	0	0
Municipal Drought Support Grant	3 663	0	105	0	0	0
Local Government Graduate Internship Grant	16	0	80	41	100.00	(95.93)
Financial Management Support Grant	500	0	500	199	0.00	0.00
Municipal Capacity Building Grant	34	401	565	350	(14.45)	(61.25)
Acceleration of Housing Delivery	698	0	0	0	0	0
Thusong Service Centre Grant	29	0	171	148	100.00	(15.00)
Municipal Disaster Grant (Drought Relief)	0	0	0	0	0	0
Local Government Support Grants (COVID-19)	550	0	0	0	0	0
Human Settlement Development Grant	0	13 000	14 077	0	0	0
Transport Infrastructure Grant	0	70	70	0	0	0
Other grant providers:	50	0	0	0	0	0
West Coast District Municipality (COVID-19)	50	0	0	0	0	0
Total Operating Transfers and Grants	93 202	144 211	135 099	119 870	(20.31)	(12.70)
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 206: Grant Performance for 2020/21

Annual Report

5.3.2 Conditional Grants

Details	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
Operating Expenditure of Transfers and Grants						
National Government						
Municipal Infrastructure Grant (MIG)	2 689	2 689	2 733	2 715	0.99	(0.66)
Financial Management Grant (FMG)	2 085	2 011	2 011	2 011	0.00	0.00
Integrated National Electrification Programme (INEP)	1 258	2 968	2 217	2 217	(33.85)	0.00
Expanded Public Works Program (EPWP)	1 954	2 121	2 121	2 121	0.00	0.00
Water Service Infrastructure Grant (WSIG)	526	3 913	2 147	2 037	(92.07)	(5.37)
Municipal Disaster Relief Grant (COVID-19)	132	0	77	0	0	0
Municipal Infrastructure Grant (MIG)	2 689	2 689	2 733	2 715	0.99	(0.66)
Financial Management Grant (FMG)	2 085	2 011	2 011	2 011	0.00	0.00
Provincial Government						
Library Services MRF	4 594	5 026	5 027	5 026	0	(0.01)
CDW Support	329	169	169	0	0	0
Municipal Drought Support Grant	424	0	14	0	0	0
Local Government Graduate Internship Grant	16	0	80	41	100.00	(95.93)
Financial Management Support Grant	500	0	500	199	100.00	(151.32)
Municipal Capacity Building Grant	34	401	565	350	(14.45)	(61.25)
Acceleration of Housing Delivery	91	0	0	0	0	0
Thusong Service Centre Grant	29	0	171	148	100.00	(15.00)
Municipal Disaster Grant (Drought Relief)	0	0	0	0	0	0
Local Government Support Grants (COVID-19)	550	0	0	0	0	0
Human Settlement Development Grant	0	13 000	14 077	0	0	0
Transport Infrastructure Grant	0	70	70	0	0	0
Other Grant Providers						

Annual Report

Details	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
West Coast District Municipality - COVID 19	50	0	0	0	0	0
Capital Expenditure of Transfers and Grants						
National Government						
Municipal Infrastructure Grant (MIG)	12 978	12 901	13 166	13 184	2.14	0.14
Integrated National Electrification Programme (INEP)	8 383	19 786	14 783	14 783	(33.85)	0.00
Water Service Infrastructure Grant (WSIG)	3 532	26 087	14 310	14 271	(82.80)	(0.28)
Provincial Government:						
Municipal Drought Support Grant	3 239	0	92	0	0	0
Acceleration of Housing Delivery	607	0	0	0	0	0
Library Services MRF Capital	0	0	4	0	0	0
Total	44 001	91 142	74 332	59 103	(54.21)	(25.77)
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

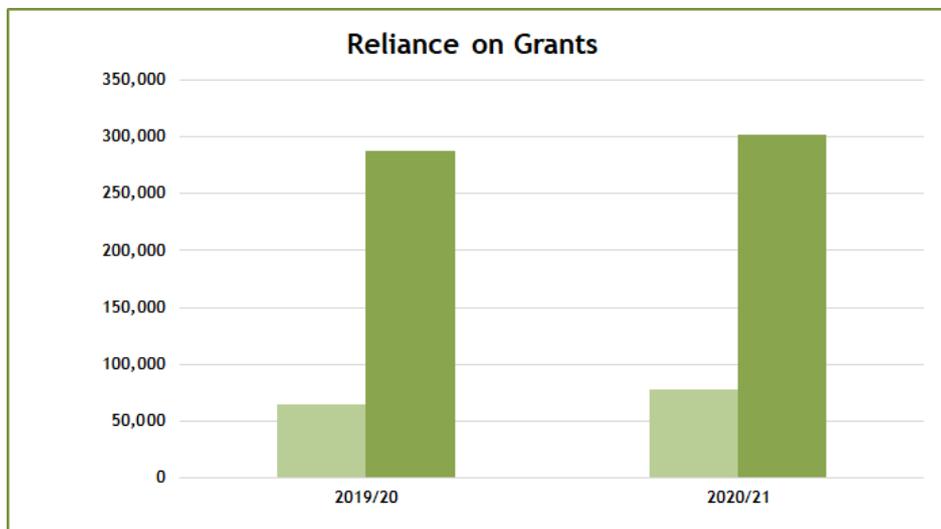
Table 207: Conditional Grant

5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2019/20	64 462	287 736	22.40
2020/21	77 633	301 700	25.73

Table 208: Reliance on Grants

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



Graph 5: 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	Water Supply Infrastructure	
Key Staff Involved	Phemelo Majeni/Ben Scippers	
Asset Value as at 30 June 2020	2019/20 R million	2020/21 R million
	58,789	58,789
Capital Implications	None	
Future Purpose of Asset	Water Supply - Drought Relief	
Describe Key Issues	Funding amounting to R21.973 million for this project was made available with the DoRA for 2021/22. However, the amount is a schedule 6B allocation, which means that it is an allocation in-kind through which the National Department will implement the project in the Municipality. The projected completion date is 30 June 2022.	
Policies in Place to Manage Asset	Assets Management Policy/ Supply Chain Management Policy	

Table 209: Asset 1

Annual Report

Asset 2		
Name	INEP - Bulk Electricity Upgrade Clanwilliam	
Description	Electricity upgrades	
Asset Type	Electricity Infrastructure	
Key Staff Involved	Randall September	
Asset Value as at 30 June 2020	2019/20 R million	2020/21 R million
	4 636	19 419
Capital Implications	Grant	
Future Purpose of Asset	Electrical Supply - Clanwilliam	
Describe Key Issues	None	
Policies in Place to Manage Asset	Assets Management Policy	

Table 210: Asset 2

Asset 3		
Name	Construction of Sewerage Pumpstation	
Description	Sewerage Pump Station	
Asset Type	Solid Waste Infrastructure	
Key Staff Involved	Phemelo Majeni/Jacque Kotze	
Asset Value as at 30 June 2020	2019/20 R million	2020/21 R million
	7 246	7 246
Capital Implications	N/A	
Future Purpose of Asset	Solid Waste Treatment	
Describe Key Issues	Project is at practical completion stage with a snag list. The trial period ended and site handover to the Municipality was on 18 March 2021. Irrigation pump station and pipeline is expected be implemented in the current financial year and expenditure has been incurred.	
Policies in Place to Manage Asset	Assets Management Policy	

Table 211: Asset 3

5.4.2 Repairs and Maintenance

Description	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	9,892	26,353	28,082	6,350	(77.39)

Table 212: Repairs & Maintenance

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity Ratio

Description	Basis of calculation	2019/20	2020/21
Current Ratio	Current assets/current liabilities	0.48	0.44
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.48	0.44
Liquidity Ratio	Monetary assets/current liabilities	0.47	0.43

Table 213: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2019/20	2020/21
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.00	0.40
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.83	0.74
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	40.22	44.07

Table 214: Financial Viability National KPAs

5.5.3 Borrowing Management

Description	Basis of calculation	2019/20	2020/21
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.99%	2.08%

Table 215: Borrowing Management

5.5.4 Employee costs

Description	Basis of calculation	2019/20	2020/21
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.09%	40.59%

Table 216: Employee Costs

5.5.5 Repairs & Maintenance

Description	Basis of calculation	2019/20	2020/21
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	3.44%	2.10%

Table 217: Repairs & Maintenance

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 SOURCES OF FINANCE

5.6.1 Capital Expenditure by New Assets Program

Description	2019/20	2020/21			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
R'000							
Capital expenditure by Asset Class							
Infrastructure - Total	31 824	58 345	42 241	42 838	39 784	26 190	21 274
Infrastructure: Road transport - Total	8 871	1 455	965	351	6 877	0	0
Roads, Pavements & Bridges	8 871	1 275	805	351	6 757	0	0
Storm water	0	180	160	0	120	0	0
Infrastructure: Electricity - Total	11 430	20 456	15 366	15 596	19 767	8 696	9 565
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	11 430	20 456	15 366	15 596	19 767	8 696	9 565
Street Lighting	0	0	0	0	0	0	0
Infrastructure: Water - Total	5 691	26 517	7 560	7 165	5 583	10 139	11 709
Dams & Reservoirs	5 691	26 367	7 392	7 165	5 433	10 139	0
Water purification	0	150	168	0	150	0	11 709
Reticulation	0	0	0	0	0	0	0
Infrastructure: Sanitation - Total	5 832	9 918	18 350	19 727	7 557	7 356	0
Reticulation	43	80	30	0	250	7 356	0
Sewerage purification	5 789	9 838	18 320	19 727	7 307	0	0
Infrastructure: Other - Total	0	0	0	0	0	0	0
Waste Management	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Community - Total	277	4 245	2 353	1 595	2 678	5 500	11 772
Parks & gardens	0	160	0	0	0	2 508	0

Annual Report

Description	2019/20	2020/21			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
R'000							
Sports fields & stadia	219	3 925	2 317	1 559	0	2 992	11 772
Swimming pools	0	0	0	0	0	0	0
Community halls	28	0	0	0	1 000	0	0
Libraries	0	0	0	0	0	0	0
Recreational facilities	0	100	36	36	1 528	0	0
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	0	0	0	0	0	0	0
Buses	29	0	0	0	0	0	0
Cemeteries	0	60	0	0	150	0	0
Social rental housing	0	0	0	0	0	0	0
Capital expenditure by Asset Class	2 483	3 628	1 137	676	8 799	20	20
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	2 483	3 628	1 137	676	8 799	20	20
General vehicles	0	1 625	0	0	3 750	0	0
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	1 519	1 515	716	422	2 258	0	0
Computers - hardware/equipment	37	288	208	188	2 028	20	20
Furniture and other office equipment	900	100	74	6	763	0	0
Markets	0	0	0	0	0	0	0
Other Buildings	28	100	108	30	0	0	0
Other Land	0	0	32	30	0	0	0
Intangibles	0	0	0	0	0	0	0
Computers - software & programming	0	0	0	0	0	0	0
Total Capital Expenditure on new assets	277	4 245	2 353	1 595	2 678	5 500	11 772

Table 218: Capital Expenditure by New Assets Program

Annual Report

5.6.1 Capital Expenditure: Funding Sources

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

Capital Expenditure: Funding Sources						
Details	2019/20	2020/21				
	<i>Audited outcome</i>	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	R'000				%	
External loans	0	1 500	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	29 691	58 770	42 354	42 237	(27.93)	(0.20)
Own funding	4 892	5 949	3 376	2 872	(43.24)	(8.47)
Total	34 584	66 219	45 731	45 109	(30.94)	(0.94)
Percentage of Finance						
External loans	0	2	0	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	86	89	93	94		
Own funding	14	9	7	6		
Capital Expenditure						
Description	R'000				%	
Water and sanitation	5 832	9 918	18 350	19 727	85.03	13.88
Electricity	11 430	20 456	15 366	15 596	(24.88)	1.12
Housing	0	0	0	0	0	0
Roads and storm water	8 871	1 455	965	351	(33.65)	(42.22)
Other	8 451	34 391	11 050	9 436	(67.87)	(4.69)
Total	34 584	66 219	45 731	45 109	(30.94)	(0.94)
Percentage of Expenditure						
Water and sanitation	17	15	40	44		
Electricity	33	31	34	35		
Housing	0	0	0	0		
Roads and stormwater	26	2	2	1		
Other	24	52	24	21		

Table 219: Capital Expenditure by Funding Source

Annual Report

5.6.2 Capital Spending on Largest Capital Projects

Name of Project	2020/21				
	Original Budget	Adjusted Budget	Actual Expenditure	Original Variance	Adjusted variance
	R'000			%	
INEP - Bulk Electricity Upgrade Clanwilliam	19 786	14 783	14 783	(25.29)	0.
MIG: WWTW Citrusdal	9 718	11 085	11 619	19.57	4.82
WSIG : Upgrade Of Graafwater Raw Water Infrastructure	0	7 177	7 137	0	(0.56)
WSIG : Upgrade Of Graafwater Oxidation Ponds	0	7 133	7 133	0	0.00
MIG: Upgrade Sport Fields Clanwilliam	2 186	1 317	1 195	(45.33)	(9.22)
Name of Project - A	INEP - Bulk Electricity Upgrade Clanwilliam				
Objective of Project	Bulk Electricity Upgrade Clanwilliam				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Clanwilliam				
Name of Project - B	MIG: WWTW Citrusdal				
Objective of Project	WWTW Citrusdal				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Citrusdal				
Name of Project - C	WSIG: Upgrade Of Graafwater Raw Water Infrastructure				
Objective of Project	Upgrade Of Graafwater Raw Water Infrastructure				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Graafwater				
Name of Project - D	WSIG: Upgrade Of Graafwater Oxidation Ponds				
Objective of Project	Upgrade Of Graafwater Oxidation Ponds				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Graafwater				
Name of Project - E	MIG: Upgrade Sportfields Clanwilliam				
Objective of Project	Upgrade Sport Fields Clanwilliam				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Clanwilliam				

Table 220: Capital Spending on Largest Capital Projects

Annual Report

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	9 718	11 085	11 619	16.37	4.59
<i>Sewerage purification</i>	9 718	11 085	11 619	0.00	0.00
Other Specify: Recreational facilities	2 205	1 335	1 213	0.00	0.00
<i>Outdoor Sport facilities</i>	2 205	1 335	1 213	0.00	0.00
Roads Infrastructure	975	745	351	(177.69)	(112.31)
Total	12 897	13 166	13 184	2.17	0.14

* 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 221: 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	2019/20	2020/21		
	<i>Audited Outcome</i>	<i>Original Budget</i>	<i>Adjusted Budget</i>	<i>Actual</i>
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	175 861	200 769	196 777	192 498
Government - operating	88 293	85 436	86 848	70 064

Annual Report

Cash Flow Outcomes				
R'000				
Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Government - capital	29 691	58 774	19 700	23 413
Interest	506	3 598	2 252	749
Dividends	0	0	0	0
Payments				
Suppliers and employees	(242 081)	(272 632)	(265 364)	(238 633)
Finance charges	(3 781)	(1 577)	(4 531)	(5 355)
Transfers and Grants	(1 144)	(4 618)	(1 431)	(406)
Net cash from/(used) operating activities	47 344	69 751	34 251	42 331
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	67	0	0	351
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	(33 835)	(66 219)	(45 731)	(45 109)
Net cash from/(used) investing activities	(33 769)	(66 219)	(45 731)	(44 758)
Cash flows from financing activities				
Receipts				
Consumer Deposits	53	113	202	210
Borrowing long term/refinancing	0	1 500	0	0
Payments				
Repayment of borrowing	(4 131)	(3 701)	(4 718)	(4 717)
Net cash from/(used) financing activities	(4 078)	(2 088)	(4 516)	(4 508)
Net increase/ (decrease) in cash held	9 497	1 445	(15 995)	(6 935)
Cash/cash equivalents at the year begin:	7 187	549	16 685	16 685
Cash/cash equivalents at the yearend:	16 685	1 993	690	9 750

Table 222: 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						
2019/20	32 871	61 786	32 454	0	8 118	135,230
2020/21	34 409	61 906	28 330	0	10 436	135,081
Difference	1 538	120	(4 124)	0	2 318	(148)
% growth year on year	5	0	-13	0	29	0

Note: Figures exclude provision for bad debt

Table 223: 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				
2019/20	17 531	19 550	32 726	65 423	135 230
2020/21	19 417	17 248	31 951	66 466	135 081
Difference	1 886	(2 301)	(775)	1 043	(148)
% growth year on year	11	-12	-2	2	0

Note: Figures exclude provision for bad debt

Table 224: Service Debtor Age Analysis

Annual Report

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	2019/20	2020/21
	R'000	
Long-term loans (annuity/reducing balance)	12 753	10 089
Financial leases	4 446	2 392
Total	17 199	12 481

Table 225: Actual Borrowings

5.10.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2019/20	2020/21
	Actual	
R'000		
Deposits - Bank	7 767	4 432
Total	7 767	4 432

Table 226: 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 2020/21	Total Amount committed over previous and future years
		R'000	
Bursaries	N/A	314	N/A
Sport Councils	N/A	50	N/A
Social Relief	N/A	42	N/A

Table 227: Grants Made by the Municipality

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

6.1 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
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 228: AG Report on Financial Performance 2019/20

COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

6.2 AUDITOR-GENERAL REPORT 2020/21

2020/21	
Unqualified without findings	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Material Impairments	
As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R75.4 million (2019-20: R75.2 million).	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 provided for the impairment of receivables from non-exchange transactions amounting to R42.4 million (2019-20: R61.0 million).	

Table 229: AG Report on Financial Performance 2020/21

List of Abbreviations

LIST OF ABBREVIATIONS

AG	Auditor-General	IMFO	Institute for Municipal Finance Officers
AFS	Annual Financial Statements	KPA	Key Performance Area
CAPEX	Capital Expenditure	KPI	Key Performance Indicator
CBP	Community Based Planning	LED	Local Economic Development
CFO	Chief Financial Officer	MAYCOM	Executive Mayoral Committee
CMTPT	Council Meets The People	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
COGHSTA	Department of Cooperative Governance, Human Settlements and Traditional Affairs	MIG	Municipal Infrastructure Grant
DCOG	Department of Cooperative Governance	MISA	Municipal Infrastructure Support Agent
DCAS	Department of Cultural Affairs and Sport	MM	Municipal Manager
DEADP	Department of Environmental Affairs and Development Planning	MMC	Member of Mayoral Committee
DEDAT	Department of Economic Development and Tourism	MSA	Municipal Systems Act No. 32 of 2000
DHS	Department of Human Settlements	MTECH	Medium Term Expenditure Committee
DOH	Department of Health	NCOP	National Council of Provinces
DPLG	Department of Provincial and Local Government	NERSA	National Energy Regulator South Africa
DSD	Department of Social Development	NGO	Non-governmental organisation
DRDLR	Department of Rural Development and Land Reform	NT	National Treasury
DWA	Department of Water Affairs	NYDA	National Youth Development Agency
ECD	Early Childhood Development	OPEX	Operating expenditure
EE	Employment Equity	PMS	Performance Management System
EPWP	Extended Public Works Programme	PT	Provincial Treasury
EXCO	Executive Committee	SALGA	South African Local Government Association
FBS	Free Basic Services	SAMDI	South African Management Development Institute
GAMAP	Generally Accepted Municipal Accounting Practice	SCAC	Stop Crime Against Children
GRAP	Generally Recognised Accounting Practice	SCM	Supply Chain Management
HR	Human Resources	SDBIP	Service Delivery and Budget Implementation Plan
IDP	Integrated Development Plan	SDF	Spatial Development Framework
IFRS	International Financial Reporting Standards	WESGRO	Western Cape Tourism, Trade and Investment Promotion Agency

List of Tables

LIST OF TABLES

Table 1: Population	9	Table 36: Strategies.....	43
Table 2: Geographical Context	10	Table 37: Implementation of the Strategies.....	44
Table 3: Municipal Wards.....	12	Table 38: Members of the Audit Committee	45
Table 4: Key Economic Activities.....	16	Table 39: Members of the Performance Audit Committee	46
Table 5: Basic Services Delivery Highlights	17	Table 40: Newsletter	46
Table 6: Basic Services Delivery Challenges	18	Table 41: Awareness Campaigns.....	47
Table 7: Households with Minimum Level of Basic Services	18	Table 42: Additional Communication Channels Utilised	48
Table 8: Financial Viability Highlights.....	19	Table 43: Website Checklist	50
Table 9: Financial Viability Challenges.....	19	Table 44: Top Layer SDBIP per Strategic Objectives.....	57
Table 10: National KPI's for Financial Viability and Management.....	20	Table 45: Improve and sustain basic service delivery and infrastructure development.....	60
Table 11: Opinion Received.....	21	Table 46: Financial viability and economically sustainability.....	62
Table 12: 2020/21 IDP/Budget Process	25	Table 47: Good governance, community development & public participation.....	63
Table 13: Committee Members.....	27	Table 48: Facilitate, expand and nurture sustainable economic growth and eradicate poverty	63
Table 14: COVID-19: Statistical Information.....	27	Table 49: To facilitate social cohesion, safe and healthy communities	63
Table 15: Challenges: COVID-19	27	Table 50: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council	64
Table 16: Action Plan to Address the COVID-19 Associated Risks.....	28	Table 51: Functional Areas.....	66
Table 17: COVID - 19 Communication/ Awareness.....	29	Table 52: Water Services Highlights.....	67
Table 18: National KPIs - Good Governance and Public Participation Performance.....	30	Table 53: Water Services Challenges.....	67
Table 19: Good Governance and Public Participation Performance Highlights.....	31	Table 54: Water Service Delivery Levels: Households	68
Table 20: Good Governance and Public Participation Challenges	31	Table 55: Employees: Water Services	69
Table 21: Council 2020/21	32	Table 56: Capital Expenditure 2020/21: Water Services	70
Table 22: Executive Committee 2020/21	32	Table 57: Waste Water (Sanitation) Provision Highlights.....	70
Table 23: Portfolio Committees.....	33	Table 58: Waste Water (Sanitation) Provision Challenges.....	71
Table 24: Administrative Governance Structure	34	Table 59: Waste Water (Sanitation) Provision Service Delivery Levels	71
Table 25: Intergovernmental Structures.....	35	Table 60: Employees Waste Water (Sanitation) Provision	72
Table 26: Joint Projects and Functions with Sector Departments	37	Table 61: Capital Expenditure 2020/21: Waste Water (Sanitation) Provision	72
Table 27: Ward 1: Committee Members.....	38	Table 62: Electricity Highlights.....	73
Table 28: Ward 2: Committee Members.....	38	Table 63: Electricity Challenges.....	73
Table 29: Ward 3: Committee Members.....	38	Table 64: Electricity Service Delivery Levels.....	74
Table 30: Ward 4: Committee Members.....	39	Table 65: Employees: Electricity Services.....	74
Table 31: Ward 5: Committee Members.....	39	Table 66: Capital Expenditure 2020/21: Electricity	75
Table 32: Ward 6: Committee Members.....	40	Table 67: Waste Management Highlights	76
Table 33: Labour Forum	40		
Table 34: Top Risks.....	42		
Table 35: Risk Committee.....	43		

List of Tables

Table 68: Waste Management Challenges.....	76	Table 104: Challenges LED	92
Table 69: Waste Management Service Delivery Levels	77	Table 105: Employees: LED	93
Table 70: Employees: Waste Management.....	78	Table 106: Tourism Strategic Objectives	94
Table 71: Capital Expenditure 2020/21: Waste Management	78	Table 107: Highlights: Tourism.....	95
Table 72: Subsidy Housing Opportunities.....	79	Table 108: Challenges: Tourism.....	95
Table 73: Housing Needs	79	Table 109: Employees: Tourism	96
Table 74: Housing Highlights.....	80	Table 110: Libraries in the Municipal Area	96
Table 75: Housing Challenges.....	81	Table 111: Libraries Highlights.....	97
Table 76: Applicants on the Western Cape Housing Demand Database.....	81	Table 112: Libraries Challenges	97
Table 77: Housing Waiting List.....	81	Table 113: Service Statistics for Libraries	97
Table 78: Houses Built and Sites Service.....	81	Table 114: Employees: Libraries	98
Table 79: Employees: Housing.....	82	Table 115: Cemeteries Highlights.....	98
Table 80: Capital Expenditure 2020/21: Housing	82	Table 116: Cemeteries Challenges.....	99
Table 81: Free Basic Services to Indigent Households.....	83	Table 117: Service Statistics for Cemeteries.....	99
Table 82: Free Basic Electricity Services to Indigent Households.....	83	Table 118: Capital Expenditure: Community and Social Services.....	99
Table 83: Free Basic Water Services to Indigent Households	83	Table 119: Law Enforcement Highlights	100
Table 84: Free Basic Sanitation Services to Indigent Households	83	Table 120: Law Enforcement Challenges	100
Table 85: Free Basic Refuse Removal Services to Indigent Households	83	Table 121: Service Statistics for Law Enforcement	100
Table 86: Cost to Municipality of Free Basic Services Delivered	84	Table 122: Employees: Law Enforcement.....	101
Table 87: Roads and Stormwater Highlights	85	Table 123: Traffic Services Highlights.....	102
Table 88: Roads and Stormwater Challenge	86	Table 124: Traffic Services Challenges.....	102
Table 89: Gravel Road Infrastructure	86	Table 125: Service Statistics for Traffic Services	103
Table 90: Tarred Road Infrastructure.....	86	Table 126: Employees: Traffic Services.....	103
Table 91: Cost of Construction/Maintenance of Roads.....	86	Table 127: Fire Services and Disaster Management Highlights.....	104
Table 92: Stormwater Services Delivery Statistics	87	Table 128: Fire Services and Disaster Management Challenges.....	104
Table 93: Stormwater Services Delivery Statistics - Financials	87	Table 129: Service Statistics for Fire Services.....	105
Table 94: Employees: Roads.....	87	Table 130: Employees: Fire Services and Disaster Management.....	105
Table 95: Employees: Waste Water (Stormwater).....	88	Table 131: Capital Expenditure 2020/21: Public Safety.....	105
Table 96: Capital Expenditure 2020/21: Roads and Stormwater	88	Table 132: Sport and Recreation Highlights	106
Table 97: Planning Highlights.....	90	Table 133: Sport and Recreation Challenges.....	107
Table 98: Planning Challenges.....	90	Table 134: Service Statistics for Sport and Recreation	107
Table 99: Applications for Land Use Development.....	90	Table 135: Employees: Resorts and Caravan Parks	108
Table 100: Additional Performance Town Planning and Building Control	91	Table 136: Employees: Parks and Gardens.....	108
Table 101: Employees: Planning	91	Table 137: Capital Expenditure 2020/21: Sport and Recreation.....	109
Table 102: Capital Expenditure 2020/21: Project Management and Town Planning	91	Table 138: Executive and Council Highlights.....	110
Table 103: LED Highlights	92	Table 139: Executive and Council Challenges.....	110
		Table 140: Employees: Area Management	111
		Table 141: Employees: Administrative Services	111
		Table 142: Employees: Thusong Centres.....	112

List of Tables

Table 143: Financial Services Highlights	112	Table 174: Vacancies per Department.....	130
Table 144: Financial Services Challenges	113	Table 175: Full Time Staff Equivalents.....	130
Table 145: Debt Recovery.....	113	Table 176: Employee Movement.....	130
Table 146: Employees: Financial Services	114	Table 177: Injuries.....	131
Table 147: Capital Expenditure 2020/21: Finance and Administration	114	Table 178: Human Resource Policies and Plans	132
Table 148: Occupational Health and Safety 2020/21	116	Table 179: Skills Matrix	133
Table 149: Human Resources Highlights	116	Table 180: Budget Allocated for Skills Development.....	133
Table 150: Human Resources Challenges	117	Table 181: MFMA Competencies	134
Table 151: Employees: Human Resources.....	117	Table 182: Personnel Expenditure.....	135
Table 152: ICT Highlights.....	118	Table 183: Financial Performance 2020/21.....	138
Table 153: ICT Challenges.....	118	Table 184: Performance Against Budgets	138
Table 154: Employees: ICT Services	119	Table 185: Revenue by Vote	140
Table 155: Legal Services Highlights	119	Table 186: Revenue by Source	140
Table 156: Legal Services Challenges	120	Table 187: Operational Services Performance	142
Table 157: Employees: Legal Services	120	Table 188: Financial Performance: Water Services	142
Table 158: Procurement Services Highlights.....	121	Table 189: Financial Performance: Waste Water (Sanitation) Services	143
Table 159: Procurement Services Challenges.....	121	Table 190: Financial Performance: Electricity	143
Table 160: Service Statistics for Procurement Division	121	Table 191: Financial Performance: Waste Management.....	144
Table 161: Statistics of Deviations from the SCM Policy	121	Table 192: Financial Performance: Housing.....	144
Table 162: Improve and sustain basic service delivery and infrastructure development.....	125	Table 193: Financial Performance: Roads and Stormwater	145
Table 163: Financial viability and economically sustainability	126	Table 194: Financial Performance: Planning.....	145
Table 164: Good governance, community development & public participation	126	Table 195: Financial Performance: LED	146
Table 165: Facilitate, expand and nurture sustainable economic growth and eradicate poverty.....	126	Table 196: Financial Performance: Libraries	146
Table 166: Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. housing development and informal settlement upgrade.....	127	Table 197: Financial Performance: Traffic and Law Enforcement.....	147
Table 167: To facilitate social cohesion, safe and healthy communities	127	Table 198: Financial Performance: Fire Services and Disaster Management.....	147
Table 168: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council.....	127	Table 199: Financial Performance: Holiday Resorts and Campsites ..	148
Table 169: 2020/21 EE Actual by Racial Classification.....	128	Table 200: Financial Performance: Swimming Pools and Sport Grounds	148
Table 170: 2020/21 EE Actual by Gender Classification	128	Table 201: Financial Performance: Community Facilities and Thusong Centres	149
Table 171: EE Population 2020/21 (including non-permanent officials)	129	Table 202: Financial Performance: Financial Services	149
Table 172: Occupational Categories	129	Table 203: Financial Performance: Office of the Municipal Manager	150
Table 173: Departments: Race.....	129	Table 204: Financial Performance: Administration	150
		Table 205: Financial Performance: Human Resources	151
		Table 206: Grant Performance for 2020/21	152
		Table 207: Conditional Grant	154
		Table 208: Reliance on Grants.....	154
		Table 209: Asset 1.....	155

List of Tables

Table 210: Asset 2.....	156
Table 211: Asset 3.....	156
Table 212: Repairs & Maintenance.....	156
Table 213: Liquidity Financial Ratio.....	157
Table 214: Financial Viability National KPAs.....	157
Table 215: Borrowing Management.....	157
Table 216: Employee Costs.....	157
Table 217: Repairs & Maintenance.....	158
Table 218: Capital Expenditure by New Assets Program.....	159
Table 219: Capital Expenditure by Funding Source.....	160
Table 220: Capital Spending on Largest Capital Projects.....	161
Table 221: MIG Expenditure on Service Backlogs.....	162
Table 222: Cash Flow.....	163
Table 223: Gross Outstanding Debtors per Service.....	164
Table 224: Service Debtor Age Analysis.....	164
Table 225: Actual Borrowings.....	165
Table 226: Municipal Investments.....	165
Table 227: Grants Made by the Municipality.....	165
Table 228: AG Report on Financial Performance 2019/20.....	166
Table 229: AG Report on Financial Performance 2020/21.....	167

LIST OF GRAPHS

Graph 1: Population by Race.....	9
Graph 2: Top Layer SDBIP per Strategic Objectives.....	57
Graph 3: Revenue.....	138
Graph 4: Operating Expenditure.....	139
Graph 5: Reliance on Grants.....	155

LIST OF FIGURES

Figure 1: Cederberg Area Map.....	11
Figure 2: Ward 1.....	13
Figure 3: Ward 2.....	13
Figure 4: Ward 3.....	13
Figure 5: Ward 4.....	13
Figure 6: Ward 5.....	13
Figure 7: Components of the Municipal Scorecard (Top Layer).....	54
Figure 8: SDBIP Measurement Criteria.....	56

Annexure A

Financial Statements

CEDERBERG LOCAL MUNICIPALITY



AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2021



**AUDITOR - GENERAL
SOUTH AFRICA**

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

INDEX

Content	Page
General Information	1 - 2
Approval of the Financial Statements	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes In Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8
Accounting Policies	9 - 31
Notes to the Financial Statements	32 - 83
APPENDICES - Unaudited	
A Schedule of External Loans	84
B Disclosure of Grants and Subsidies	85
C National Treasury's Appropriation Statement	86 - 92



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	Vacant
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 F Kamfer
Cllr M Heins

MUNICIPAL MANAGER

Mr A Titus (Acting)

CHIEF FINANCIAL OFFICER

Mr M Memani

AUDIT COMMITTEE

Omar Valley (Chairperson)
Charles Beukes

REGISTERED OFFICE

2A Voortrekker Road
Clanwilliam
8135

POSTAL ADDRESS

Private Bag x2
Clanwilliam
8135



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

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

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2021, which are set out on pages 1 to 83 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, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2022 and 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 A Titus (Acting)
Municipal Manager

31 AUGUST 2021

Date



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Notes	2021 R (Actual)	2020 R (Restated)
ASSETS			
Current Assets			
		51 752 795	60 558 829
Cash and Cash Equivalents	2	9 749 887	16 684 890
Receivables from Exchange Transactions	3	25 277 285	27 173 501
Receivables from Non-Exchange Transactions	4	10 821 063	12 216 822
Taxes	5	4 461 622	3 090 646
Operating Lease Assets	6	4 956	5 429
Current Portion of Long-term Receivables	7	31 969	-
Inventory	8	1 406 014	1 387 542
Non-Current Assets			
		725 376 904	692 878 442
Investment Property	9	77 058 849	77 144 463
Property, Plant and Equipment	10	647 063 696	614 257 130
Intangible Assets	11	1 254 360	1 476 849
Total Assets			
		777 129 700	753 437 271
Current Liabilities			
		117 216 661	127 078 872
Current Portion of Long-term Liabilities	12	5 178 934	4 717 622
Consumer Deposits	13	2 317 963	2 108 188
Payables from Exchange Transactions	14	95 697 284	81 119 876
Unspent Conditional Government Grants	15	1 081 961	27 474 112
Operating Lease Liabilities	6	7 570	14 121
Current Employee Benefits	16	12 932 949	11 644 954
Non-Current Liabilities			
		84 676 649	71 987 686
Long-term Liabilities	12	7 302 137	12 480 933
Employee Benefits	17	32 054 000	27 540 000
Non-Current Provisions	18	45 320 512	31 966 753
Total Liabilities			
		201 893 310	199 066 558
NET ASSETS			
		575 236 389	554 370 713
COMMUNITY WEALTH			
Accumulated Surplus		575 236 389	554 370 713
		575 236 389	554 370 713



CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2021

	Notes	2021 R (Actual)	2020 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		177 278 749	158 656 451
Taxation Revenue		48 155 157	45 526 373
Property Rates	19	48 155 157	45 526 373
Transfer Revenue		119 869 945	93 202 200
Government Grants and Subsidies - Operating	20	77 633 162	64 461 748
Government Grants and Subsidies - Capital	20	42 236 784	28 740 452
Other Revenue		9 253 647	19 927 878
Insurance Refund		67 793	-
Fines, Penalties and Forfeits	21	9 185 854	13 993 924
Actuarial Gains	22	-	5 933 954
REVENUE FROM EXCHANGE TRANSACTIONS		166 657 954	157 819 921
Operating Activities		166 657 954	157 819 921
Service Charges	23	151 561 953	144 762 931
Rental of Facilities and Equipment	24	2 332 616	2 871 161
Interest Earned - external investments		748 598	505 556
Interest Earned - outstanding debtors		5 732 914	4 983 566
Agency Services	25	3 719 929	2 735 961
Other Income	26	2 488 906	1 960 746
Gain on disposal of Non-Monetary Assets	37	73 038	-
TOTAL REVENUE		343 936 703	316 476 371
EXPENDITURE			
Employee Related Costs	27	122 466 737	115 364 247
Remuneration of Councillors	28	5 571 991	5 569 861
Debt Impairment	29	32 636 625	46 524 832
Depreciation and Amortisation	30	21 748 338	18 858 434
Impairment	31	549 901	57 948
Finance Charges	32	11 585 070	9 822 083
Bulk Purchases	33	82 513 833	82 346 935
Contracted Services	34	17 281 696	18 205 886
Transfers and Grants	35	406 006	1 144 278
Other Expenditure	36	26 364 833	26 001 263
Actuarial Losses	22	1 945 998	-
Loss on disposal of Non-Monetary Assets	37	-	139 823
TOTAL EXPENDITURE		323 071 027	324 035 590
NET SURPLUS/(DEFICIT) FOR THE YEAR		20 865 676	(7 559 219)



CEDERBERG LOCAL MUNICIPALITY

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

	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2019	561 901 796	561 901 796
Correction of error restatement - note 38.4	28 132	28 132
Balance on 30 June 2019 - Restated	561 929 928	561 929 928
Net Deficit for the year	(7 559 215)	(7 559 215)
Balance on 30 June 2020 - Restated	554 370 713	554 370 713
Net Surplus for the year	20 865 676	20 865 676
Balance on 30 June 2021	575 236 389	575 236 389



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2021

	Notes	2021 R (Actual)	2020 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		45 968 054	40 582 028
Service Charges and Interest		137 056 164	123 172 181
Other Revenue		9 473 781	12 106 897
Government Grants		93 477 794	117 984 033
Investment Interest		748 598	505 556
Consumer Deposits		209 776	53 015
Payments			
Suppliers and employees		(238 632 707)	(242 081 028)
Finance charges		(5 354 594)	(3 781 092)
Transfers and Grants		(406 006)	(1 144 278)
NET CASH FROM OPERATING ACTIVITIES	39	42 540 860	47 397 312
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		350 757	66 739
Payments			
Purchase of Property, Plant and Equipment		(45 109 136)	(33 835 284)
NET CASH USED INVESTING ACTIVITIES		(44 758 379)	(33 768 545)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Loans repaid		(4 717 484)	(4 131 274)
NET CASH USED FINANCING ACTIVITIES		(4 717 484)	(4 131 274)
NET INCREASE/(DECREASE) IN CASH HELD		(6 935 003)	9 497 493
Cash and Cash Equivalents at the beginning of the year		16 684 890	7 187 397
Cash and Cash Equivalents at the end of the year		9 749 887	16 684 890



CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
Current assets	53 648 260	(14 698 427)	38 949 832	51 752 795	12 802 963
Non-current assets	763 222 935	(44 902 824)	718 320 111	725 376 904	7 056 793
Current liabilities	56 063 473	60 476 104	116 539 578	117 216 661	677 083
Non-current liabilities	139 585 481	(66 114 915)	73 470 565	84 676 649	11 206 084
Total Community Wealth	621 222 241	(53 962 440)	567 259 801	575 236 389	7 976 589
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
Property rates	48 770 607	(394 726)	48 375 881	48 155 157	(220 724)
Service Charges	159 184 970	(7 023 554)	152 161 416	151 561 953	(599 463)
Investment revenue	317 190	169 292	486 482	748 598	262 116
Transfers recognised - operational	85 436 249	7 307 829	92 744 078	77 633 162	(15 110 916)
Other own revenue	44 737 797	(4 511 011)	40 226 786	23 601 050	(16 625 736)
Total Revenue (excluding capital transfers)	338 446 813	(4 452 170)	333 994 643	301 699 920	(32 294 723)
EXPENDITURE					
Employee costs	123 557 424	1 279 659	124 837 083	122 466 737	(2 370 346)
Remuneration of councillors	5 857 909	(529 839)	5 328 070	5 571 991	243 921
Debt impairment	48 643 000	161 000	48 804 000	32 636 625	(16 167 375)
Depreciation and asset impairment	21 140 900	(1 097 900)	20 043 000	22 298 239	2 255 239
Finance charges	8 435 381	3 090 804	11 526 185	11 585 070	58 885
Bulk purchases	90 160 340	(1 951 000)	88 209 340	82 513 833	(5 695 507)
Other Materials	6 344 980	1 432 594	7 777 574	-	(7 777 574)
Contracted Services	27 194 740	7 986 349	35 181 089	17 281 696	(17 899 394)
Transfers and grants	4 617 651	(3 638 815)	978 836	406 006	(572 830)
Other expenditure	21 665 940	118 505	21 784 445	28 310 831	6 526 386
Loss on disposal of PPE	-	-	-	-	-
Total Expenditure	357 618 265	6 851 357	364 469 622	323 071 027	(41 398 595)
Surplus/(Deficit)	(19 171 452)	(11 303 527)	(30 474 979)	(21 371 108)	9 103 871
Transfers recognised - capital (Government)	58 774 348	(16 419 910)	42 354 438	42 236 784	(117 655)
Transfers recognised - capital (Other Providers)	-	187 175	187 175	-	(187 175)
NET SURPLUS FOR THE YEAR	39 602 896	(27 536 262)	12 066 634	20 865 676	8 799 042
CASH FLOW STATEMENT					
Net Cash Flow from Operating Activities	69 751 098	(35 499 643)	34 251 454	42 540 860	8 289 405
Net Cash Flow from Investing Activities	(66 218 876)	20 488 018	(45 730 858)	(44 758 379)	972 479
Net Cash Flow from Financing Activities	(2 087 645)	(2 428 085)	(4 515 730)	(4 717 484)	(201 754)
Net increase in cash and cash equivalents	1 444 577	(17 439 711)	(15 995 134)	(6 935 003)	9 060 130

Refer to note 41 for explanations of material variances between the original and final budget as well as the final budget and actual amounts.

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 2021

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

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

The annual 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, guidelines 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 terms 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.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

No significant amendments 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 actual 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

AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

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 Improvements to Standards of GRAP (2020) which was issued during March 2020. The improvements affected 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

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

The Municipality also resolved to early adopt the following Interpretation of the Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
iGRAP 21	The Effect of Past Decisions on Materiality	1 April 2023

The effect of the above-mentioned Improvements and Interpretations to the Standards of GRAP which were early adopted is considered insignificant. The Improvements and Interpretations 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.

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. This Standard was revised to align it with IFRS 9 on Financial Instruments.

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

1.08.2.2 GRAP 25 (Revised 2021) - Employee Benefits

The objective of this Standard is to prescribe the accounting and disclosure for employee benefits. This Standard was revised to align it with IPSAS 39 on Employee Benefits.

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

1.08.2.3 iGRAP 7 (Revised 2021) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

This Interpretation addresses the following:

- (a) When refunds or reductions in future contributions should be regarded as available in accordance with the definition of the asset ceiling.
- (b) How a minimum funding requirement might affect the availability of reductions in future contributions.

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

1.09 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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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 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.

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.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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 a prospective basis.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

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.

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.

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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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.

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.



AUDITOR GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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

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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.

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.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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.

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 2021

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.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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 2021

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 PRINCIPALS 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 principal and for the benefit of the principal.

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).



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

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 principal, 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 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation which comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, is not recognised as assets. The Standard only requires disclosure of the relevant resources.

The Municipality has assessed that it does not control any living resources, but is however responsible for non-living resources as set out in notes to the financial statements.

1.36 SEGMENT REPORTING

A segment is an activity of the Municipality:

- (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same Municipality);
- (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- (c) for which separate financial information is available.

Management comprises of 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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Financial information relating to the reporting segments are aligned to the financial information distributed to management on a regular basis (similar basis of preparation). This information is utilised to measure performance of the relevant services provided by the Municipality and also to ensure that resources are appropriately allocated to various departments/segments to provide high quality services to the community.

Adjustments and eliminations made in preparing the Municipality's financial statements, which includes the allocation basis of revenues and expenses, are prepared on a similar basis as the information distributed to management on a regular basis.

Financial information distributed to management does not include a segment/department analysis of assets and liabilities associated with each segment/department. In line with this principle utilised during the financial year, the segment reporting included in the financial statements are prepared on a similar basis which excludes such an analysis. Assets and liabilities are reported on for the Municipality as a whole.

Management reviews capital expenditure/performance on a regular basis and accordingly the relevant information is reported on per segment.

1.37 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:

1.37.1 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.

1.37.2 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.

1.37.3 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.



AUDITOR-GENERAL
SOUTH AFRICA

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

1.37.4 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.

1.37.5 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.

1.37.6 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.

1.37.7 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.

1.37.8 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.

1.37.9 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.

In considering the revenue to which the Municipality is entitled, the Municipality considers other factors that may impact the inflow of future economic benefits or service potential on initial recognition of revenue. Such factors include fines issued which will be reduced or withdrawn after reporting date. The Municipality applies judgement based on past experience and current facts and circumstances in order to adjust the traffic fine revenue accordingly.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

1.37.10 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.

1.37.11 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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
2 CASH AND CASH EQUIVALENTS		
Bank Accounts	5 311 494	8 913 223
Call Investment Deposits	4 432 167	7 766 727
Cash Floats	6 226	4 940
Total	9 749 887	16 684 890
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 14	1 076 642	1 076 642
Unspent Conditional Government Grants - note 15	1 081 961	27 474 112
VAT Payable - note 44.3	2 323 611	1 419 503
Performance Guarantee - note 14	325 502	-
Total	4 807 715	29 970 257
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	6 000 000
Guarantee in favour of Eskom registered with Standard Bank	2 900 000	2 900 000
The comparative amount of the guarantees were restated as the said Eskom guarantee was omitted in prior year's financial statements.		
Bank Accounts		
Standard Bank - Account number 082163324 (Main Current Account)	4 992 037	1 235 154
Standard Bank - Account number 072194480 (Traffic Account)	-	-
Standard Bank - Account number 072194774 (Service Account)	-	5 127 184
Standard Bank - Account number 032630263 (Current Account for debit orders)	319 377	203 916
Standard Bank - Account number 032630263 (Credit Card for Petty Cash)	80	-
ABSA - Account number 40-5357-8397 (Current Account)	-	2 346 970
ABSA - Account number 40-7639-1003 (Traffic Account)	-	-
ABSA - Account number 40-7639-1273 (Service Account)	-	-
Total	5 311 494	8 913 223
Bank accounts consists out of the following accounts:		
Standard Bank - Account number 082163324 (Main Current Account)		
Cash book balance at beginning of year	1 235 154	473
Cash book balance at end of year	4 992 037	1 235 154
Bank statement balance at beginning of year	838 332	473
Bank statement balance at end of year	4 779 214	838 332
Standard Bank - Account number 072194480 (Traffic Account)		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
Standard Bank - Account number 072194774 (Service Account)		
Cash book balance at beginning of year	5 127 184	-
Cash book balance at end of year	-	5 127 184
Bank statement balance at beginning of year	5 127 184	-
Bank statement balance at end of year	-	5 127 184



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2 CASH AND CASH EQUIVALENTS (CONTINUED)

Standard Bank - Account number 032630263 (Current Account for debit orders)

	2021	2020
Cash book balance at beginning of year	203 916	-
Cash book balance at end of year	319 377	203 916
Bank statement balance at beginning of year	203 916	-
Bank statement balance at end of year	319 377	203 916

Standard Bank - Account number 032630263 (Credit Card for Petty Cash)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	80	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	80	-

ABSA - Account number 40-5357-8397 (Current Account) - closed during 2020/21

Cash book balance at beginning of year	2 346 970	3 449 880
Cash book balance at end of year	-	2 346 970
Bank statement balance at beginning of year	1 866 086	2 944 803
Bank statement balance at end of year	-	1 866 086

ABSA - Account number 40-7639-1003 (Traffic Account) - account closed during 2019/20

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

ABSA - Account number 40-7639-1273 (Service Account) - account closed during 2019/20

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Standard Bank - Acc no 088893065-001	4 106 665	7 766 727
Standard Bank - Acc no 088893065-002	325 502	-
Total	4 432 167	7 766 727

A performance guarantee paid by a contractor amounting to R325 502 is included in the Call Investment Deposits. The said amount serve as security for the deposit as set out in note 14.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables

Electricity	25 718 336	23 076 041
Water	36 188 115	38 710 447
Refuse	11 778 829	14 406 472
Sewerage	16 551 583	18 047 670
Other	10 435 725	8 117 974

Total Gross Balance

Less: Allowance for Debt Impairment

Total Net Receivable

100 672 589	102 358 604
(75 395 303)	(75 185 103)
25 277 285	27 173 501

Other Service Receivables consist out of interest, sundry services and rentals.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

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	75 185 103	43 230 709
Movement in the contribution to the provision	22 102 950	32 756 028
Bad Debts Written off	(21 892 750)	(801 634)
Balance at the end of the year	75 395 303	75 185 103

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.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2021			
Service Receivables			
Electricity	25 718 336	(12 177 902)	13 540 434
Water	36 188 115	(29 315 007)	6 873 108
Refuse	11 778 829	(9 937 928)	1 840 901
Sewerage	16 551 583	(14 472 972)	2 078 610
Other	10 435 725	(9 491 494)	944 232
Total	100 672 589	(75 395 303)	25 277 285
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)	684 687
Total	102 358 604	(75 185 103)	27 173 501

Ageing of Receivables from Exchange Transactions

Electricity

0 - 30 Days (Current)	10 191 132	8 822 604
1 to 3 months	3 556 551	4 716 508
4 months to 1 year	4 315 326	3 558 148
Over 1 year	7 655 327	5 978 781
Total	25 718 336	23 076 041

Water

0 - 30 Days (Current)	3 566 218	3 090 708
1 to 3 months	4 786 136	4 972 789
4 months to 1 year	9 158 450	9 848 418
Over 1 year	18 677 311	20 798 532
Total	36 188 115	38 710 447



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Refuse		
0 - 30 Days (Current)	1 001 929	981 327
1 to 3 months	1 907 570	1 895 751
4 months to 1 year	4 035 809	3 682 668
Over 1 year	4 833 521	7 846 726
Total	11 778 829	14 406 472
Sewerage		
0 - 30 Days (Current)	843 786	919 704
1 to 3 months	1 673 969	1 687 841
4 months to 1 year	3 542 232	5 635 450
Over 1 year	10 491 596	9 804 674
Total	16 551 583	18 047 670
Other		
0 - 30 Days (Current)	459 018	527 795
1 to 3 months	1 327 665	1 446 404
4 months to 1 year	3 587 489	3 050 482
Over 1 year	5 061 554	3 093 292
Total	10 435 725	8 117 974
Summary Ageing of all Receivables from Exchange Transactions		
0 - 30 Days (Current)	16 062 083	14 342 139
1 to 3 months	13 251 890	14 719 294
4 months to 1 year	24 639 306	25 775 166
Over 1 year	46 719 309	47 522 006
Total	100 672 589	102 358 604
4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Service Receivables		
Property Rates	34 408 784	32 871 198
Other Receivables	18 810 385	40 336 448
Unpaid Traffic Fines	15 822 087	37 923 474
Suspense Debtors	1 705 125	1 385 748
Deposits	1 283 173	1 027 227
Total Gross Balance	53 219 169	73 207 647
Less: Allowance for Debt Impairment	(42 398 106)	(60 990 825)
Total Net Receivable	10 821 063	12 216 822
As previously reported		12 998 741
Correction of error restatement - note 38.1		(781 919)
Restated balance		12 216 822

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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Reconciliation of Allowance for Debt Impairment

	2021	2020
Balance at the beginning of the year	60 990 825	44 425 494
Movement in the contribution to the provision	10 335 621	17 055 927
Property Rates	3 653 829	7 352 940
Traffic Fines	6 681 792	9 702 987
Bad Debts Written off	(28 928 340)	(490 596)
Property Rates	(649 517)	(490 596)
Traffic Fines	(28 278 823)	-
Balance at the end of the year	42 398 106	60 990 825

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.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2021			
Service Receivables			
Property Rates	34 408 784	(27 320 693)	7 088 091
Other Receivables			
Unpaid Traffic Fines	15 822 087	(15 077 413)	744 673
Suspense Debtors	1 705 125	-	1 705 125
Deposits	1 283 173	-	1 283 173
Total	53 219 169	(42 398 106)	10 821 063
30 June 2020			
Service Receivables			
Property Rates	32 871 198	(24 316 381)	8 554 817
Other Receivables			
Unpaid Traffic Fines	37 923 474	(36 674 444)	1 249 029
Suspense Debtors	1 385 748	-	1 385 748
Deposits	1 027 227	-	1 027 227
Total	73 207 647	(60 990 825)	12 216 822

Ageing of Receivables from Non-Exchange Transactions

Property Rates

0 - 30 Days (Current)	3 354 494	3 188 816
1 to 3 months	3 996 523	4 830 583
4 months to 1 year	7 311 537	6 950 860
Over 1 year	19 746 230	17 900 939
Total	34 408 784	32 871 198



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
5 TAXES		
VAT Claimable/(Payable)	(2 341 594)	(1 704 694)
VAT Input in Suspense	9 169 235	7 821 311
VAT Output in Suspense - net	(2 366 018)	(3 025 972)
VAT Output in Suspense	(10 726 541)	(11 584 549)
Less: VAT on Allowance for Debt Impairment	8 360 523	8 558 578
Total	4 461 622	3 090 646
Reconciliation of VAT on Allowance for Debt Impairment		
Balance at beginning of year	8 558 578	5 271 455
Debt Impairment for current year	(198 055)	3 287 123
Balance at the end of the year	8 360 523	8 558 578
6 OPERATING LEASES		
6.1 OPERATING LEASE ASSETS		
Operating Lease Asset	4 956	5 429
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	5 429	452
Movement during the year	(473)	4 977
Balance at the end of the year	4 956	5 429
The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.		
Within 1 Year	96 422	95 843
Between 1 and 5 Years	5 953	91 214
After 5 Years	-	-
Total operating lease payments	102 375	187 057
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	7 570	14 121
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	14 121	12 534
Movement during the year	(6 551)	1 587
Balance at the end of the year	7 570	14 121

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

6 OPERATING LEASES (CONTINUED)

The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.

Within 1 Year	726 709	770 985
Between 1 and 5 Years	42 390	478 669
After 5 Years	-	-
Total operating lease payments	769 099	1 249 654

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.

7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	31 969	-
Less: Current portion of Long-term Receivables	(31 969)	-
Total	-	-

Debtors amounting to R31 969 have arranged to settle their account over an re-negotiated period. No payments have been deferred beyond 12 months after year end.

8 INVENTORY

Maintenance Materials - at cost	1 215 280	1 215 790
Water – at cost	190 734	171 752
Total	1 406 014	1 387 542

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	2 195 825	2 170 706

9 INVESTMENT PROPERTY

Investment Property - Carrying Value	77 058 849	77 144 463
--------------------------------------	-------------------	-------------------

The carrying value of Investment Property is reconciled as follows:

Opening Carrying Value	77 144 463	77 214 288
Cost	77 771 201	77 788 776
Accumulated Depreciation	(626 738)	(574 488)
Accumulated Impairment	-	-
Depreciation for the year	(52 250)	(52 250)
Disposals	(33 365)	(17 575)
Closing Carrying Value	77 058 849	77 144 463
Cost	77 737 836	77 771 201
Accumulated Depreciation	(678 987)	(626 738)
Accumulated Impairment	-	-



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

9 INVESTMENT PROPERTY (CONTINUED)

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 2020/21 and 2019/20 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.

10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2021				
Land and Buildings	22 492 858	(1 362 209)	-	21 130 650
Infrastructure	819 838 327	(295 193 658)	-	524 644 670
Leased Assets	7 966 690	(2 074 688)	-	5 892 002
Community Assets	77 372 986	(5 917 567)	-	71 455 419
Other Assets	29 760 607	(17 464 504)	-	12 296 102
Capitalised Restoration Cost	23 069 258	(10 816 554)	(607 849)	11 644 854
Total	980 500 725	(332 829 180)	(607 849)	647 063 696
30 June 2020				
Land and Buildings	22 346 044	(1 228 405)	-	21 117 639
Infrastructure	776 860 789	(277 504 752)	-	499 356 037
Leased Assets	8 192 488	(1 448 079)	-	6 744 409
Community Assets	75 778 007	(5 245 099)	-	70 532 909
Other Assets	29 530 406	(15 589 627)	-	13 940 779
Capitalised Restoration Cost	13 103 974	(10 480 668)	(57 948)	2 565 358
Total	925 811 708	(311 496 630)	(57 948)	614 257 130
As previously reported				614 010 943
Correction of error restatement - note 38.2				25 365
Correction of error restatement - note 38.3				220 822
Restated balance				614 257 130

10.1 Repairs and maintenance incurred on Property, Plant and Equipment

6 350 128

9 891 626

10.2 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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.3 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.

10.4 Carrying value of Property, Plant and Equipment pledged as security

5 892 002

6 744 409

The leased assets are financed through a finance lease agreement and are secured as set out in note 12.

10.5 Change in estimate useful lives

During the current year the remaining useful lives of Property, Plant and Equipment were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2021	2022
Increase / (Decrease) in Depreciation and Amortisation	(510 787)	510 787
Increase / (Decrease) in Accumulated Surplus	510 787	(510 787)
Increase / (Decrease) in Property, Plant and Equipment	510 787	(510 787)

10.6 Work in Progress projects taking a significant longer period to complete

- *Citrusdal Waste Water Treatment Works* - 67 982 594
This project was completed during the current year.

- *Lamberts Bay Desalination Plant* 58 788 544 58 788 544
Funding amounting to R21.973 million for this project was made available with the DoRA for 2021/22. However, the amount is a schedule 6B allocation, which means that it is an allocation in-kind through which the National Department will implement the project in the Municipality. The projected completion date is 30 June 2022.

- *Clanwilliam Water Treatment Works* 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.

- *Upgrade sidewalks and build new sidewalks in Denne Street* 119 281 119 281
This project is about 70% completed and will be completed once internal funding becomes available.

- *Ablution facilities in Khayelitsha* - 1 876 674
This project was completed during the current year.

- *Construction of sewerage pump stations* 7 245 604 7 245 604
Project is at practical completion stage with a snag list. The trial period ended and site handover to the Municipality was on 18 March 2021. Irrigation pump station and pipeline is expected be implemented in the current financial year and expenditure has been incurred.

- *Elands Bay economic corridor* 1 124 162 1 124 162
Funding has been made available in the 2021/22 financial year for remaining upgrades, after which it is expected to be fully functional. Expected completion date is 30 June 2022.



1 124 162 1 124 162
AUDITOR-GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
- <i>Upgrading of sport fields - Lamberts Bay</i> Project will be completed once internal funds become available.	95 641	95 641
- <i>Upgrading of sport fields - Clanwilliam</i> Project construction progress by 30 June 2021 is 60% with the outstanding work to be completed by 30 September 2021.	6 399 552	6 399 552
- <i>Lambertsbay Borehole Development</i> The Municipality is in consultation with the relevant stakeholders to reach an agreement with the farmers for access to their land for development. The process includes the use of groundwater and to obtain the relevant WULA applications. It is anticipated that the application will be finalised in this financial year.	448 150	-
Total	78 242 252	147 653 370

No impairment has been recognised on the above-mentioned projects.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.7 Reconciliation of Carrying Value

30 June 2021	Cost						Accumulated Depreciation and Impairment					Carrying Value	
	Opening Balance	Additions	Disposals	Contributed 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	22 346 044	110 352	-	-	36 463	22 492 858	1 228 405	133 804	-	-	1 362 209	21 130 650	
Land	8 184 902	29 889	-	-	-	8 214 791	-	-	-	-	-	8 214 791	
Buildings	14 161 142	56 940	-	-	59 986	14 278 067	1 228 405	133 804	-	-	1 362 209	12 915 859	
Work in progress	-	23 522	-	-	(23 522)	-	-	-	-	-	-	-	
Infrastructure	776 860 789	43 014 002	-	-	(36 463)	819 838 327	277 504 752	17 688 906	-	-	295 193 658	524 644 670	
Electrical	165 807 491	43 400	-	-	155 848	166 006 739	86 737 213	4 085 153	-	-	90 822 366	75 184 373	
Roads	142 811 982	-	-	-	29 256 644	172 068 627	71 333 739	5 203 852	-	-	76 537 592	95 531 035	
Sanitation	108 454 047	27 000	-	-	82 526 096	191 007 143	40 842 728	3 746 373	-	-	44 589 101	146 418 042	
Storm Water	27 747 507	-	-	-	-	27 747 507	6 154 110	549 585	-	-	6 703 695	21 043 812	
Water Supply	152 594 004	156 188	-	-	19 559 051	172 309 244	72 436 962	4 103 942	-	-	76 540 904	95 768 340	
Work in progress	179 445 756	42 787 413	-	-	(131 534 102)	90 699 068	-	-	-	-	-	90 699 068	
Leased Assets	8 192 488	-	(225 799)	-	-	7 966 690	1 448 079	670 509	-	-	(43 900)	5 892 002	
Furniture and Office Equipment	3 791 849	-	-	-	-	3 791 849	774 813	426 327	-	-	1 201 139	2 590 710	
Transport Assets	4 400 639	-	(225 799)	-	-	4 174 840	673 267	244 182	-	(43 900)	873 549	3 301 292	
Community Assets	75 778 007	1 594 978	-	-	-	77 372 986	5 245 099	672 468	-	-	5 917 567	71 455 419	
Community Facilities	16 794 857	35 806	-	-	-	16 830 663	1 062 495	139 705	-	-	1 202 199	15 628 463	
Sport and Recreational Facilities	51 363 795	-	-	-	-	51 363 795	4 182 604	532 763	-	-	4 715 368	46 648 428	
Work in progress	7 619 355	1 559 172	-	-	-	9 178 527	-	-	-	-	-	9 178 527	
Other Assets	29 530 406	389 804	(159 604)	-	-	29 760 607	15 589 627	1 972 200	-	-	(97 323)	17 464 504	12 296 102
Computer Equipment	2 862 690	187 547	(45 777)	-	-	3 004 459	1 620 839	283 337	-	(35 135)	1 869 041	1 135 418	
Furniture and Office Equipment	7 032 725	13 245	(57 919)	-	-	6 988 052	3 908 376	501 343	-	(29 129)	4 380 590	2 607 462	
Machinery and Equipment	10 107 705	189 012	(55 908)	-	-	10 240 809	5 434 000	764 317	-	(33 059)	6 165 258	4 075 552	
Transport Assets	9 527 286	-	-	-	-	9 527 286	4 626 412	423 203	-	-	5 049 615	4 477 671	
Capitalised Restoration Cost	13 103 974	9 965 284	-	-	-	23 069 258	10 538 616	335 886	549 901	-	-	11 424 404	11 644 854
Landfill Site Rehabilitation	13 103 974	9 965 284	-	-	-	23 069 258	10 538 616	335 886	549 901	-	-	11 424 404	11 644 854
	925 811 708	55 074 420	(385 402)	-	-	980 500 725	311 554 578	21 473 774	549 901	(141 224)	333 437 029	647 063 696	



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.7 Reconciliation of Carrying Value

30 June 2020	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed 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	
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	28 814 379	1 377 183	(661 156)	-	-	29 530 406	14 135 414	1 999 902	-	(545 689)	15 589 627	13 940 779
Computer Equipment	2 895 668	19 750	(52 728)	-	-	2 862 690	1 366 313	296 647	-	(42 120)	1 620 839	1 241 850
Furniture and Office Equipment	7 041 009	169 333	(177 617)	-	-	7 032 725	3 539 128	527 727	-	(158 479)	3 908 376	3 124 349
Machinery and Equipment	9 350 416	1 188 099	(430 811)	-	-	10 107 705	5 026 823	752 266	-	(345 089)	5 434 000	4 673 705
Transport Assets	9 527 286	-	-	-	-	9 527 286	4 203 150	423 262	-	-	4 626 412	4 900 874
Capitalised Restoration Cost	18 083 014	295 424	(5 274 464)	-	-	13 103 974	9 682 781	797 887	57 948	-	10 538 616	2 565 358
Landfill Site Rehabilitation	18 083 014	295 424	(5 274 464)	-	-	13 103 974	9 682 781	797 887	57 948	-	10 538 616	2 565 358
	897 517 494	34 879 258	(6 585 044)	-	-	925 811 708	294 035 911	18 582 611	57 948	(1 121 891)	311 554 578	614 257 130



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

11 INTANGIBLE ASSETS

Intangible Assets - Carrying Value

2021

2020

1 254 360

1 476 849

The carrying value of intangible Assets is reconciled as follows:

Opening Carrying Value

1 476 849

1 700 721

Cost

2 357 851

2 359 342

Accumulated Amortisation

(881 002)

(658 621)

Accumulated Impairment

-

-

Additions

-

-

Amortisation

(222 315)

(223 574)

Disposal

(175)

(298)

Cost

(1 305)

(1 491)

Accumulated Amortisation

1 130

1 193

Closing Carrying Value

1 254 360

1 476 849

Cost

2 356 546

2 357 851

Accumulated Amortisation

(1 102 187)

(881 002)

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.

During the current year the remaining useful lives of Intangible Assets were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

Increase / (Decrease) in Depreciation and Amortisation

2021

(1 159)

2022

1 159

Increase / (Decrease) in Accumulated Surplus

1 159

(1 159)

Increase / (Decrease) in Intangible Assets

1 159

(1 159)

12 LONG-TERM LIABILITIES

Annuity Loans

10 089 070

12 752 536

Finance Lease Liabilities

2 392 001

4 446 019

Sub-Total

12 481 071

17 198 555

Less: Current portion of Long-term Liabilities

5 178 934

4 717 622

Annuity Loans

2 950 140

2 663 604

Finance Lease Liabilities

2 228 794

2 054 018

Total

7 302 137

12 480 933

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up

12 481 071

17 198 555

Used to finance Property, Plant and Equipment at cost

(12 481 071)

(17 198 555)

Unspent Borrowings

-

-

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

12 LONG-TERM LIABILITIES (CONTINUED)

12.1 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	1 556 127	1 859 235
ABSA (038-723-0993)	10.43%	17 June 2025	2 631 936	3 136 249
ABSA (038-723-0994)	10.45%	17 Nov 2025	1 166 387	1 359 262
ABSA (038-723-0995)	11.33%	30 Jun 2026	1 278 702	1 458 736
Standard Bank (03-263-793-4)	10.36%	31 Mar 2023	3 455 919	4 939 053
Total			10 089 070	12 752 536

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	3 943 090	3 943 090
Payable within two to five years	8 425 064	11 857 332
Payable after five years	-	510 819
Total amount payable	12 368 154	16 311 241
Less: Outstanding Future Finance Charges	(2 279 084)	(3 558 705)
Present value of annuity loans	10 089 070	12 752 536

12.2 Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

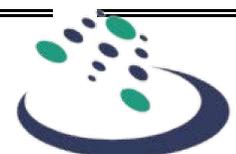
Description	Maturity Date	Carrying Value of Liability	
Xerox AltaLink C8055	28 Feb 2021	-	21 039
Xerox Versalink C7025	28 Feb 2021	-	155 987
Samsung 057400 Pabx System	31 May 2022	1 156 006	2 069 569
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	60 075	109 649
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	60 075	109 649
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	60 075	109 649
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	44 967	82 074
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	44 967	82 074
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	60 861	111 083
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	64 744	114 129
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	114 259	201 411
Isuzu N Series NLR 150	1 Aug 2022	123 586	217 853
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	64 744	114 129
Isuzu N Series NLR 150	1 Aug 2022	123 586	217 853
Isuzu N Series NLR 150	1 Aug 2022	123 586	217 853
Isuzu N Series NLR 150	1 Aug 2022	123 586	217 853
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	64 744	114 129
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	51 068	90 021
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	51 068	90 021
Total		2 392 001	4 446 019

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 10.

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	2 519 892	2 831 839
Payable within two to five years	165 287	2 685 179
Total amount payable	2 685 179	5 517 018
Less: Outstanding Future Finance Charges	(293 178)	(1 070 999)
Present value of finance lease liabilities	2 392 001	4 446 019



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
13 CONSUMER DEPOSITS		
Water and Electricity Deposits	2 317 963	2 108 188
The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.		
14 PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	79 919 733	68 018 620
Retentions	5 412 515	3 076 477
Payments received in advance	2 339 972	2 232 505
Pre-paid Electricity	658 693	608 214
Sundry Creditors	5 682 531	5 703 852
Sundry Deposits	403 754	89 150
Accrued Interest	145 628	213 527
Unknown Receipts	57 816	100 888
Department of Human Settlements	1 076 642	1 076 642
Total	95 697 284	81 119 876
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, housing deposits and a performance guarantees paid by contractors.		
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 guarentee as per note 2	2 900 000	2 900 000
- Call Investment Deposit - note 2	325 502	-
- Cash deposits as per note 4	1 283 173	1 027 227
Total	4 508 675	3 927 227
15 UNSPENT CONDITIONAL GOVERNMENT GRANTS		
National Government	225 812	26 019 226
Provincial Government	856 149	1 454 886
Total	1 081 961	27 474 112
Detail reconciliations of all grants received and grant conditions met are included in note 20. 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.		



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
16 CURRENT EMPLOYEE BENEFITS		
Bonuses	3 259 292	3 088 242
Staff Leave	7 809 929	7 290 712
Performance Bonuses	194 728	-
Current portion of Non-Current Employee Benefits - note 17	1 669 000	1 266 000
Post Retirement Medical Benefits	1 009 000	846 000
Long Service Awards	660 000	420 000
Total	12 932 949	11 644 954
The movement in current employee benefits are reconciled as follows:		
16.1 Bonuses		
Opening Balance	3 088 242	2 704 551
Contribution during the year	6 001 564	5 500 994
Payments made	(5 830 514)	(5 117 303)
Balance at the end of the year	3 259 292	3 088 242
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.		
16.2 Staff Leave		
Opening Balance	7 290 712	5 200 187
Contribution during the year	1 956 701	2 600 046
Payments made	(1 437 484)	(509 521)
Balance at the end of the year	7 809 929	7 290 712
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.		
16.3 Performance Bonuses		
Opening Balance	-	352 719
Contribution during the year	194 728	100 074
Payments made	-	(452 794)
Balance at the end of the year	194 728	-
Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.		
17 EMPLOYEE BENEFITS		
Post Retirement Medical Benefits	28 110 000	23 618 000
Long Service Awards	5 613 000	5 188 000
Sub-Total	33 723 000	28 806 000
Less: Current portion of Employee Benefits	1 669 000	1 266 000
Post Retirement Medical Benefits	1 009 000	846 000
Long Service Awards	660 000	420 000
Total	32 054 000	27 540 000



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

17 EMPLOYEE BENEFITS (CONTINUED)

17.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

	2021	2020
Opening Balance	23 618 000	26 122 144
Contribution during the year	3 578 000	4 188 879
Current Service Cost	1 118 000	1 751 658
Interest Cost	2 460 000	2 437 221
Payments made	(923 083)	(823 390)
Actuarial Loss/(Gain)	1 837 083	(5 869 633)
Total balance at year-end	28 110 000	23 618 000
Less: Current portion	(1 009 000)	(846 000)
Total	27 101 000	22 772 000

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	134	138
In-service non-members	219	210
Continuation members	25	23
Total	378	371

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 2021	12 661 000	2 186 000	13 263 000	28 110 000
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

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 2021	(334 000)	-
30 June 2020	(668 000)	-
30 June 2019	1 369 000	-
30 June 2018	485 000	-
30 June 2017	(30 000)	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas
LA Health
Hosmed
Samwumed
Keyhealth



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	10.25%	10.60%
Health Care Cost Inflation Rate	6.85%	6.63%
Net Effective Discount Rate	3.18%	3.72%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

17 EMPLOYEE BENEFITS (CONTINUED)

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 6 August 2021.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	14 847 000	13 263 000	28 110 000	
Health care inflation rate (+ 1%)	17 852 000	14 693 000	32 545 000	16%
Health care inflation rate (- 1%)	12 470 000	12 041 000	24 511 000	-13%
Discount rate (+ 1%)	12 554 000	12 086 000	24 640 000	-12%
Discount rate (- 1%)	17 778 000	14 659 000	32 437 000	15%
Post-employment mortality (+ 1 year)	14 443 000	12 860 000	27 303 000	-3%
Post-employment mortality (- 1 year)	15 249 000	13 666 000	28 915 000	3%
Average retirement age (- 1 year)	16 243 000	13 263 000	29 506 000	5%
Membership Continuation (- 10%)	12 969 000	13 263 000	26 232 000	-7%

Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2021/22	1 549 000	2 831 000	4 380 000	
Health care inflation rate (+ 1%)	1 883 000	3 285 000	5 168 000	18%
Health care inflation rate (- 1%)	1 288 000	2 462 000	3 750 000	-14%
Discount rate (+ 1%)	1 307 000	2 717 000	4 024 000	-8%
Discount rate (- 1%)	1 858 000	2 955 000	4 813 000	10%
Post-employment mortality (+ 1 year)	1 508 000	2 748 000	4 256 000	-3%
Post-employment mortality (- 1 year)	1 590 000	2 913 000	4 503 000	3%
Average retirement age (- 1 year)	1 853 000	2 974 000	4 827 000	10%
Membership Continuation (- 10%)	1 356 000	2 638 000	3 994 000	-9%

17.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance		5 188 000	4 662 853
Contribution during the year		877 000	846 753
Current Service Cost		495 000	475 325
Interest Cost		382 000	371 428
Payments made		(560 915)	(257 285)
Actuarial Loss/(Gain)		108 915	(64 321)
Total balance at year-end		5 613 000	5 188 000
Less: Current portion		(660 000)	(420 000)
Total		4 953 000	4 768 000

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

17 EMPLOYEE BENEFITS (CONTINUED)

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards

353

348

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

Unfunded Liability
R

30 June 2021

5 613 000

30 June 2020

5 188 000

30 June 2019

4 662 853

30 June 2018

3 680 219

30 June 2017

3 304 955

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 2021

62 000

-

30 June 2020

362 667

-

30 June 2019

267 536

-

30 June 2018

201 190

-

30 June 2017

(59 844)

-

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate

9.53%

7.66%

General Salary Inflation (long-term)

5.87%

4.19%

Net Effective Discount Rate applied to salary-related Long Service Awards

3.46%

3.33%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

ii) Last Valuation

The last valuation was performed on 6 August 2021.

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%)	5 613 000	5 992 000	7%
General earnings inflation rate (- 1%)	5 613 000	5 272 000	-6%
Discount rate (+ 1%)	5 613 000	5 263 000	-6%
Discount rate (- 1%)	5 613 000	6 009 000	7%
Average retirement age (+ 2 years)	5 613 000	6 361 000	13%
Average retirement age (- 2 years)	5 613 000	5 029 000	-10%
Withdrawal rates (x 2)	5 613 000	4 450 000	-21%
Withdrawal rates (x 0.5)	5 613 000	6 419 000	14%



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

17 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service		Total(R)	% Change
	Cost (R)	Interest Cost (R)		
Estimated for 2021/22	525 000	504 000	1 029 000	
General earnings inflation rate (+ 1%)	572 000	540 000	1 112 000	8%
General earnings inflation rate (- 1%)	483 000	472 000	955 000	-7%
Discount rate (+ 1%)	487 000	520 000	1 007 000	-2%
Discount rate (- 1%)	569 000	485 000	1 054 000	2%
Average retirement age (+ 2 years)	586 000	576 000	1 162 000	13%
Average retirement age (- 2 years)	469 000	449 000	918 000	-11%
Withdrawal rates (x 2)	374 000	393 000	767 000	-25%
Withdrawal rates (x 0.5)	640 000	581 000	1 221 000	19%

17.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	115 452	101 618
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2020 revealed that the fund is in a sound financial position with a funding level of 100.0% (30 June 2019 - 100.7%).		
Consolidated Retirement Fund (Former Cape Retirement Fund)	10 000 415	9 082 738
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2020 revealed that the fund is in a sound financial position with a funding level of 100.5% (30 June 2019 - 100.3%).		
Total	10 115 867	9 184 356

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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

17 EMPLOYEE BENEFITS (CONTINUED)

Defined Contribution Plans

Council contributes to the following defined contribution plans:

National Funds for Municipal Workers	775 378	730 263
SAMWU National Provident Fund	1 277 291	1 191 747
Municipal Councillors Pension Fund	584 787	510 316
Total	2 637 456	2 432 326

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.

18 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	45 320 512	31 966 753
As previously reported		31 680 030
Correction of error restatement - note 38.3		286 723
Restated balance		31 966 753

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	31 966 753	34 096 428
Contribution during the year	13 353 760	(2 129 675)
Increase/(Decrease) in estimate	9 965 284	(5 362 017)
Interest Cost	3 388 476	3 232 341
Total	45 320 512	31 966 753

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 future obligations for rehabilitating the landfill sites has been calculated using a discount rate (SA Government Bond yield) of between 7.47% and 9.60% depending on the estimated decommission date.

The total obligation at year-end can be attributed to the following sites:

Location	Discount Rate	Site Dimensions	Estimated Decommission Date	Cost of Rehabilitation	Cost of Rehabilitation
Clanwilliam	9.60%	23 616 m ²	2028	13 442 122	9 289 256
Lambert's Bay	9.60%	17 580 m ²	2029	11 261 877	8 272 169
Citrusdal	9.60%	26 505 m ²	2037	11 917 850	7 996 867
Graafwater	7.47%	3 000 m ²	2024	3 484 008	2 652 899
Elands Bay	7.47%	5 060 m ²	2024	5 214 656	3 755 562
Total				45 320 512	31 966 753

19 PROPERTY RATES

Rateable Land and Buildings	52 074 157	49 000 067
Less: Rebates	(3 919 000)	(3 473 693)
Total	48 155 157	45 526 373

Property rate levied are based on the following rateable valuations:

Residential	2 706 165 600	2 689 798 000
Business and Industrial	498 213 200	503 292 200
State-owned	183 452 000	181 674 000
Agricultural and Private Farm Towns	2 914 329 720	2 874 835 820
Total Valuation	6 302 160 520	6 249 600 020



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

19 PROPERTY RATES (CONTINUED)

Rate that is applicable to the valuations above:

Residential	1.374c/R	1.296c/R
Business and Industrial	1.775c/R	1.675c/R
State-owned	1.775c/R	1.675c/R
Agricultural and Private Farm Towns	0.343c/R	0.324c/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.

20 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants - National Government

Equitable Share

60 766 597

49 200 761

60 766 597

49 200 761

Conditional Grants - National Government

53 338 798

33 537 774

Municipal Infrastructure Grant (MIG)

15 899 000

15 667 000

Financial Management Grant (FMG)

2 011 000

2 085 000

Integrated National Electrification Programme (INEP)

17 000 000

9 640 981

Expanded Public Works Program (EPWP)

2 121 000

1 954 000

Water Service Infrastructure Grant (WSIG)

16 307 798

4 058 324

Municipal Disaster Relief Grant (COVID-19)

-

132 469

5 764 550

10 413 665

Conditional Grants - Provincial Government

Library Services MRF

5 026 000

4 594 432

CDW Support

-

328 824

Municipal Drought Support Grant

-

3 663 302

Local Government Graduate Internship Grant

40 830

16 029

Financial Management Support Grant

198 950

499 611

Municipal Capacity Building Grant

350 383

34 055

Acceleration of Housing Delivery

-

698 058

Thusong Service Centre Grant

148 387

29 355

Municipal Disaster Grant (Drought Relief)

-

-

Local Government Support Grants (COVID-19)

-

550 000

Conditional Grants - Other Grant Providers

West Coast District Municipality - COVID 19

-

50 000

119 869 945

93 202 200

Total

As previously reported

94 153 104

Correction of error restatement - note 38.2

(950 904)

Restated balance

93 202 200

Disclosed as:

Government Grants and Subsidies - Operating

77 633 162

64 461 748

Government Grants and Subsidies - Capital

42 236 784

28 740 452

Total

119 869 945

93 202 200



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	60 766 597	49 200 761
Vote 1 - Executive and Council	-	-
Vote 2 - Office of Municipal Manager	40 830	16 029
Vote 3 - Financial Administrative Services	2 209 950	2 085 000
Vote 4 - Community Development Services	7 550 039	6 577 787
Vote 5 - Corporate and Strategic Services	95 731	362 879
Vote 6 - Planning and Development Services	1 242 309	11 765 033
Vote 7 - Public Safety	-	732 469
Vote 8 - Electricity	17 000 000	11 619 761
Vote 9 - Waste Management	-	-
Vote 10 - Waste Water Management	21 428 676	2 621 245
Vote 11 - Water	8 161 070	8 221 236
Vote 12 - Housing	-	-
Vote 13 - Road Transport	-	-
Vote 14 - Sports and Recreation	1 374 744	-
Total	119 869 945	93 202 200

The movements per grant can be summarised as follows:

20.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received / (Repaid)	60 766 597	49 200 761
Transferred to Revenue - Operating	(60 766 597)	(49 200 761)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
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.

20.02 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	15 899 000	15 667 000
Transferred to Revenue - Operating	(2 715 475)	(2 688 593)
Transferred to Revenue - Capital	(13 183 525)	(12 978 407)
Transfer to / (from) Receivables	-	-
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.

20.03 Financial Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	2 011 000	2 085 000
Transferred to Revenue - Operating	(2 011 000)	(2 085 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
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



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
20.04 Integrated National Electrification Programme (INEP)		
Opening Unspent Balance	1 019	-
Grants Received / (Repaid)	16 998 981	9 642 000
Transferred to Revenue - Operating	(2 217 288)	(1 257 519)
Transferred to Revenue - Capital	(14 782 712)	(8 383 462)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>1 019</u>
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.		
20.05 Expanded Public Works Program (EPWP)		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	2 121 000	1 954 000
Transferred to Revenue - Operating	(2 121 000)	(1 954 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>-</u>
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.		
20.06 Water Service Infrastructure Grant (WSIG)		
Opening Unspent Balance	25 941 676	1 254 762
Grants Received / (Repaid)	(9 484 597)	28 745 238
Transferred to Revenue - Operating	(2 037 252)	(526 004)
Transferred to Revenue - Capital	(14 270 546)	(3 532 320)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>149 281</u>	<u>25 941 676</u>
This grant is utilised for an array of water infrastructure which includes but is not limited to reservoirs, boreholes and oxidation ponds.		
20.07 Municipal Disaster Relief Grant (COVID-19)		
Opening Unspent Balance	76 531	-
Grants Received / (Repaid)	-	209 000
Transferred to Revenue - Operating	-	(132 469)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>76 531</u>	<u>76 531</u>
This grant was utilised for the purchase of personal protective equipment in the fight against the COVID-19 pandemic.		
20.08 Library Services MRF		
Opening Unspent Balance	4 568	-
Grants Received / (Repaid)	5 026 000	4 599 000
Transferred to Revenue - Operating	(5 026 000)	(4 594 432)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>4 568</u>	<u>4 568</u>
The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.		



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
20.09 CDW Support		
Opening Unspent Balance	5 176	8 889
Grants Received / (Repaid)	163 824	325 111
Transferred to Revenue - Operating	-	(328 824)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	169 000	5 176
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.		
20.10 Municipal Drought Support Grant		
Opening Unspent Balance	105 486	268 788
Grants Received / (Repaid)	-	3 500 000
Transferred to Revenue - Operating	-	(424 045)
Transferred to Revenue - Capital	-	(3 239 257)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	105 486	105 486
This grant is utilised for the completion of the desalination plant in Lambert's Bay.		
20.11 Local Government Graduate Internship Grant		
Opening Unspent Balance	156 859	92 888
Grants Received / (Repaid)	(76 859)	80 000
Transferred to Revenue - Operating	(40 830)	(16 029)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	39 170	156 859
This grant is used to provide financial assistance to municipalities in support of capacity building for the future by means of internship programme.		
20.12 Financial Management Support Grant		
Opening Unspent Balance	124 973	44 584
Grants Received / (Repaid)	375 027	580 000
Transferred to Revenue - Operating	(198 950)	(499 611)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	301 050	124 973
The Financial Management Grant is paid by Provincial Treasury to municipalities to help implement revenue enhancement.		
20.13 Municipal Capacity Building Grant		
Opening Unspent Balance	878 281	267 836
Grants Received / (Repaid)	(313 281)	644 500
Transferred to Revenue - Operating	(350 383)	(34 055)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	214 617	878 281
This grant is utilised as a capacity initiative for graduates to enter the workforce in local government.		



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
20.14 Acceleration of Housing Delivery		
Opening Unspent Balance	-	698 058
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	(91 051)
Transferred to Revenue - Capital	-	(607 007)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-
Housing delivery grant was utilised for the construction of infrastructure for housing projects.		
20.15 Thusong Service Centre Grant		
Opening Unspent Balance	179 543	8 898
Grants Received / (Repaid)	(8 898)	200 000
Transferred to Revenue - Operating	(148 387)	(29 355)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	22 258	179 543
This grant is used to provide financial assistance to municipalities, ensuring the financial sustainability of the Thusong Service Centres.		
20.16 Municipal Disaster Grant (Drought Relief)		
Opening Unspent Balance	-	47 577
Grants Received / (Repaid)	-	(47 577)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-
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.		
20.17 Local Government Support Grants (COVID-19)		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	-	550 000
Transferred to Revenue - Operating	-	(550 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-
This grant is used to provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.		
20.18 West Coast District Municipality - COVID 19		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	-	50 000
Transferred to Revenue - Operating	-	(50 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-
This grant is used to provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.		



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
20.19 Total Grants		
Opening Unspent Balance	27 474 113	2 692 280
Grants Received / (Repaid)	93 477 794	117 984 033
Transferred to Revenue - Operating	(77 633 162)	(64 461 748)
Transferred to Revenue - Capital	(42 236 784)	(28 740 452)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	1 081 962	27 474 113
21 FINES, PENALTIES AND FORFEITS		
Traffic	7 862 947	13 518 733
Overdue Book Fines	3 361	11 966
Illegal Connections	60 202	23 322
Retentions	1 200 000	-
Unclaimed Money	59 345	439 902
Total	9 185 854	13 993 924
As previously reported		13 205 468
Correction of error restatement - note 38.1		788 456
Restated balance		13 993 924
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.		
22 ACTUARIAL GAINS / (LOSSES)		
Post Retirement Medical Benefits	(1 837 083)	5 869 633
Long Service Awards	(108 915)	64 321
Total	(1 945 998)	5 933 954
23 SERVICE CHARGES		
Electricity	102 306 388	97 668 169
Water	30 201 140	28 916 847
Sewerage and Sanitation	14 258 238	12 684 070
Refuse	11 342 291	10 455 264
Total Revenue	158 108 057	149 724 349
Less: Rebates	(6 546 104)	(4 961 418)
Electricity	(72 436)	(64 265)
Water	(1 136 775)	(896 080)
Sewerage and Sanitation	(4 801 038)	(3 578 559)
Refuse	(535 854)	(422 514)
Total	151 561 953	144 762 931

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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
24 RENTAL OF FACILITIES AND EQUIPMENT		
Halls and Sportfields	30 411	119 443
Camping and Entrance Fees	1 627 979	2 391 490
Commonage	585 113	280 272
Hawker Stands	89 113	79 956
Total	2 332 616	2 871 161

25 AGENCY SERVICES

Drivers Licence Applications	198 495	144 530
Drivers Licences Issued	329 825	255 283
Duplicate Registration Certificates	55 259	35 484
Keeping of Registration Number	14 200	10 831
Learner Licence Applications	86 948	56 301
Learner Licences Issued	24 139	20 323
Professional Drivers Permit Applications	80 238	58 758
Professional Drivers Permits Issued	32 326	27 962
Roadworthy Certificate Applications	232 367	147 900
Roadworthy Certificates Issued	47 279	31 941
Temporary and special permits	26 298	22 963
Vehicle Registration	2 592 555	1 923 685
Total	3 719 929	2 735 961

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.

26 OTHER INCOME

Application Fees for Land Usage	83 035	52 058
Building Plan Approval	1 449 685	669 635
Cemetery and Burial	162 133	107 337
Clearance and Valuation Certificates	152 761	155 559
Collection Charges	1 145	4 074
Commission	61 019	42 928
Landfill Sites - iGRAP 2 adjustments	-	382 977
Development Charges	188 500	152 989
Photocopies and Faxes	13 257	23 731
Skills Development Levy Refund	164 004	184 896
Sub-division and Consolidation Fees	16 909	41 166
Tender Documents	148 280	124 970
Sundry Income	48 178	18 427
Total	2 488 906	1 960 746

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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

		2021	2020
27	EMPLOYEE RELATED COSTS		
	Basic Salaries and Wages	80 407 038	73 425 258
	Pension and UIF Contributions	12 816 203	11 730 761
	Medical Aid Contributions	4 325 183	4 133 738
	Overtime	3 348 832	4 268 245
	Motor Vehicle Allowances	5 667 029	5 489 666
	Cell Phone Allowances	474 363	410 797
	Housing Allowances	420 162	505 492
	Other benefits and allowances	4 632 127	4 425 012
	Bargaining Council	42 391	39 861
	Group Life Insurance	1 485 789	1 368 414
	Scarcity Allowances	488 799	480 875
	Standby Allowances	2 615 148	2 535 861
	Contributions to Employee Benefits	9 765 994	10 428 096
	Bonuses	6 001 564	5 500 994
	Staff Leave	1 956 701	2 600 046
	Performance Bonus	194 728	100 074
	Long Service Awards	495 000	475 325
	Post Retirement Medical Benefits	1 118 000	1 751 658
	Workmens Compensation Fund	609 805	547 183
	Total	122 466 737	115 364 247
	Remuneration of Management Personnel		
	The Municipal Manager and Directors are appointed on a 5-year fixed contract, except R Kearns who is appointed on a 3 months contract.		
	Municipal Manager - PL Volschenk (resigned January 2020)		
	Annual Remuneration	-	554 741
	Performance Bonus / 13th Cheque	-	175 177
	Car Allowance	-	53 217
	Cell Phone Allowance	-	19 957
	Rural Allowance	-	59 098
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	132 019
	Total	-	994 208
	Municipal Manager - HG Slimmert (appointed July 2020 to March 2021)		
	Annual Remuneration	709 813	-
	Performance Bonus / 13th Cheque	-	-
	Car Allowance	114 000	-
	Cell Phone Allowance	70 500	-
	Rural Allowance	67 177	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	96 523	-
	Leave Payout	91 733	-
	Total	1 149 746	-
	Director: Community Services - R Bent (resigned June 2020)		
	Annual Remuneration	-	665 721
	Performance Bonus / 13th Cheque	-	131 805
	Car Allowance	-	180 000
	Cell Phone Allowance	-	18 000
	Rural Allowance	-	80 212
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	149	158 831
	Leave Payout	95 407	-
	Total	95 556	1 234 569



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
27 EMPLOYEE RELATED COSTS (CONTINUED)		
Director: Community Services - HG Slimmert (appointed April 2021)		
Annual Remuneration	192 094	-
Performance Bonus / 13th Cheque	-	-
Car Allowance	15 000	-
Cell Phone Allowance	15 000	-
Rural Allowance	18 206	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	53 641	-
Total	293 940	-
Director: Finance - E Alfred (resigned January 2020)		
Annual Remuneration	-	468 670
Performance Bonus / 13th Cheque	-	145 812
Car Allowance	-	70 000
Cell Phone Allowance	-	10 500
Rural Allowance	-	51 763
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	109 628
Total	-	856 373
Director: Finance - M Memani (19 Oct 2020 - 19 Apr 2021 and reappointed 11 May 2021)		
Annual Remuneration	511 437	-
Car Allowance	77 478	-
Cell Phone Allowance	26 672	-
Rural Allowance	56 748	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	93 356	-
Leave Payout	47 089	-
Total	812 780	-
Director: Technical Services - R Kearns (Appointed 3 May 2021)		
Annual Remuneration	133 388	-
Car Allowance	40 000	-
Cellphone Allowance	6 000	-
Rural Allowance	12 137	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	2 181	-
Total	193 706	-
Employee acting in management positions		
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.		
Employee	Acting Position	
Mr HG Slimmert	Municipal Manager (28 Nov 2019 - 30 Jun 2020)	-
Me EH Visser	Director: Finance (24 Mar 2020 - 31 May 2020)	-
Mr MAN Smit	Director: Finance (6 Jan 2020 - 23 Mar 2020)	-
Mr A Titus	Municipal Manager (1 Apr 2021 - 30 Mar 2021)	127 174
Mr GRJ Seas	Director: Finance (1 Jun 2020 - 31 Jul 2020)	33 895
Mev EH Visser	Director: Finance (14 Aug 2020 - 18 Oct 2020; 20 Apr 2021 - 10 May 2021)	25 791
Mr GW Hermanus	Director: Community Services (18 Dec - 31 Jul 2020)	33 895
Mr A Titus	Director: Community Services (14 Aug 2020 - 31 Mar 2021)	246 817
Mr JG Kotze	Director: Technical Services (14 Aug 2020 - 30 Apr 2021)	279 212
Total		746 783
		675 936



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

28 REMUNERATION OF COUNCILLORS

	2021	2020
Executive Mayor	903 233	894 836
Deputy Executive Mayor	691 412	672 427
Speaker	716 852	525 303
Mayoral Committee Members	1 428 552	1 328 729
All Other Councillors	1 831 943	2 148 568
Total	5 571 991	5 569 861

	Basic Salary	Cell Phone Allowances	Total
2021			
Executive Mayor	860 859	42 373	903 232
Deputy Executive Mayor	688 688	2 724	691 412
Speaker	688 688	28 164	716 852
Mayoral Committee Members	1 291 457	137 094	1 428 552
All Other Councillors	1 609 711	222 232	1 831 943
Total	5 139 403	432 588	5 571 991
2020			
Executive Mayor	852 502	42 334	894 836
Deputy Executive Mayor	665 158	7 269	672 426
Speaker	491 788	33 515	525 303
Mayoral Committee Members	1 279 648	49 081	1 328 729
All Other Councillors	1 751 272	397 296	2 148 568
Total	5 040 367	529 494	5 569 861

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)
- Deputy Mayor
 - L Scheepers (16 October 2019 to date)
 - FN Sokuyeka (30 January 2019 to 15 October 2019)
- Speaker
 - P Straus (16 October 2019 to date)
 - Vacant (1 July 2019 - 15 October 2019)

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	22 102 950	32 756 028
Receivables from Non-Exchange Transactions	10 335 621	17 055 927
Total Debt Impairment	32 438 571	49 811 954
Movement in VAT included in debt impairment	198 055	(3 287 123)
Total	32 636 625	46 524 832
As previously reported		45 905 361
Correction of error restatement - note 38.1		619 471
Restated balance		46 524 832



AUDITOR - GENERAL
SOUTH AFRICA

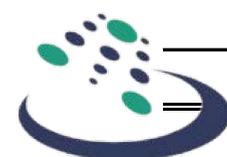
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
30 DEPRECIATION AND AMORTISATION		
Investment Property	52 250	52 250
Property, Plant and Equipment	21 473 774	18 582 611
Intangible Assets	222 315	223 574
Total	21 748 338	18 858 434
As previously reported		18 882 270
Correction of error restatement - note 38.2		4 159
Correction of error restatement - note 38.3		(27 996)
Restated balance		18 858 434
31 IMPAIRMENT		
Capitalised Restoration Cost	549 901	57 948
Total	549 901	57 948
As previously reported		-
Correction of error restatement - note 38.3		57 948
Restated balance		57 948
Impairment on Capitalised Restoration Cost relates to an increase in the landfill site rehabilitation provision of which the corresponding asset is no longer in use. In terms of iGRAP 2, the increase in the provision will result in an increase in the corresponding asset, but as the asset is no longer in use, the said increase in the asset is impaired in full.		
32 FINANCE CHARGES		
Cash	5 354 594	3 781 092
Long-term Liabilities	1 989 549	2 316 022
Bank Overdraft	25 903	173 467
Overdue Accounts	3 339 142	1 291 604
Non-cash	6 230 476	6 040 990
Post Retirement Medical Benefits	2 460 000	2 437 221
Long Service Awards	382 000	371 428
Rehabilitation of Landfill Sites	3 388 476	3 232 341
Total	11 585 070	9 822 083
As previously reported		9 786 135
Correction of error restatement - note 38.3		35 948
Restated balance		9 822 083
Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts.		
33 BULK PURCHASES		
Electricity	81 771 284	81 546 458
Water	742 549	800 477
Total	82 513 833	82 346 935
As previously reported		84 184 752
Correction of error restatement - note 38.3		(1 837 818)
Restated balance		82 346 935
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.		



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
34 CONTRACTED SERVICES		
Accounting and Auditing	1 921 639	1 286 927
Engineering Services	84 056	62 539
Fire Services - West Coast District Municipality	1 849 448	2 544 528
Human Resources	235 269	428 200
Laboratory Services	334 187	236 656
Legal Cost	1 843 458	1 154 082
Maintenance Services	3 885 624	6 693 917
Safeguard and Security	3 651 247	2 722 774
Traffic Fines Management	1 323 661	1 498 206
Valuers and Assessors	311 224	330 934
Other Contracted Services	1 841 883	1 247 126
Total	17 281 696	18 205 886
35 TRANSFERS AND GRANTS		
Bursaries	314 006	183 871
Festivals	-	15 000
Sport Councils	50 000	63 320
ATKV	-	20 000
Social Relief	42 000	862 087
Total	406 006	1 144 278
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).		
36 OTHER EXPENDITURE		
Advertising, Publicity and Marketing	250 430	229 180
Bank Charges	719 938	787 889
Chemicals	314 096	300 792
Cleaning Materials	252 710	275 014
Commission - Prepaid Electricity	1 852 994	1 494 524
Computer Services	1 593 840	1 906 960
Drivers Licences and Permits	226 282	171 120
External Audit Fees	4 173 171	3 559 274
Fuel and Oil	2 901 701	3 136 804
Hire Charges	1 523 170	1 545 982
Insurance	1 159 152	936 753
Maintenance Materials and Tools	2 464 504	3 197 709
Motor Vehicle Licence and Registrations	204 392	80 599
Electricity - Internal usage	2 492 836	1 837 818
Printing and Stationery	884 866	1 144 518
Professional Bodies, Membership and Subscription	1 260 492	1 253 356
Remuneration of Ward Committees	47 000	88 000
Skills Development Fund Levy	858 659	800 798
Telephone	604 444	644 174
Training	318 210	445 259
Travel and Subsistence	279 841	594 873
Uniform and Protective Clothing	635 771	894 846
Other Expenditure	1 346 335	675 019
Total	26 364 833	26 001 263
As previously reported		24 163 445
Correction of error restatement - note 38.5		1 837 818
Restated balance		26 001 263



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
37 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS		
Proceeds	350 757	66 739
Less: Carrying value of Investment Property disposed	(33 365)	(17 575)
Less: Carrying value of Property, Plant and Equipment disposed	(244 178)	(188 689)
Less: Carrying value of Intangible Assets disposed	(175)	(298)
Total	73 038	(139 823)
As previously reported		(141 216)
Correction of error restatement - note 38.2		1 392
Restated balance		(139 823)
38 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR		
38.1 Receivables from Exchange and Non-Exchange Transactions		
Corrections made to Receivables from Exchange and Non-Exchange Transactions include the following:		
- Traffic fines amounting to R788 455 were not recorded in the prior year. The provision for debt impairment on the said unrecorded traffic fines were calculated at R619 471.		
- Grant revenue amounting to R950 904 was incorrectly recognised, as the expenditure incurred for the project was own funding and not grant funding.		
The net effect of the above-mentioned errors were as follow:		
- Receivables from Non-Exchange Transactions - note 4	Overstated	(781 919)
- Government Grants and Subsidies - note 20	Overstated	(950 904)
- Fines, Penalties and Forfeits - note 21	Understated	788 456
- Debt Impairment - note 29	Understated	619 471
38.2 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 R18 070.		
- Movable assets with a carrying value of R7 294 were incorrectly disposed in prior periods.		
The net effect of the above-mentioned errors were as follow:		
- Property, Plant and Equipment - note 10	Understated	25 365
- Depreciation and Amortisation - note 30	Understated	4 159
- Loss on disposal of Non-Monetary Assets - note 37	Overstated	(1 392)
- Accumulated Surplus - note 38.4	Understated	28 132
38.3 Non-Current Provisions		
Corrections made to Non-Current Provisions include the following:		
- The provision for rehabilitation of landfill-sites did not include post closure monitoring cost. Only the Citrusdal landfill site is subject to post close water monitoring cost, of which the provision was calculated at R286 723.		
- The Graafwater landfill site has a carrying value, but the site is not operational anymore. Accordingly, the carrying value amounting to R57 948 was impaired in full.		
The net effect of the above-mentioned errors were as follow:		
- Property, Plant and Equipment - note 10	Understated	220 822
- Non-Current Provisions - note 18	Understated	286 723
- Depreciation and Amortisation - note 30	Overstated	(27 996)
- Impairment - note 31	Understated	57 948
- Finance Charges - note 32	Understated	35 948



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
38 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)		
38.4 Accumulated Surplus		
Property, Plant and Equipment - note 38.2	Understated	28 132
Total		<u>28 132</u>
38.5 Reclassifications		
Internal electricity usage amounting to R1 837 818 was incorrectly classified as Bulk Purchases, rather than Other Expenditure.		
The net effect of the above-mentioned errors were as follow:		
- Bulk Purchases - note 33	Overstated	(1 837 818)
- Other Expenditure - note 36	Understated	1 837 818
39 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus/(Deficit) for the year	20 865 676	(7 559 219)
Adjusted for:		
Non-cash revenue included in Net Surplus	(72 565)	(6 321 908)
Actuarial Gains	-	(5 933 954)
Rental of Facilities and Equipment - decrease in operating lease asset	473	(4 977)
Other Income - Decrease in landfill site rehabilitation provision	-	(382 977)
Gain on disposal of Non-Monetary Assets	(73 038)	-
Non-cash expenditure included in Net Surplus	72 870 781	82 051 711
Employee Related Costs - Contributions towards	9 765 994	10 428 096
Post Retirement Medical Benefits	1 118 000	1 751 658
Long Service Awards	495 000	475 325
Bonuses	6 001 564	5 500 994
Staff Leave	1 956 701	2 600 046
Performance Bonuses	194 728	100 074
Debt Impairment	32 636 625	46 524 832
Depreciation and Amortisation	21 748 338	18 858 434
Impairment	549 901	57 948
Finance Charges	6 230 476	6 040 990
Post Retirement Medical Benefits	2 460 000	2 437 221
Long Service Awards	382 000	371 428
Provision for Rehabilitation of Landfill-sites	3 388 476	3 232 341
Other Expenditure - decrease in operating lease liability	(6 551)	1 587
Actuarial Losses	1 945 998	-
Loss on disposal of Non-Monetary Assets	-	139 823
Cash expenditure not included in Net Surplus	(8 751 996)	(7 160 293)
Post Retirement Medical Benefits	(923 083)	(823 390)
Long Service Awards	(560 915)	(257 285)
Bonuses	(5 830 514)	(5 117 303)
Staff Leave	(1 437 484)	(509 521)
Performance Bonus	-	(452 794)
Operating Surplus before changes in working capital	84 911 896	61 010 291
Movement in working capital	(42 371 036)	(13 612 979)
Receivables from Exchange Transactions	(20 206 734)	(26 574 316)
Receivables from Non-Exchange Transactions	(8 939 862)	(14 298 577)
Inventory	(18 472)	163 290
Long-term Receivables	(31 969)	-
Consumer Deposits	209 776	53 015
Payables from exchange transactions	14 577 408	1 974 485
Unspent Conditional Government Grants	(26 392 151)	24 781 832
Taxes	(1 569 031)	287 293
Cash Flow from Operating Activities	42 540 860	47 397 312

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

40 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	5 311 494	8 913 223
Call and Notice Deposits	4 432 167	7 766 727
Cash Floats	6 226	4 940
Total	9 749 887	16 684 890

Refer to note 2 for more details relating to cash and cash equivalents.

41 BUDGET COMPARISONS

41.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats.

The following items are affected by these classification differences:

Statement of Financial Position

Atatement of Financial Position is presented on a comparable basis.

Statement of Financial Performance

The statement of financial performance is comparable on a line by line basis except for the following items:

The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement.

Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance.

The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement.

Other Materials is required to be separately budgeted. However this line item is not GRAP compliant as it does not disclose the nature of the expenditure. Accordingly Other Materials should be read in conjunction with Other Expenditure.

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis.

41.2 Statement of Financial Position

Adjustments to Original Budget

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 2019/20.

Actual Amounts vs Final Budget

Current assets	Actuals are more than budget due to higher cash balances as a result of a higher debtor collection rate than anticipated.
Non-current assets	Non-current assets are more than budget due to the increase in the provision for the rehabilitation of the landfill sites. The increased provision resulted in an increase to the asset which was not budgeted for.
Non-current liabilities	Non-current liabilities are more than budget due to the increase in the provision for the rehabilitation of the landfill sites. The increased provision not budgeted for.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

41 BUDGET COMPARISONS (CONTINUED)

41.3 Statement of Financial Performance

Adjustments to Original Budget

Service Charges	Decreased to take into account the negative effects the lockdown levels had on the Municipality's economic environment.
Transfers recognised - operational	Increased due to an increase in the Equitable Share allocation which is to be utilised for the loss of income as a result of the implementation of national lockdown levels.
Other own revenue	Decreased mainly due to a decrease in camping fees as a direct result of the national lockdown levels implemented.
Contracted Services	Increased as a result of fire services which were incorrectly budgeted for as Transfers and Grants. Due to the increase in Equitable Share, additional projects were also identified to assist with the revenue enhancement and recovery initiatives.
Transfers and grants	Decreased due to fire services which should have been budgeted as part of Contracted Services.
Transfers recognised - capital (Government)	Decreased due to Water Services Infrastructure Grant (WSIG) allocation which was not received.

Actual Amounts vs Final Budget

Transfers recognised - operational	Transfers recognised - operational is less than budget due to the treatment of the funding from the Department of Human Settlements for the construction of housing top structures. For budget purposes, revenue is budgeted as part of "Transfers recognised - Operational", but for GRAP purposes it is treated as an agent function and accordingly no revenue or expenditure is reflected in the Statement of Financial Performance.
Other own revenue	Other own revenue were less than budget due to less traffic fines issued than what was anticipated.
Debt impairment	Debt impairment was less than budget, due to less traffic fines issued than anticipated, and therefore less impairment was calculated on the unpaid traffic fines.
Bulk purchases	Bulk purchases were less than budget due to less electricity units purchased than what was anticipated.
Contracted Services	Contracted services is less than budget due to the treatment of the funding from the Department of Human Settlements for the construction of housing top structures. For budget purposes, the expenditure is budgeted as part of "Contracted Services", but for GRAP purposes it is treated as an agent function and accordingly no revenue or expenditure is reflected in the Statement of Financial Performance.

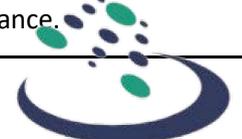
41.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash Flow from Operating Activities	Decreased due to a decrease in Service Charges as a result of the effects the national lockdown levels had on the Municipality's economic environment. An additional decrease was due to the Water Services Infrastructure Grant (WSIG) allocation which was not received.
Net Cash Flow from Investing Activities	Decreased due to the Water Services Infrastructure Grants (WSIG) allocation not received.

Actual Amounts vs Final Budget

Net Cash Flow from Operating Activities	Net cash flow from operating activities was more than budget due to higher debt collection than anticipated.
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AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

42.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	7 606 055	1 461 115
Unauthorised expenditure current year - operating	183 945	4 749 109
Unauthorised expenditure current year - capital	1 565 226	1 395 830
Approved by Council	(7 606 055)	-
Unauthorised expenditure awaiting further action	1 749 171	7 606 055

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:

	2021 (Actual) R	2021 (Final Budget) R	2021 (Unauthorised) R	2020 (Unauthorised) R
Unauthorised expenditure - Operating				
Vote 1 - Executive and Council	8 529 743	8 752 331	-	-
Vote 2 - Office of Municipal Manager	11 210 071	11 649 141	-	-
Vote 3 - Financial Administrative Services	56 574 844	59 474 780	-	3 359 559
Vote 4 - Community Development Services	14 079 772	14 432 013	-	-
Vote 5 - Corporate and Strategic Services	18 068 994	18 703 498	-	-
Vote 6 - Planning and Development Services	7 625 183	8 582 389	-	-
Vote 7 - Public Safety	22 530 568	32 446 058	-	-
Vote 8 - Electricity	98 129 478	104 404 136	-	-
Vote 9 - Waste Management	15 865 907	17 488 542	-	-
Vote 10 - Waste Water Management	11 785 937	13 274 788	-	1 389 551
Vote 11 - Water	30 130 312	31 526 485	-	-
Vote 12 - Housing	2 570 549	16 924 697	-	-
Vote 13 - Road Transport	13 038 754	12 854 809	183 945	-
Vote 14 - Sports and Recreation	12 930 918	13 955 955	-	-
Total	323 071 028	364 469 622	183 945	4 749 109

The overspending incurred is attributable to the following categories:

Non-cash

- Debt Impairment (lower collection rate than anticipated) - 4 749 109
- Depreciation and Amortisation (large amount of projects completed in year) 183 945 -

Total	183 945	4 749 109
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	2021 (Actual) R	2021 (Final Budget) R	2021 (Unauthorised) R	2020 (Unauthorised) R
Unauthorised expenditure - Capital				
Vote 1 - Executive and Council	-	2 260	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-
Vote 3 - Financial Administrative Services	-	20 000	-	-
Vote 4 - Community Development Services	35 806	77 206	-	-
Vote 5 - Corporate and Strategic Services	245 250	262 490	-	717 699
Vote 6 - Planning and Development Services	368 937	763 513	-	677 312
Vote 7 - Public Safety	5 618	11 500	-	-
Vote 8 - Electricity	15 639 086	15 471 609	167 477	-
Vote 9 - Waste Management	23 522	101 600	-	-
Vote 10 - Waste Water Management	19 824 414	18 426 665	1 397 749	-
Vote 11 - Water	7 364 363	7 973 001	-	-
Vote 12 - Housing	-	2 600	-	-
Vote 13 - Road Transport	40 346	260 365	-	-
Vote 14 - Sports and Recreation	1 561 794	2 358 049	-	819
Total	45 109 136	45 730 858	1 565 226	1 395 830

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

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

Cash

- Overspending on MIG project 1 397 749 677 312
- Overspending on INEP project 167 477 -
- Minor overspending on own internal funded projects - 819

Total

1 565 226

1 395 830

42.2 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	107 584 888	71 359 748
Irregular expenditure incurred in the current year	12 793 616	36 225 140
Approved by Council	(107 584 887)	-
Irregular expenditure awaiting further action	12 793 616	107 584 888

Details of irregular expenditure incurred in the current year

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	12 240 020	4 709 186
(b) Incorrect interpretation and application of SCM regulation 32	-	1 438 623
(c) Splitting of quotes	-	868 764
(d) Composition of adjudication committees not compliant with Regulations	-	19 951 780
(e) Grant funding not spent in terms of grant conditions	-	9 256 786
(f) Deviation not justifiable	140 000	-
(g) Non-compliance with SCM Regulation	413 596	-
	12 793 616	36 225 140

Details of irregular expenditure awaiting further action:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	12 240 020	74 670 058
(b) Incorrect interpretation and application of SCM regulation 32	-	2 837 499
(c) Splitting of quotes	-	868 764
(d) Composition of adjudication committees not compliant with Regulations	-	19 951 780
(e) Grant funding not spent in terms of grant conditions	-	9 256 786
(f) Deviation not justifiable	140 000	-
(g) Non-compliance with SCM Regulation	413 596	-
	12 793 616	107 584 888

Incidents/cases identified in the current year include:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	1
(b) Incorrect interpretation and application of SCM regulation 32	-	2
(c) Splitting of quotes	-	4
(d) Composition of adjudication committees not compliant with Regulations	-	10
(e) Grant funding not spent in terms of grant conditions	-	1
(f) Deviation not justifiable	1	-
(g) Non-compliance with SCM Regulation	2	-



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Amount recoverable

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	-
(b) Incorrect interpretation and application of SCM regulation 32	-	-
(c) Splitting of quotes	-	-
(d) Composition of adjudication committees not compliant with Regulations	-	-
(e) Grant funding not spent in terms of grant conditions	-	-
(f) Deviation not justifiable	-	-
(g) Non-compliance with SCM Regulation	-	-
	<u>-</u>	<u>-</u>

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	1 296 371	4 770
Fruitless and wasteful expenditure incurred	3 511 254	1 291 601
Fruitless and wasteful expenditure recovered	-	-
Approved by Council	(14 767)	-
Fruitless and wasteful expenditure awaiting further action	<u>4 792 858</u>	<u>1 296 371</u>

Details of fruitless and wasteful expenditure incurred

(a) Interest levied on overdue accounts	1 994	9 997
(b) Interest levied by Eskom on overdue accounts	3 337 148	1 281 604
(c) Payment to supplier for goods and services not yet rendered	172 112	-
Total	<u>3 511 254</u>	<u>1 291 601</u>

Disciplinary steps or criminal proceedings undertaken on above-mentioned fruitless and wasteful expenditure incurred:

- The matter will be table to MPAC for resolution.
- The Municipality is in the process of engaging with Eskom to pardon the interest.
- The matter was discovered during the compilation of annual financial statements. The amount will be deducted from the next payment to the supplier. Internal controls will be implemented to enhance effective payment procedures.

Details of fruitless and wasteful expenditure awaiting further action:

(a) Interest levied on overdue accounts	1 994	9 997
(b) Interest levied by Eskom on overdue accounts	4 618 751	1 281 604
(c) Payment to supplier for goods and services not yet rendered	172 112	-
(d) Penalties on outstanding TV licences	-	4 770
Total	<u>4 792 858</u>	<u>1 296 371</u>

43 MATERIAL LOSSES

43.1 Water distribution losses

Kilo litres disinfected/purified/purchased	2 916 746	2 736 826
Kilo litres sold and free basic services	(2 543 449)	(2 433 258)
Kilo litres lost during distribution	373 297	303 568
Percentage lost during distribution	12.80%	11.09%

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

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

	2021	2020
43 MATERIAL LOSSES (CONTINUED)		
43.2 Electricity distribution losses		
Units purchased (Kwh)	60 188 003	62 821 363
Units sold, free basic services and standard friction losses	(57 546 988)	(58 299 851)
Units lost during distribution (Kwh)	2 641 015	4 521 512
Percentage lost during distribution	4.39%	7.20%
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	1 162 942	151 190
Expenditure incurred	1 151 934	1 162 942
Payments	(2 314 876)	(151 190)
Outstanding balance	-	1 162 942
44.2 Audit Fees [MFMA 125 (1)(c)]		
Opening balance	1 675 341	304 756
Expenditure incurred	4 799 146	4 093 166
Audit Fees	4 173 171	3 559 274
VAT	625 976	533 891
Payments	(6 474 487)	(2 722 581)
Outstanding Balance	-	1 675 341
44.3 VAT [MFMA 125 (1)(c)]		
Opening balance	(1 419 503)	141 885
Net amount claimed/(declared) during the year	(169 216)	(3 285 762)
Net amount paid/(received) during the year	(734 892)	1 724 374
Outstanding Balance Receivable/(Payable)	(2 323 611)	(1 419 503)
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	1 318 081	-
Payroll deductions and Council Contributions during the year	18 515 816	16 854 744
Payments	(18 327 829)	(15 536 662)
Outstanding Balance	1 506 068	1 318 081
44.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]		
Opening balance	-	-
Payroll deductions and Council Contributions during the year	28 241 432	26 203 073
Payments made to pension and medical fund	(28 241 432)	(26 203 073)
Outstanding Balance	-	-



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

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:

PJ Strauss	-	7 657
Total	-	7 657

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	656 831	1 782 601
Section 36(1)(a)(ii) - Single provider	145 918	98 139
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	738 625	394 347
Total	1 541 375	2 275 088

Deviations from Supply Chain Management Regulations can be allocated as follow:

Office of the Municipal Manager	-	-
Financial Services	213 924	672 101
Corporate and Strategic Services	337 467	425 025
Community Development Services	-	661 130
Engineering and Planning Services	989 984	516 832
Total	1 541 375	2 275 088

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	36 414 235	31 743 712
Community Assets	1 781 780	2 072 567
Total	38 196 015	33 816 278

This expenditure will be financed from:

Government Grants	38 196 015	31 743 712
Own funding	-	2 072 567
Total	38 196 015	33 816 278

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

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	9 743 661	16 679 951
Receivables from exchange transactions	25 277 285	27 173 501
Long-term Receivables	31 969	-
Total	35 052 915	43 853 451

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 past 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 past due.

Also refer to note 7 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	3 913 038	5 596 429
Water	4 368 133	4 982 880
Refuse	1 315 741	1 805 234
Sewerage	1 610 256	2 104 701
Other	863 615	1 063 867
Total	12 070 783	15 553 110

Past due receivables are aged as follow:

1 to 3 months overdue	4 607 621	7 907 447
4 months to 1 year overdue	4 136 181	7 078 955
1 year overdue	3 326 981	566 708
	12 070 783	15 553 110

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

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)	9 743 661	16 679 951
Long-term Liabilities (including current portion)	(12 481 071)	(17 198 555)
Net balance exposed	(2 737 410)	(518 605)

Potential effect of changes in interest rates on surplus and deficit for the year:

0.5% (2020 - 0.5%) increase in interest rates	(13 687)	(2 593)
0.5% (2020 - 0.5%) decrease in interest rates	13 687	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 2021				
Annuity Loans	3 943 090	8 425 064	-	12 368 154
Finance Lease Liabilities	2 519 892	165 287	-	2 685 179
Payables from exchange transactions	92 698 618	-	-	92 698 618
Total	99 161 600	8 590 351	-	107 751 952
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

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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

47

FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

	2021	2020
Cash and Cash Equivalents	9 743 661	16 679 951
Bank Accounts	5 311 494	8 913 223
Call Investment Deposits	4 432 167	7 766 727
Receivables from Exchange transactions	25 277 285	27 173 501
Electricity	13 540 434	14 077 634
Water	6 873 108	7 311 005
Refuse	1 840 901	2 422 812
Sewerage	2 078 610	2 677 364
Other	944 232	684 687
Long-term Receivables	31 969	-
Receivables with repayment arrangements	31 969	-
Total	35 052 915	43 853 451

Financial Liabilities

Payables from exchange transactions	92 698 618	78 279 157
Trade Payables	79 919 733	68 018 620
Retentions	5 412 515	3 076 477
Sundry Creditors	5 682 531	5 703 852
Sundry Deposits	403 754	89 150
Accrued Interest	145 628	213 527
Unknown Receipts	57 816	100 888
Department of Human Settlements	1 076 642	1 076 642
Long-Term Liabilities	12 481 071	17 198 555
Annuity Loans	10 089 070	12 752 536
Finance Lease Liabilities	2 392 001	4 446 019
Total	105 179 690	95 477 712

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	7 832 764	9 803 847
Rates	7 088 091	8 554 817
Fines	744 673	1 249 029
Taxes	4 461 622	3 090 646
Total	12 294 387	12 894 493

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 19 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	26 444 975	23 646 148
- Past due that have not been impaired	4 609 315	6 036 235



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

49 PRINCIPAL-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principal-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 principal-agent arrangement:

Collections payable to the Department at beginning of year	600 319	755 523
Revenue collected from third parties	17 235 960	13 534 972
Commission earned on collections included in note 25	(2 688 096)	(1 995 105)
VAT on commission earned payable to the South African Revenue Services	(403 214)	(299 266)
Collections paid over to the Department	(14 647 247)	(11 395 806)
Collections payable to the Department at year-end	97 721	600 319

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 principal-agent arrangement:

Balance at beginning of year	1 076 642	975 724
Payments received from the Department	-	3 230 407
Expenditure incurred on behalf of the Department	-	(3 129 489)
Balance at year-end	1 076 642	1 076 642

50 EVENTS AFTER REPORTING DATE

The Municipal had no 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.

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
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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
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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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

53 CONTINGENT LIABILITIES (CONTINUED)

53.3 Matter against the Municipality by Elandsbaai Handelsmaatskappy 15 000 752 000

The applicant claims against infringement of property for the amount of R652 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 and the Municipality's estimated legal cost to conclude the matter was estimated at R100 000, which gave rise to a contingent liability of R752 000 (R652 000 + R100 000) for 2020/21. Case was subsequently settled between the parties by means of an exchange of certain portions of property as per the settlement agreement dated 30 July 2021. The estimated outstanding costs in respect of the court case and settlement is approximately R15 000. In terms of the settlement agreement, the deemed value of the properties that's being exchanged will be taken as equal and therefore not calculated. Transfer fees will be at tariff.

53.4 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 is 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.

53.5 Matter against the Municipality – ISW van Zyl Cancellation of Water Agreement 180 000 -

The applicant is seeking an order to expel the Municipality from the Wadrif Well Field as the agreement has lawfully expired. The Municipality is however seeking a counter order for protection of its water resources as this is of great importance for water security for Lambertsbay. Efforts are made to settle this matter. Legal cost are estimated at R 180 000.

53.6 Matter against the Municipality – HG Louw Water Agreement 40 000 -

The applicant is seeking an order to expel the Municipality from the Wadrif Well Field. The parties are negotiating a settlement in this regard. Legal cost are estimated at R 40 000.

53.7 Matter against the Municipality by Alister Ruiters (on behalf of his minor son, Alito Ruiters) 1 000 000 1 000 000

The applicant is claiming for damages amounting to R 700 000 in total. These damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. Legal costs are estimated at approximately R 300 000. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer.

53.8 Matter against the Municipality by Michael Damon (on behalf of his minor son, Marshall Damon) 1 200 000 1 200 000

The applicant claiming for damages amounting to R 900 000 in total. These damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. Legal costs are estimated at approximately R 300 000. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer.

53.9 Total 2 750 000 3 267 000

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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

54 RELATED PARTIES (CONTINUED)

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.

54.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

HG Slimmert	- Director: Community Services	28 155	-
M Memani	- Director: Finance	17 031	-
R Kearns	- Director: Technical Services	15 764	-
Total		60 950	-

54.4 Other related party transactions

The Municipality did not enter into any transactions where Councillors or Management had an interest.

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
HM Henderson	Sister of C Henderson	Senior clerk store at Cederberg Municipality	3 240	3 000
Nelodia Transport	Wife of WK Nel	Admin clerk at the SAPS	-	1 500
M Mercurur	Wife of N Mercurur	Strategic Services Manager at Cederberg Municipality	1 910	21 140
Total			5 150	31 940

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)	4 942 172	-
Current Ratio (norm - at least 2:1)	0.44 : 1	0.48 : 1
Cash coverage ratio (norm - 3 months or more)	0.4 months	0 months
Creditors days (norm - 30 days or less)	160 days	146 days
Debtors collection rate (95% or more)	89.08%	83.86%
Operating surplus / (deficit)	(21 371 108)	(36 299 671)

When analysing the results of the ratio's it can be concluded that the Municipality managed to improve on its financial position from the prior year. Although there is improvement, the Municipality still find itself in a strained cash flow position. The impact of COVID-19 will have a long-term effect on the Municipality's financial situation. Council has approved 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.



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

56 FINANCIAL SUSTAINABILITY (CONTINUED)

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 R310 271 (2020 - R1 573 326) in the fight against the COVID-19 pandemic of which Rnil (2020 - R732 469) was grant funded. The remaining expenditure was funded by the Municipality.

Other Indicators

Contingent Liabilities are disclosed in note 53. The total exposure amounts to R2 750 000, and therefore contingent liabilities in its totality does not pose any threat to the going concern assumption.

The Municipality is not aware of any events after reporting date which may pose a threat to the going concern assumption.

Future Budget

When analysing the 2021/22 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2020/21, the projected financial indicators are as follow:

	2021/22	2022/23	2023/24
Cash available for working capital requirements (positive balance)	2 747 875	3 454 527	3 876 153
Current Ratio (norm - at least 2:1)	0.37:1	0.49:1	0.87:1
Cash coverage ratio (norm - 3 months or more)	0.11 months	0.13 months	0.14 months
Creditors days (norm - 30 days or less)	151 days	122 days	57 days
Debtors collection rate (95% or more)	91%	91%	91%
Operating surplus / (deficit)	(17 645 239)	(1 590 359)	(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.

Going concern 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.



AUDITOR - GENERAL
SOUTH AFRICA
06 February 2022

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

Figures in Rand

2021

2020

58 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Cederberg municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Algeria
- Clanwilliam
- Graafwater
- Leipoldtville
- Wippertal

59 SEGMENT REPORTING

59.1 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has 40 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance and administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Sportfields, halls, parks, housing, informal settlements and library services
3	Holiday Resorts	Holiday Resorts
4	Public Safety	Traffic control and fire fighting
5	Planning and development	Town planning and building control
6	Roads and Stormwater	Construction and maintenance of roads and storm water
7	Electricity Services	Supply of electricity services
8	Water Services	Supply of water services
9	Sewerage Services	Supply of sewerage services
10	Refuse Services	Refuse removal

59.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

59.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

59.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.



CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

59	SEGMENT REPORTING (CONTINUED)	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
	59.5 Specific Segment Reporting											
	2021											
	REVENUE											
	External Revenue from Non-Exchange Transactions	107 224 951	7 752 492	-	7 862 947	1 242 309	-	17 132 638	9 297 846	26 229 713	535 854	177 278 750
	Property Rates	48 155 157	-	-	-	-	-	-	-	-	-	48 155 157
	Government Grants and Subsidies - Operating	58 942 656	5 353 701	-	-	873 371	-	2 289 724	2 160 464	7 477 390	535 854	77 633 162
	Government Grants and Subsidies - Capital	-	1 195 430	-	-	368 937	-	14 782 712	7 137 382	18 752 323	-	42 236 784
	Insurance Refund	67 793	-	-	-	-	-	-	-	-	-	67 793
	Fines, penalties and forfeits	59 345	1 203 361	-	7 862 947	-	-	60 202	-	-	-	9 185 854
	External Revenue from Exchange Transactions	7 876 987	31 385	1 631 224	3 730 751	1 803 992	-	102 233 952	29 064 365	9 457 200	10 828 099	166 657 954
	Service Charges	-	-	-	-	-	-	102 233 952	29 064 365	9 457 200	10 806 437	151 561 953
	Rental of Facilities and Equipment	674 226	30 411	1 627 979	-	-	-	-	-	-	-	2 332 616
	Interest Earned - external investments	748 598	-	-	-	-	-	-	-	-	-	748 598
	Interest Earned - outstanding debtors	5 732 914	-	-	-	-	-	-	-	-	-	5 732 914
	Agency Services	-	-	-	3 719 929	-	-	-	-	-	-	3 719 929
	Other Income	648 211	974	3 245	10 822	1 803 992	-	-	-	-	21 662	2 488 906
	Gain on disposal of Non-Monetary Assets	73 039	-	-	-	-	-	-	-	-	-	73 039
	TOTAL REVENUE	115 101 938	7 783 877	1 631 224	11 593 697	3 046 301	-	119 366 590	38 362 210	35 686 913	11 363 954	343 936 703
	EXPENDITURE											
	Employee Related Costs	47 885 410	14 443 338	4 485 130	10 716 074	6 195 023	5 833 965	6 684 859	12 327 381	3 688 671	10 206 886	122 466 737
	Remuneration of Councillors	5 571 991	-	-	-	-	-	-	-	-	-	5 571 991
	Debt Impairment	9 065 661	-	-	6 681 792	-	-	3 735 580	8 876 156	2 122 322	2 155 114	32 636 625
	Depreciation and Amortisation	1 801 846	688 682	152 759	73 884	43 004	5 827 179	4 199 025	4 568 776	3 780 222	612 963	21 748 339
	Impairment	-	-	-	-	-	-	-	-	-	549 901	549 901
	Finance Charges	11 585 070	-	-	-	-	-	-	-	-	-	11 585 070
	Bulk Purchases	-	-	-	-	-	-	81 771 284	742 549	-	-	82 513 833
	Contracted Services	9 103 724	1 031 937	14 912	3 672 839	150 010	502 837	318 031	514 512	838 802	1 134 093	17 281 696
	Transfers and Grants	393 506	-	-	-	12 500	-	-	-	-	-	406 006
	Other Expenditure	16 104 056	623 661	145 263	1 385 980	146 593	874 773	1 420 699	3 100 938	1 355 921	1 206 950	26 364 833
	Actuarial Losses	1 945 998	-	-	-	-	-	-	-	-	-	1 945 998
	Total Expenditure	103 457 261	16 787 618	4 798 064	22 530 568	6 547 130	13 038 754	98 129 478	30 130 312	11 785 937	15 865 907	323 071 028
	NET SURPLUS/(DEFICIT) FOR THE YEAR	11 644 678	(9 003 741)	(3 166 840)	(10 936 871)	(3 500 829)	(13 038 754)	21 237 112	8 231 898	23 900 976	(4 501 953)	20 865 675
	Less: Government Grants and Subsidies - Capital	-	(1 195 430)	-	-	(368 937)	-	(14 782 712)	(7 137 382)	(18 752 323)	-	(42 236 784)
	NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	11 644 678	(10 199 171)	(3 166 840)	(10 936 871)	(3 869 767)	(13 038 754)	6 454 400	1 094 516	5 148 653	(4 501 953)	(21 371 108)
	CAPITAL EXPENDITURE FOR THE YEAR	245 250	1 597 600	-	5 618	368 937	40 346	15 639 086	7 364 363	19 824 414	23 522	45 109 136

CEDERBERG LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

59	SEGMENT REPORTING (CONTINUED)	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
	59.5 Specific Segment Reporting											
	2020											
	REVENUE											
	External Revenue from Non-Exchange Transactions	99 430 101	4 635 753	-	14 251 202	11 765 033	-	11 866 859	8 563 049	3 900 514	4 243 939	158 656 451
	Property Rates	45 526 373	-	-	-	-	-	-	-	-	-	45 526 373
	Government Grants and Subsidies - Operating	47 529 872	4 623 787	-	732 469	2 055 610	-	1 739 397	1 791 473	1 745 202	4 243 939	64 461 748
	Government Grants and Subsidies - Capital	-	-	-	-	9 709 423	-	10 104 140	6 771 576	2 155 313	-	28 740 452
	Actuarial Gains	5 933 954	-	-	-	-	-	-	-	-	-	5 933 954
	Fines, penalties and forfeits	439 902	11 966	-	13 518 733	-	-	23 322	-	-	-	13 993 924
	External Revenue from Exchange Transactions	6 435 052	120 609	2 391 490	2 748 366	1 356 051	-	97 603 904	28 024 814	9 105 511	10 034 123	157 819 921
	Service Charges	-	-	-	-	-	-	97 603 904	28 020 766	9 105 511	10 032 749	144 762 931
	Rental of Facilities and Equipment	360 228	119 443	2 391 490	-	-	-	-	-	-	-	2 871 161
	Interest Earned - external investments	505 556	-	-	-	-	-	-	-	-	-	505 556
	Interest Earned - outstanding debtors	4 983 566	-	-	-	-	-	-	-	-	-	4 983 566
	Agency Services	-	-	-	2 735 961	-	-	-	-	-	-	2 735 961
	Other Income	585 702	1 166	-	12 405	1 356 051	-	-	4 048	-	1 374	1 960 746
	TOTAL REVENUE	105 865 153	4 756 362	2 391 490	16 999 568	13 121 084	-	109 470 763	36 587 864	13 006 025	14 278 062	316 476 372
	EXPENDITURE											
	Employee Related Costs	46 515 604	12 766 922	4 408 594	10 473 821	5 219 155	5 719 170	5 859 705	11 684 173	3 427 903	9 289 201	115 364 247
	Remuneration of Councillors	5 569 861	-	-	-	-	-	-	-	-	-	5 569 861
	Debt Impairment	12 839 364	-	-	9 702 987	-	-	4 543 128	10 579 467	5 225 050	3 634 837	46 524 832
	Depreciation and Amortisation	1 833 771	696 806	153 185	23 679	47 780	4 470 825	4 002 266	4 037 051	2 518 357	1 074 715	18 858 434
	Impairment	-	-	-	-	-	-	-	-	-	57 948	57 948
	Finance Charges	9 822 083	-	-	-	-	-	-	-	-	-	9 822 083
	Bulk Purchases	-	-	-	-	-	-	81 546 458	800 477	-	-	82 346 935
	Contracted Services	7 765 862	480 946	58 966	4 148 236	107 280	586 934	175 905	1 535 351	1 814 476	1 531 932	18 205 886
	Transfers and Grants	558 191	-	-	551 087	35 000	-	-	-	-	-	1 144 278
	Other Expenditure	15 643 101	751 565	307 831	834 055	391 932	1 546 702	1 185 225	1 522 040	2 490 906	1 327 905	26 001 263
	Loss on disposal of Non-Monetary Assets	139 824	-	-	-	-	-	-	-	-	-	139 824
	Total Expenditure	100 687 660	14 696 239	4 928 576	25 733 864	5 801 148	12 323 630	97 312 687	30 158 558	15 476 692	16 916 538	324 035 591
	NET SURPLUS/(DEFICIT) FOR THE YEAR	5 177 493	(9 939 877)	(2 537 086)	(8 734 295)	7 319 936	(12 323 630)	12 158 076	6 429 305	(2 470 666)	(2 638 476)	(7 559 219)
	Less: Government Grants and Subsidies - Capital	-	-	-	-	(9 709 423)	-	(10 104 140)	(6 771 576)	(2 155 313)	-	(28 740 452)
		5 177 493	(9 939 877)	(2 537 086)	(8 734 295)	(2 389 487)	(12 323 630)	2 053 936	(342 271)	(4 625 979)	(2 638 476)	(36 299 672)
	CAPITAL EXPENDITURE FOR THE YEAR	884 312	201 861	170 935	989 315	9 539 289	107 839	11 361 172	5 974 199	5 296 767	58 146	34 583 834

CEDERBERG LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2021

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2020	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2021
<u>ANNUITY LOANS</u>							
ABSA	038-723-0992	9.84%	1 April 2025	1 859 235	-	(303 109)	1 556 127
ABSA	038-723-0993	10.43%	17 June 2025	3 136 249	-	(504 314)	2 631 936
ABSA	038-723-0994	10.45%	17 Nov 2025	1 359 262	-	(192 875)	1 166 387
ABSA	038-723-0995	11.33%	30 Jun 2026	1 458 736	-	(180 034)	1 278 702
Standard Bank	03-263-793-4	10.36%	31 Mar 2023	4 939 053	-	(1 483 135)	3 455 919
Total Annuity Loans				12 752 536	-	(2 663 466)	10 089 070
<u>FINANCE LEASE LIABILITIES - PRINTERS</u>							
Xerox AltaLink C8055			28 Feb 2021	21 039	-	(21 039)	-
Xerox Versalink C7025			28 Feb 2021	155 987	-	(155 987)	-
Samsung 057400 Pabx System			31 May 2022	2 069 569	-	(913 563)	1 156 006
Total Finance Lease Liabilities - Printers				2 246 595	-	(1 090 589)	1 156 006
<u>FINANCE LEASE LIABILITIES - VEHICLES</u>							
Isuzu Kb 250C Fleetside Regular Cab	00089668811		1 Jul 2022	109 649	-	(49 574)	60 075
Isuzu Kb 250C Fleetside Regular Cab	00089668986		1 Jul 2022	109 649	-	(49 574)	60 075
Isuzu Kb 250C Fleetside Regular Cab	00089669184		1 Jul 2022	109 649	-	(49 574)	60 075
Chevrolet Utility 1.4 + A/C (M18)	00089669583		1 Jul 2022	82 074	-	(37 106)	44 967
Chevrolet Utility 1.4 + A/C (M18)	00089670107		1 Jul 2022	82 074	-	(37 106)	44 967
Isuzu Kb 250C Fleetside Regular Cab	00089670301		1 Jul 2022	111 083	-	(50 222)	60 861
Isuzu Kb 250C Fleetside Regular Cab	00089733109		1 Aug 2022	114 129	-	(49 384)	64 744
Isuzu Kb 250C Fleetside Regular Cab	00089733338		1 Aug 2022	201 411	-	(87 152)	114 259
Isuzu N Series NLR 150	00089733443		1 Aug 2022	217 853	-	(94 266)	123 586
Isuzu Kb 250C Fleetside Regular Cab	00089733478		1 Aug 2022	114 129	-	(49 384)	64 744
Isuzu N Series NLR 150	00089733656		1 Aug 2022	217 853	-	(94 266)	123 586
Isuzu N Series NLR 150	00089733664		1 Aug 2022	217 853	-	(94 266)	123 586
Isuzu N Series NLR 150	00089733915		1 Aug 2022	217 853	-	(94 266)	123 586
Isuzu Kb 250C Fleetside Regular Cab	00089734008		1 Aug 2022	114 129	-	(49 384)	64 744
Toyota Etios Sedan 1.5SD Sprint	00089760637		1 Aug 2022	90 021	-	(38 952)	51 068
Toyota Etios Sedan 1.5SD Sprint	00089760769		1 Aug 2022	90 021	-	(38 952)	51 068
Total Finance Lease Liabilities - Vehicles				2 199 424	-	(963 429)	1 235 995
Total Long-Term Liabilities				17 198 555	-	(4 717 484)	12 481 071



CEDERBERG LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2021

	OPENING BALANCE R	NETT GRANTS RECEIVED / (REPAID) R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	TRANSFER TO / (FROM) RECEIVABLES R	CLOSING BALANCE R
NATIONAL GOVERNMENT						
Equitable Share	-	60 766 597	(60 766 597)	-	-	-
Municipal Infrastructure Grant (MIG)	-	15 899 000	(2 715 475)	(13 183 525)	-	-
Financial Management Grant (FMG)	-	2 011 000	(2 011 000)	-	-	-
Integrated National Electrification Programme (INEP)	1 019	16 998 981	(2 217 288)	(14 782 712)	-	-
Expanded Public Works Program (EPWP)	-	2 121 000	(2 121 000)	-	-	-
Water Service Infrastructure Grant (WSIG)	25 941 676	(9 484 597)	(2 037 252)	(14 270 546)	-	149 281
Municipal Disaster Relief Grant (COVID-19)	76 531	-	-	-	-	76 531
Total	26 019 226	88 311 981	(71 868 612)	(42 236 784)	-	225 812
PROVINCIAL GOVERNMENT						
Library Services MRF	4 568	5 026 000	(5 026 000)	-	-	4 568
CDW Support	5 176	163 824	-	-	-	169 000
Municipal Drought Support Grant	105 486	-	-	-	-	105 486
Local Government Graduate Internship Grant	156 859	(76 859)	(40 830)	-	-	39 170
Financial Management Support Grant	124 973	375 027	(198 950)	-	-	301 050
Municipal Capacity Building Grant	878 281	(313 281)	(350 383)	-	-	214 617
Acceleration of Housing Delivery	-	-	-	-	-	-
Thusong Service Centre Grant	179 543	(8 898)	(148 387)	-	-	22 258
Municipal Disaster Grant (Drought Relief)	-	-	-	-	-	-
Local Government Support Grants (COVID-19)	-	-	-	-	-	-
Total	1 454 886	5 165 813	(5 764 550)	-	-	856 149
DISTRICT MUNICIPALITY						
West Coast District Municipality - COVID 19	-	-	-	-	-	-
Total	-	-	-	-	-	-
ALL SPHERES OF GOVERNMENT	27 474 112	93 477 794	(77 633 162)	(42 236 784)	-	1 081 961



CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATEMENT 2020 R
FINANCIAL PERFORMANCE						
Property rates	48 770 607	(394 726)	48 375 881	48 155 157	(220 724)	45 526 373
Service charges	159 184 970	(7 023 554)	152 161 416	151 561 953	(599 463)	144 762 931
Investment revenue	317 190	169 292	486 482	748 598	262 116	505 556
Transfers and subsidies - operational	85 436 249	7 307 829	92 744 078	77 633 162	(15 110 916)	64 461 748
Other own revenue	44 737 797	(4 511 011)	40 226 786	23 601 050	(16 625 736)	32 479 312
Total Operating Revenue (excluding capital transfers)	338 446 813	(4 452 170)	333 994 643	301 699 920	(32 294 723)	287 735 919
Employee costs	123 557 424	1 279 659	124 837 083	122 466 737	(2 370 346)	115 364 247
Remuneration of councillors	5 857 909	(529 839)	5 328 070	5 571 991	243 921	5 569 861
Debt impairment	48 643 000	161 000	48 804 000	32 636 625	(16 167 375)	46 524 832
Depreciation and asset impairment	21 140 900	(1 097 900)	20 043 000	22 298 239	2 255 239	18 916 382
Finance charges	8 435 381	3 090 804	11 526 185	11 585 070	58 885	9 822 083
Bulk purchases	90 160 340	(1 951 000)	88 209 340	82 513 833	(5 695 507)	82 346 935
Other Materials	6 344 980	1 432 594	7 777 574	-	(7 777 574)	-
Contracted Services	27 194 740	7 986 349	35 181 089	17 281 696	(17 899 394)	18 205 886
Transfers and grants	4 617 651	(3 638 815)	978 836	406 006	(572 830)	1 144 278
Other expenditure	21 665 940	118 505	21 784 445	28 310 831	6 526 386	26 001 263
Loss on disposal of PPE	-	-	-	-	-	139 823
Total Expenditure	357 618 265	6 851 357	364 469 622	323 071 027	(41 398 595)	324 035 590
Surplus/(Deficit)	(19 171 452)	(11 303 527)	(30 474 979)	(21 371 108)	9 103 871	(36 299 671)
Transfers and subsidies - Capital (monetary) from government	58 774 348	(16 419 910)	42 354 438	42 236 784	(117 655)	28 740 452
Transfers and subsidies - Capital (monetary) from other providers	-	187 175	187 175	-	(187 175)	-
Surplus/(Deficit) for the year	39 602 896	(27 536 262)	12 066 634	20 865 676	8 799 042	(7 559 219)
CAPITAL EXPENDITURE & FUNDS SOURCES						
Capital expenditure	66 218 876	(20 488 018)	45 730 858	45 109 136	(621 722)	34 583 834
Transfers recognised - capital	58 770 000	(16 415 562)	42 354 438	42 236 784	(117 655)	29 691 356
Borrowing	1 500 000	(1 500 000)	-	-	-	-
Internally generated funds	5 948 876	(2 572 456)	3 376 420	2 872 352	(504 068)	4 892 478
Total sources of capital funds	66 218 876	(20 488 018)	45 730 858	45 109 136	(621 722)	34 583 834
CASH FLOWS						
Net cash from (used) operating	69 751 098	(35 499 643)	34 251 454	42 331 084	8 079 630	47 344 297
Net cash from (used) investing	(66 218 876)	20 488 018	(45 730 858)	(44 758 379)	972 479	(33 768 545)
Net cash from (used) financing	(2 087 645)	(2 428 085)	(4 515 730)	(4 507 708)	8 022	(4 078 260)
Net Cash Movement for the year	1 444 577	(17 439 711)	(15 995 134)	(6 935 003)	9 060 130	9 497 493
Cash/cash equivalents at beginning of year	548 741	16 136 149	16 684 890	16 684 890	-	7 187 397
Cash/cash equivalents at the year end	1 993 318	(1 303 562)	689 757	9 749 887	9 060 130	16 684 890



CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATEMENT 2020 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	9 074 230	1 316 286	10 390 516	54 220 493	43 829 977	43 111 964
Finance and administration	67 315 211	246 918	67 562 129	60 881 445	(6 680 684)	62 753 189
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	5 172 170	151 744	5 323 914	5 214 498	(109 416)	5 474 330
Sport and recreation	6 674 389	(2 243 105)	4 431 284	4 209 120	(222 164)	2 413 474
Public safety	21 960 173	(2 955 103)	19 005 070	7 865 251	(11 139 819)	13 523 656
Housing	13 000 000	1 076 641	14 076 641	-	(14 076 641)	-
Economic and environmental services						
Planning and development	2 277 398	778 475	3 055 873	3 046 301	(9 573)	13 121 084
Road transport	6 944 213	(3 186 206)	3 758 007	3 719 929	(38 078)	2 735 961
Trading services						
Energy sources	137 974 153	(7 068 850)	130 905 303	119 366 590	(11 538 713)	109 470 763
Water management	77 039 491	(23 000 552)	54 038 939	38 362 210	(15 676 729)	36 587 864
Waste water management	30 354 573	12 430 987	42 785 560	35 686 913	(7 098 647)	13 006 025
Waste management	19 435 160	1 767 860	21 203 020	11 363 954	(9 839 066)	14 278 062
Total Revenue - Standard	397 221 161	(20 684 905)	376 536 256	343 936 703	(32 599 553)	316 476 372
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	12 752 643	1 039 821	13 792 464	13 518 245	(274 219)	11 758 220
Finance and administration	84 219 972	8 054 700	92 274 672	87 840 840	(4 433 832)	86 877 678
Internal audit	1 164 132	(40 667)	1 123 465	1 095 173	(28 292)	1 020 634
Community and public safety						
Community and social services	10 440 719	(519 155)	9 921 564	9 323 728	(597 836)	9 366 438
Sport and recreation	12 990 387	965 568	13 955 955	12 930 918	(1 025 037)	12 030 737
Public safety	29 901 822	(2 887 138)	27 014 684	17 619 766	(9 394 918)	20 449 126
Housing	15 749 921	1 174 776	16 924 697	2 570 549	(14 354 148)	2 061 522
Economic and environmental services						
Planning and development	7 621 857	539 295	8 161 152	7 550 132	(611 020)	6 832 276
Road transport	12 881 176	(45 441)	12 835 735	13 395 421	559 686	12 454 746
Trading services						
Energy sources	104 330 017	74 119	104 404 136	98 129 478	(6 274 658)	97 312 687
Water management	35 690 343	(4 163 858)	31 526 485	30 130 312	(1 396 173)	30 158 558
Waste water management	13 689 930	1 356 141	15 046 071	13 100 559	(1 945 512)	16 796 431
Waste management	16 185 346	1 303 196	17 488 542	15 865 907	(1 622 635)	16 916 538
Total Expenditure - Standard	357 618 265	6 851 357	364 469 622	323 071 028	(41 398 594)	324 035 591
Surplus/(Deficit) for the year	39 602 896	(27 536 262)	12 066 634	20 865 676	8 799 041	(7 559 219)



CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Executive and Council	9 074 230	1 316 286	10 390 516	54 220 493	43 829 977	43 111 964
Vote 2 - Office of Municipal Manager	-	80 000	80 000	40 830	(39 170)	16 029
Vote 3 - Financial Administrative Services	56 642 687	1 489 872	58 132 559	57 355 031	(777 528)	59 745 043
Vote 4 - Community Development Services	7 661 460	353 213	8 014 673	8 328 879	314 206	7 074 552
Vote 5 - Corporate and Strategic Services	8 156 224	(1 584 474)	6 571 750	362 686	(6 209 064)	651 943
Vote 6 - Planning and Development Services	2 283 358	774 995	3 058 353	3 046 301	(12 053)	13 121 084
Vote 7 - Public Safety	25 894 313	(3 046 655)	22 847 658	11 593 697	(11 253 961)	16 999 568
Vote 8 - Electricity	137 974 153	(7 068 850)	130 905 303	119 366 590	(11 538 713)	109 470 763
Vote 9 - Waste Management	19 435 160	1 767 860	21 203 020	11 363 954	(9 839 066)	14 278 062
Vote 10 - Waste Water Management	30 354 573	12 430 987	42 785 560	35 686 913	(7 098 647)	13 006 025
Vote 11 - Water	77 039 491	(23 000 552)	54 038 939	38 362 210	(15 676 729)	36 587 864
Vote 12 - Housing	13 000 000	1 076 641	14 076 641	-	(14 076 641)	-
Vote 13 - Road Transport	3 031 123	(3 031 123)	-	-	-	-
Vote 14 - Sports and Recreation	6 674 389	(2 243 105)	4 431 284	4 209 120	(222 164)	2 413 474
Total Revenue by Vote	397 221 161	(20 684 905)	376 536 256	343 936 703	(32 599 553)	316 476 372
EXPENDITURE						
Vote 1 - Executive and Council	9 194 190	(441 859)	8 752 331	8 529 743	(222 588)	8 613 353
Vote 2 - Office of Municipal Manager	9 352 196	2 296 945	11 649 141	11 210 071	(439 070)	8 788 446
Vote 3 - Financial Administrative Services	52 232 689	7 242 091	59 474 780	56 574 844	(2 899 937)	55 435 728
Vote 4 - Community Development Services	12 657 313	1 774 700	14 432 013	14 079 772	(352 241)	14 269 042
Vote 5 - Corporate and Strategic Services	20 095 307	(1 391 809)	18 703 498	18 068 994	(634 504)	18 512 475
Vote 6 - Planning and Development Services	8 278 571	303 818	8 582 389	7 625 183	(957 207)	6 402 319
Vote 7 - Public Safety	35 846 786	(3 400 728)	32 446 058	22 530 568	(9 915 490)	25 733 864
Vote 8 - Electricity	104 330 017	74 119	104 404 136	98 129 478	(6 274 658)	97 312 687
Vote 9 - Waste Management	16 185 346	1 303 196	17 488 542	15 865 907	(1 622 635)	16 916 538
Vote 10 - Waste Water Management	12 162 388	1 112 400	13 274 788	11 785 937	(1 488 851)	15 476 692
Vote 11 - Water	35 690 343	(4 163 858)	31 526 485	30 130 312	(1 396 173)	30 158 558
Vote 12 - Housing	15 749 921	1 174 776	16 924 697	2 570 549	(14 354 148)	2 061 522
Vote 13 - Road Transport	12 852 811	1 998	12 854 809	13 038 754	183 945	12 323 630
Vote 14 - Sports and Recreation	12 990 387	965 568	13 955 955	12 930 918	(1 025 037)	12 030 737
Total Expenditure by Vote	357 618 265	6 851 357	364 469 622	323 071 028	(41 398 594)	324 035 591
Surplus/(Deficit) for the year	39 602 896	(27 536 262)	12 066 634	20 865 676	8 799 041	(7 559 219)



CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATEMENT OUTCOME 2020 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	48 770 607	(394 726)	48 375 881	48 155 157	(220 724)	45 526 373
Service charges - electricity revenue	105 688 278	(2 688 854)	102 999 424	102 233 952	(765 472)	97 603 904
Service charges - water revenue	32 389 722	(3 484 961)	28 904 761	29 064 365	159 604	28 020 766
Service charges - sanitation revenue	10 733 930	(1 278 070)	9 455 860	9 457 200	1 340	9 105 511
Service charges - refuse revenue	10 373 040	428 331	10 801 371	10 806 437	5 066	10 032 749
Rental of facilities and equipment	493 240	(134 195)	359 045	2 332 616	1 973 571	2 871 161
Interest earned - external investments	317 190	169 292	486 482	748 598	262 116	505 556
Interest earned - outstanding debtors	5 235 790	1 222 019	6 457 809	5 732 914	(724 895)	4 983 566
Fines, penalties and forfeits	22 033 953	(1 748 833)	20 285 120	9 185 854	(11 099 266)	13 993 924
Licences and permits	-	2 400	2 400	-	(2 400)	-
Agency services	3 907 940	(151 083)	3 756 857	3 719 929	(36 928)	2 735 961
Transfers and subsidies - Operating	85 436 249	7 307 829	92 744 078	77 633 162	(15 110 916)	64 461 748
Other revenue	13 066 874	(3 701 319)	9 365 555	2 556 699	(6 808 856)	7 894 700
Gain on disposal of PPE	-	-	-	73 038	73 038	-
Total Revenue (excl capital transfers)	338 446 813	(4 452 170)	333 994 643	301 699 920	(32 294 723)	287 735 919
EXPENDITURE BY TYPE						
Employee related costs	123 557 424	1 279 659	124 837 083	122 466 737	(2 370 346)	115 364 247
Remuneration of councillors	5 857 909	(529 839)	5 328 070	5 571 991	243 921	5 569 861
Debt impairment	48 643 000	161 000	48 804 000	32 636 625	(16 167 375)	46 524 832
Depreciation and asset impairment	21 140 900	(1 097 900)	20 043 000	22 298 239	2 255 239	18 916 382
Finance charges	8 435 381	3 090 804	11 526 185	11 585 070	58 885	9 822 083
Bulk purchases	90 160 340	(1 951 000)	88 209 340	82 513 833	(5 695 507)	82 346 935
Other Materials	6 344 980	1 432 594	7 777 574	-	(7 777 574)	-
Contracted Services	27 194 740	7 986 349	35 181 089	17 281 696	(17 899 394)	18 205 886
Transfers and grants	4 617 651	(3 638 815)	978 836	406 006	(572 830)	1 144 278
Other expenditure	21 665 940	118 505	21 784 445	28 310 831	6 526 386	26 001 263
Loss on disposal of PPE	-	-	-	-	-	139 823
Total Expenditure	357 618 265	6 851 357	364 469 622	323 071 027	(41 398 595)	324 035 590
Surplus/(Deficit)	(19 171 452)	(11 303 527)	(30 474 979)	(21 371 108)	9 103 871	(36 299 671)
Transfers and subsidies - Capital (monetary) from government	58 774 348	(16 419 910)	42 354 438	42 236 784	(117 655)	28 740 452
Transfers and subsidies - Capital (monetary) from other providers	-	187 175	187 175	-	(187 175)	-
Surplus/(Deficit) for the year	39 602 896	(27 536 262)	12 066 634	20 865 676	8 799 042	(7 559 219)



CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 6 - Planning and Development Services	974 735	(229 483)	745 252	351 021	(394 231)	8 917 643
Vote 8 - Electricity	240 000	13 000	253 000	120 498	(132 503)	4 553 530
Vote 10 - Waste Water Management	9 717 518	1 367 744	11 085 262	11 619 158	533 896	3 363 278
Vote 11 - Water	26 166 956	(26 166 729)	227	-	(227)	-
Vote 14 - Sports and Recreation	2 186 443	(869 566)	1 316 877	1 195 430	(121 447)	-
Total Multi-year expenditure	39 285 652	(25 885 034)	13 400 618	13 286 106	(114 512)	16 834 451
Single-year expenditure						
Vote 1 - Executive and Council	-	2 260	2 260	-	(2 260)	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	1 550 000	(1 530 000)	20 000	-	(20 000)	52 421
Vote 4 - Community Development Services	100 000	(22 794)	77 206	35 806	(41 400)	59 869
Vote 5 - Corporate and Strategic Services	270 000	(7 510)	262 490	245 250	(17 240)	829 287
Vote 6 - Planning and Development Services	38 261	(20 000)	18 261	17 917	(344)	621 646
Vote 7 - Public Safety	-	11 500	11 500	5 618	(5 882)	989 315
Vote 8 - Electricity	20 436 087	(5 217 478)	15 218 609	15 518 588	299 979	6 807 642
Vote 9 - Waste Management	310 000	(208 400)	101 600	23 522	(78 078)	58 146
Vote 10 - Waste Water Management	420 000	6 921 403	7 341 403	8 205 256	863 853	1 933 488
Vote 11 - Water	800 000	7 172 774	7 972 774	7 364 363	(608 411)	5 974 199
Vote 12 - Housing	-	2 600	2 600	-	(2 600)	0
Vote 13 - Road Transport	670 000	(409 635)	260 365	40 346	(220 019)	107 839
Vote 14 - Sports and Recreation	2 338 876	(1 297 704)	1 041 172	366 364	(674 808)	315 531
Total Single-year expenditure	26 933 224	5 397 016	32 330 240	31 823 030	(507 210)	17 749 383
Total Capital Expenditure by Vote	66 218 876	(20 488 018)	45 730 858	45 109 136	(621 722)	34 583 834



CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
CAPITAL EXPENDITURE (CONTINUED)						
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	2 260	2 260	-	(2 260)	-
Finance and administration	1 820 000	(1 537 510)	282 490	245 250	(37 240)	884 312
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	100 000	(22 794)	77 206	35 806	(41 400)	57 266
Sport and recreation	4 525 319	(2 167 270)	2 358 049	1 561 794	(796 255)	315 531
Public safety	-	11 500	11 500	5 618	(5 882)	989 315
Housing	-	2 600	2 600	-	(2 600)	0
Economic and environmental services						
Planning and development	1 012 996	(249 483)	763 513	368 937	(394 576)	9 539 289
Road transport	570 000	(409 635)	160 365	40 346	(120 019)	101 438
Trading services						
Energy sources	20 676 087	(5 204 478)	15 471 609	15 639 086	167 477	11 361 172
Water management	26 966 956	(18 993 955)	7 973 001	7 364 363	(608 638)	5 974 199
Waste water management	10 237 518	8 289 147	18 526 665	19 824 414	1 297 749	5 303 168
Waste management	310 000	(208 400)	101 600	23 522	(78 078)	58 146
Total Capital Expenditure - Standard	66 218 876	(20 488 018)	45 730 858	45 109 136	(621 722)	34 583 834
FUNDING SOURCES						
National Government	58 770 000	(16 511 261)	42 258 739	42 236 784	(21 956)	25 845 093
Provincial Government	-	95 699	95 699	-	(95 699)	3 846 263
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	58 770 000	(16 415 562)	42 354 438	42 236 784	(117 655)	29 691 356
Borrowing	1 500 000	(1 500 000)	-	-	-	-
Internally generated funds	5 948 876	(2 572 456)	3 376 420	2 872 352	(504 068)	4 892 478
Total Capital Funding	66 218 876	(20 488 018)	45 730 858	45 109 136	(621 722)	34 583 834



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATED OUTCOME 2020 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	43 039 276	179 918	43 219 194	45 968 054	2 748 861	40 582 028
Service charges	137 022 061	(1 391 957)	135 630 105	137 056 164	1 426 059	123 172 181
Other revenue	20 708 007	(2 779 855)	17 928 152	9 473 781	(8 454 371)	12 106 897
Government - operating	85 436 249	1 411 774	86 848 023	51 241 011	(35 607 013)	89 243 581
Government - capital	58 774 348	(39 074 608)	19 699 740	42 236 784	22 537 044	28 740 452
Interest	3 598 421	(1 346 349)	2 252 072	748 598	(1 503 474)	505 556
Payments						
Suppliers and employees	(272 632 233)	7 268 130	(265 364 103)	(238 632 707)	26 731 396	(242 081 028)
Finance charges	(1 577 381)	(2 953 811)	(4 531 192)	(5 354 594)	(823 402)	(3 781 092)
Transfers and grants	(4 617 651)	3 187 115	(1 430 536)	(406 006)	1 024 530	(1 144 278)
NET CASH FROM OPERATING ACTIVITIES	69 751 098	(35 499 643)	34 251 454	42 331 084	8 079 630	47 344 297
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	350 757	350 757	66 739
Payments						
Capital assets	(66 218 876)	20 488 018	(45 730 858)	(45 109 136)	621 722	(33 835 284)
NET CASH USED IN INVESTING ACTIVITIES	(66 218 876)	20 488 018	(45 730 858)	(44 758 379)	972 479	(33 768 545)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	1 500 000	(1 500 000)	-	-	-	-
Increase (decrease) in consumer deposits	113 355	88 537	201 892	209 776	7 884	53 015
Payments						
Repayment of borrowing	(3 701 000)	(1 016 622)	(4 717 622)	(4 717 484)	138	(4 131 274)
NET CASH FROM FINANCING ACTIVITIES	(2 087 645)	(2 428 085)	(4 515 730)	(4 507 708)	8 022	(4 078 260)
NET INCREASE/ (DECREASE) IN CASH HELD	1 444 577	(17 439 711)	(15 995 134)	(6 935 003)	9 060 130	9 497 493
Cash/cash equivalents at the year begin:	548 741	16 136 149	16 684 890	16 684 890	-	7 187 397
Cash/cash equivalents at the year end:	1 993 318	(1 303 562)	689 757	9 749 887	9 060 130	16 684 890



AUDITOR - GENERAL
SOUTH AFRICA

06 February 2022

Annexure B

Report of the Auditor General

Report of the auditor-general to the Western Cape Provincial Parliament 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 83, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cederberg Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Basis for opinion

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

Material uncertainty relating to going concern / financial sustainability

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

Financial sustainability

7. I draw attention to note 56 to the financial statements, which indicates that there is strain on the municipality's cash flow position. As stated in note 56, these events or conditions, along with the other matters, indicate that a material uncertainty may exist that may cast significant doubt on the municipality's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matters

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

Material impairments

9. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R75,4 million (2019-20: R75,2 million).
10. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R42,4 million (2019-20: R61,0 million).

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

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 84 to 92 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 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 the selected strategic objective 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 included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
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 strategic objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Strategic objective	Pages in the annual performance report
Strategic objective 1 – improve and sustain basic service delivery and infrastructure development	57 to 59

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 matters

23. I draw attention to the matters below.

Achievement of planned targets

24. Refer to the annual performance report on pages 57 to 59 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. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

28. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected strategic objective presented in the annual performance report that have been specifically reported in this auditor's report.

29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. I have nothing to report in this regard.

Internal control deficiencies

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

Other reports

33. 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.
34. The Hawks have been investigating allegations of fraud and corruption involving the former deputy mayor and an official on allegations that they misused municipal funds. The investigation has been concluded; however, at the time of this report, the matter was still being heard in court for further action and/or court ruling.
35. The Hawks were investigating the Lambert's Bay Waterslide case relating to allegations of irregularities in the appointment of the new service provider to operate the waterslide after the operating contract of a service provider expired. The Hawks have collected all relevant information and submitted the matter to the Directorate of Public Prosecutions (DPP) for a final decision. At the time of this report a decision from the DPP was still pending.
36. The Special Investigating Unit (SIU) raided the Cederberg Municipality's offices in September 2020 in line with the proclamation by the President of the Republic of South Africa, authorising the SIU to investigate allegations of corruption and maladministration in the procurement of personal protective equipment (PPE) for covid-19 by government institutions. The investigation has been concluded and a report handed over to the President. Three municipal officials were arrested and released on bail during the investigations. The outcome of referrals by the SIU for further action was still pending at the time of this report.

37. 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. At the time of this report the investigation had not been concluded.

Auditor-General

Cape Town

6 February 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected strategic 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.